

University Employee Benefits Committee
September 24, 1997

Present: Alexander, Belcher, Collins, Dellers, Harrington,
Harrison, Hicks, Hyer, Martin, McAvoy, Viers, Woodard

Call to Order.

Chair, Virginia Viers called the meeting to order at 3:10 PM.

I. Introduction: Committee was introduced and membership list distributed.

II. Old Business: No old business was reported.

III. New Business:

A. Spouse/Dependent Tuition Waiver:

Tom McAvoy provided an update to the committee on the status of Tuition Waiver proposal for spouses/dependents of Virginia Tech employees. Background information including comparisons with benchmark institutions was provided. Meetings have been held with top university administrators, with the conclusion being that there are more pressing salary and benefit related issues that need to be addressed at this time. One possible alternative would be to seek funding through the Campaign For Excellence.

B. Faculty Long-Term Disability:

Eldridge Collins, Chair of the Faculty Long Term Disability Sub Committee, provided background information and an update on the faculty long term disability program. Eldridge reported on a recent meeting between Virginia Tech and TIAA-CREF officials, regarding possible program and rate changes. Eldridge advised that a follow up report will be made once written correspondence is received from TIAA/CREF representatives.

C. Long Term Care:

Sam Hicks, Chair of Long Term Care Sub Committee, provided an update on progress made by that committee. He advised that components for a long term care program are being considered. A copy of Dr. Hicks' report is attached.

D. Health Insurance Portability and Accounting Act (HIPAA):

Doug Martin provided a brief update on the Health Insurance Portability And Accounting Act. The current health insurance program available to Virginia Tech faculty and staff no longer includes restrictions for pre-existing conditions. In accordance with the act, health insurance certification is provided on request to terminating employees to confirm university health care coverage.

E. Cash Buyouts:

Doug Martin provided an update on recent WTA audits. The Internal Auditor staff noted several individuals that were either under or over paid, and the information has been forwarded to state officials responsible for overseeing the WTA programs.

F. Medical Insurance/Health Care for Wage Employees:

Linda Woodard reported that she had met with Delegate Shuler in regard to health insurance for part-time 1500 hr., graduate assistants and adjunct faculty. Additional information will be provided to Delegate Shuler regarding types and numbers of employees in different categories.

G. Notification of Co-Pay Implementation for Prescription Drugs:

Recent legislative changes along with the changes made by the State

department of Personnel and Training in the prescription drug program were communicated in the September 11, 1997, issue of Spectrum.

H. Benefits Fair:

The Benefits Fair will be held on October 7 at Squires Student Center, with vendors and programs available from 10:00 a.m. to 4:00 p.m. All faculty and staff are encouraged to attend.

The next two meetings of the University Employee Benefits Committee will be October 29 and December 3, 3:00 - 5:00, Veterinary Medicine, Board Room.

Adjournment.

The meeting was adjourned at 5:05 p.m.

Long Term Care Insurance Committee
Report to the University Benefits Committee
September 24, 1997

Members of the committee are:

Carol Crawford, Retired from the Budget Office
Doug Martin, Personnel Services
Marsha Harrington, Institutional Research
Connie Kratzer, Human Resources and Education
Muriel Flynn, Personnel Services
Virginia Viers, Veterinary Medicine
Gene Haugh, Biological Systems Engineering
Sam Hicks, Accounting (Chair)

Charge or purpose of committee:

Determine the viability of providing a Group Long Term Care program to university faculty and staff
Identify the components of a university Long Term Care plan
Recommend a specific plan to the university community
Work with purchasing to identify a vendor for the plan

We met July 15, August 5, and September 4.

The committee discussed what we were trying to accomplish. It was generally agreed that we should do nothing if the employees are not going to be better off, i.e. able to purchase LTC insurance for less than they could as an individual.

We have concluded that state support (i.e. dollars) for some type of LTC insurance is unlikely at this time. It is unlikely that the university will provide funding to support a LTC plan.

The committee identified key elements of a LTC plan and have made the following conclusions, subject to a final review in future meetings:

Eligibility: Minimum the employee (including retirees) plus his/her spouse. Employee is defined to be a salaried employee who works 20 or more hours per week. We feel it is desirable to extend

eligibility to employee, spouse, children, parents of either, retirees, and retiree spouse.

In discussion of eligibility requirements, it was suggested that we follow the requirements used by TIAA-CREF in their LTC insurance program. The URL is <http://www.tiaa-cref.org/ltc.html>.

Thus, benefits for home health available if 2 of 6 activities of daily living cannot be handled, or if beneficiary is cognitively impaired. Nursing Home care requires 3 of the 6. There would be no exclusions from these eligibility rules.

The company must be licensed in all 50 states in order to insure portability.

Premiums would be paid via payroll deduction if active employee; direct pay if otherwise.

Minimum coverage would be for a period of two years, with options for longer and for joint lives of 4 or more (average time in nursing home is 2.8 years) at a minimum of \$50 per day (with an option for \$ 100 per day) of benefits for nursing, home care; one-half of these amounts for home health care. Desirable to offer waiting periods (period of time before benefits will be paid) of 30, 60, and 90 days - no longer than 90 days. Premiums would be paid for fixed number of years or life, which ever is shorter.

Payment of benefits must be to a licensed provider, not to a family member.

Our next meeting is October 9, were we will review our tentative decisions and prepare a proposal requesting quotes from some vendors. Without pricing data, it is hard to know what to ask for.

We affirm that if we cannot save our faculty and staff money, we will not offer a plan. Also, we hope that in the future, there can be some coordination of benefits. For example, our LTD plans will roll into a LTC plan. Perhaps, VRS life insurance could be rolled into LTC insurance at retirement. Perhaps health insurance could be extended to cover LTC.

The committee would appreciate any input you feel is useful.

University Employee Benefits Committee
October 29, 1997

Present: L. Alexander, D. Belcher, C. Harrison, P. Hyer, D. Martin, H. Misra, M. Moore, V. Viers, H. Wisdom, L. Woodard

Call to Order.

Chair, Virginia Viers called the meeting to order at 3:10 p.m.

I. Introduction: Mary Denson Moore representing CFA was welcomed as a new member.

II. Old Business: No old business was reported.

III. New Business:

A. Healthcare Issues for Academic Year Faculty:

Doug Martin presented a letter from the State Department of Personnel and Training pertaining to the effective date of health insurance for new faculty. Permission was granted to enroll new AY faculty into the state health care program effective either August 1 or September 1. However, DPT advised that new AY faculty enrolling in the state health insurance plan, with an effective date of August 1, would have to have an ending date for health insurance of July 31, when they separate from the university. Doug is to review the request to determine the cost impact and the implications for tracking the different enrollment/separation dates.

B. Long-Term Care Update:

Doug Martin advised that the Long-Term Care Sub-Committee had met again and continued to identify the components to be included in a university long-term care program. The Committee is in a holding mode pending possible state legislation pertaining to long-term care for state employees. After determining state action, the Committee will resume meeting on a regular basis.

C. Open Enrollment:

Doug Martin provided an update on open enrollment for the health care and the flexible benefits programs. Doug advised that there will be an open enrollment during the month of November for the Flexible Spending Plan; administrative costs have been lowered and there is a new administrator. He further explained there is a limited open enrollment at this time for health care changes because the state has changed the health care plan year from a calendar year to a fiscal year. Individuals will be able to make changes in plans during the regular open-enrollment next spring.

D. Report on "Family Friendly" Policy Task Force:

Linda Woodard reported on the recent meeting of the Family Friendly Task Force. Several recommendations were made regarding the communication of family friendly policies and procedures currently available to the university community. Among the recommendations were the following:

Distribution of Personnel Services Brochure

Expansion of the Web sites

Periodic events to inform employees of family friendly benefits

Ongoing training for managers and supervisors

Recommendations for further study were as follows:

Flexible scheduling

Child care

Purchase of benefits

Long-term care

Linda will distribute copies of the full report to the Employee Benefits Committee, for further discussion at the next meeting if needed.

E. Comparison of Benefits for Different University Employees:
Doug Martin reported that the state health care program is only available to full-time salaried individuals. Some inquiries have been made regarding health care accessibility for part-time salaried, wage, P-14 and graduate assistants. Doug is preparing a matrix showing the number of workers in each employment category and the type of healthcare coverage currently available. Doug's findings will be shared with Delegate Jim Shuler.

F. Benefits Access On-Line:
Personnel Services continues to update and improve their web-page (<http://www.ps.vt.edu/>). Benefits programs are now on-line and Benefits Committee members were asked to share their thoughts and ideas for making the web page a practical resource for disseminating benefits information.

IV. Other comments/concerns from the Committee: Suggested future agenda items: Personal retirement planning, revision of the 403b tax shelter program.

The next meeting of the University Employee Benefits Committee will be December 3, 3:00 - 5:00, CVM, Board Room.

Adjournment.

The meeting was adjourned at 4:45 p.m.