

Employee Benefits Committee Minutes

January 29, 2014

Present: Amanda Grose Cannoy, Hal Irvin, Yohna Chambers, Anne Zajac, Pat Rodgers, Kim Dulaney, Donna Raines, Godmar Back, Brad Klein, Angela King, Isaac Sarver

- I. **Call to Order** – Amanda Grose Cannoy called the meeting to order at 2:05pm and asked members of the committee and guests to introduce themselves.

Summary of Current Supplemental Benefit Status and Discussion – Amanda Cannoy expressed that the purpose of today's meeting was to address outstanding questions related to the two supplemental benefits (Legal Resources and AFLAC) which had been brought up in recent meetings and for the committee to reach a consensus about what the Benefits Committee and HR should do with regard to these benefits moving forward.

Anne Zajac requested a brief summary of what the past two meetings of the Benefits Committee had discussed.

Godmar Back responded to Anne's question, and offered a brief summary of the recent presentations from AFLAC and Legal Resources.

Anne Zajac expressed concern about the mention of a possible "vote" by the committee and stated that it was not clear where the committee comes into a governance role within the broader Virginia Tech structure.

Amanda Cannoy expressed that the committee had voted on one matter in the past three years, which was a bicycling initiative. She further stated that, having been on the committee for some time, she viewed the two benefits presently under discussion as an opportunity for the committee to look at a benefit and assist in the process of offering these benefits to the university's body at large.

Yohna Chambers expressed, with regard to the AFLAC supplemental benefit, that AFLAC was one of two companies nationwide that offer this sort of non-complementary, supplemental benefit. Yohna Chambers then addressed Anne Zajac's concern by stating that the term "voting" might have been better phrased as conducting a poll. She further expressed that the intent of Human Resources was to get a sense of if the Benefits Committee believes the supplemental options on the table are a good idea.

Hal Irvin stated that the Benefits Committee is chiefly an advisory body and with regard to supplemental benefits that if the committee would like to bid then that would be possible. Dr. Irvin further stated that it's ok if the committee chooses to move forward or declines to do so on this matter.

Kim Dulaney commented that if the Benefits Committee and Human Resources did move forward with the bidding process, we would be negotiating an agreement based on what is already in place with James Madison University. She further expressed that if Human Resources were to put together a full request for proposal separately, to

establish a framework outside of JMU's, that HR would be doing legwork which has already been done by the Commonwealth of Virginia.

Godmar Back stated that the Benefits Committee has already covered a lot of ground here already in having this discussion, and that he had remaining points of concern. The first point of concern expressed was that an executive summary or side-by-side comparison of COVACARE and AFLAC had not been provided to the committee. Godmar further stated that he would like to see such a comparison in place before, for instance, giving AFLAC visibility and placement on the HR website as a supplemental benefit.

Brad Klein expressed agreement with the points raised by Godmar Back, stating that there should at least be a fact sheet about what is not covered by AFLAC to get a general idea of what is being offered through this plan.

Yohna Chambers inquired as to whether or not the AFLAC representatives had joined the committee on the conference call line. Chris McKee and David Cook from AFLAC confirmed they were on the line.

II. **Conference Call with AFLAC** – Yohna Chambers asked if David Cook and Chris McKee could introduce themselves to the group.

Chris McKee introduced himself as the national accounts manager based out of Columbus, Georgia. David Cook introduced himself as a relationship manager for AFLAC based in Virginia.

Yohna Chambers stated that the purpose of having Chris and David join us for this meeting was so that committee members could ask questions, and encouraged anyone with questions to step forward.

Amanda Cannoy and Donna Raines both asked if policies were portable upon separation from the employer, and how the payment of premiums was set up (month-to-month vs. annual).

David Cook stated that the premium rate for the supplemental benefit remains the same and would be grandfathered in even if a Virginia Tech employee leaves the university. David Cook also stated that if an employee chose to drop at any point during the year, employees would not be under a contract and would be free to drop at any time. He further expressed that premiums would be paid on a monthly basis.

Hal Irvin asked David Cook to address the benefit proposition brought up by Godmar Back and Brad Klein, stating that he would like Mr. Cook to explain the benefit of having AFLAC on top of primary coverage.

David Cook stated that AFLAC offered insurance that was supplemental in nature, designed to cover gaps in existing primary coverage. Mr. Cook also expressed that AFLAC was not trying to over insure employees if they already had coverage, and further stated that AFLAC's coverage was very flexible because the payout of money could be used for medical expenses, to pay the groceries, the mortgage, and for other purposes since payments are made directly to policyholders.

Godmar Back asked about the personal cancer and hospital confinement plans, and asked if AFLAC had conducted an analysis of the gap between health insurance already offered by Virginia Tech and that offered by AFLAC.

David Cook stated that even if you have major medical insurance, a golden parachute plan for instance, that employees will have gaps and deductibles to meet.

Chris McKee stated that we also want to emphasize that if you have buyer's remorse, you can cancel any month throughout our program.

Kim Dulaney asked about hospice care, and provided the example of a terminal patient, and further inquired about the timeline for payout of benefits. Kim also asked that if she were to pass away, would payment be made to her estate.

David Cook responded that payments are made on a weekly basis and that the last check would be sent to the policyholder's estate.

Kim Dulaney and Godmar Beck inquired as to how many employees at James Madison University had subscribed to AFLAC's plan.

Chris McKee expressed that the figure was around 1500.

Amanda Cannoy asked if there were discounts for signing up for multiple plans.

David Cook stated that the discounts are built in to the agreement with the employer. He further expressed that that is deliberate, and avoids giving customers the incentive to pay more and over insure themselves.

Kim Dulaney stated that her health insurance covered ambulance travel fully, and inquired as to whether or not AFLAC would still cut a check.

Chris McKee stated that AFLAC would cut a check regardless. He then stated that there were certain exclusions for professional athletes, those with self-inflicted wounds, or those who injured themselves while abusing substances.

Pat Rodgers inquired about pre-existing conditions and asked AFLAC to elaborate more on these exclusions.

David Cook states that there are different exclusions for varying conditions and that a full list would take several hours to go over. To provide a common example, David Cook states that with regard to the supplemental benefit for cancer, a policyholder cannot have been diagnosed or treated for cancer in the first six months from the effective date of the plan.

Brad Klein asked if there is coverage if, for instance, an individual were driving drunk and had to go to the hospital due to a wreck.

AFLAC stated that they did not offer coverage in that case due to their clause against drug use and self-inflicted wounds.

Hal Irvin expressed that that would likely be covered under primary insurance, and stated that he could think of specific instances where someone had injured someone

else who is presently receiving health coverage through their primary policy with the state.

Godmar Beck expressed that the questions about exclusions, substance abuse, and cancer indicated a need to see AFLAC and state primary health coverage plans compared side-by-side.

Dr. Irvin and Yohna Chambers both expressed that part of what this boils down to is whether or not this is a responsibility of human resources to educate members on or whether employees who take advantage of this benefit should personally educate themselves.

Anne Zajac stated that she was a health-conscious person but that she could not tell easily, either through her primary care or through the AFLAC supplemental, which treatments would be called for, necessary, or covered. Anne also stated that, even without that outlay of costs, she had no problem with saying we should offer these policies as an option. Anne expressed that the Human Resources side and AFLAC should make sure that the communications piece addresses some of these concerns.

Pat Rodgers expressed agreement on this point, stating that if the supplemental benefit was taken advantage of, by even a small pool of employees who really would benefit from the supplemental coverage, that having the option available would be a net positive.

Amanda Cannoy inquired as to whether the committee should be polled via email as to the general consensus of their views on AFLAC and Legal Resources.

Anne Zajac said that she was reluctant to vote without knowing the full consequences of the plan of action or communications plan.

Dr. Irvin inquired as to whether this would be a possibility for HR to move forward on Legal Resources and AFLAC, begin developing communications plans and education pieces, and offered that as the communication plan develops further HR could come back and discuss the planned communication and any concerns.

Godmar Beck stated that “if it is the sense of the committee that we want to move forward, then I think it would be good for us as members of the Faculty and Staff senates to talk to our peers. In our conversations with others we should point out that here are the concerns, here’s where these supplemental benefits stand, we have expressed some concerns, and that HR and AFLAC are working to address these concerns in the education and communication plans related to these benefits.

The committee members present expressed general agreement that Human Resources, AFLAC, and Legal Resources should move forward on communication and education pieces and consult the Benefits Committee on this during upcoming meetings.

III. Adjournment – Amanda Cannoy called for the meeting to adjourn at 3:24pm.