

FACULTY SENATE
October 15, 2008
REID HALL 101
4:10 PM – 5:00 PM
MONTANA STATE UNIVERSITY-BOZEMAN, MONTANA
Minutes

Members Present: Amin, Catoira, Cherry, Eitle, Fischer, Fields, Fleck, Gerlach, Gipp for Sowell, Jacobsen, , Lei, Livingston, Lynch, Marshall for D. Weaver, Maskiell, Mokwa, Neumeier, Prawdzienski, Snider for Becker, Taylor, Wisner, Wojtowicz, Zhu

Members Absent: Bangert, Bennett, Gee, HHD, Igo, Jackson, Jacobs, Lansverk, Larson, C. McClure, Political Science, Varricchio, Versaevel, Watson, T. Weaver,

Others Present: Paul Bogumill (Director of MUS Benefits), Ron Brekke, Michael Dean, Joseph Fedock, Stacey Scott, Shannon Taylor, Doug Young

Chair Wes Lynch called the meeting to order at 4:10 PM. A quorum was present. The minutes of October 8, 2008 were unanimously approved.

ANNOUNCEMENTS - Chair Lynch

- P&T Implementation discussion will resume at the October 22, 2008 FS meeting. Work group accomplishments summary will be posted on the FS website for review.
- Transfer Initiative is still moving forward; learning outcomes deadline is October 31, 2008 and FS will discuss before that time.

MUS BENEFITS - Paul Bogumill (pbogumill@montana.edu)

- **Programs**
 - Health Plans for MUS are self insured. Self-insured means:
 - The MUS system has the fiduciary responsibility of the plan i.e., what we want paid, how much to cover. Thus, every decision or risk is ours.
 - You are given a tax break, the money of which goes back into your health plan. The Flex Plan is pre-taxed dollars and is also included in the contract that allows our entire plan to enjoy the pre-tax status. Flex usually allows for a 28% savings.
 - The employer contribution is 6% (\$626.00) and is established by the Montana legislature. (The contribution is discontinued when an employee retires.) This cost covers approximately 75% of the plan. The other 25% is for spouses, children, other dependents and retirees (who pay the entire \$626.00) above the \$626.00. Future management of this plan is being closely monitored by the legislature. In the MUS plan, the employer pays 100% of your costs of employee covered benefits.
 - A couple of years ago, expenses exceeded our reserves, and presented a loss ratio. Last year, many changes were implemented by bringing in more and different plans, thus making an 11% negative change in the premiums.
 - Health plans are in two categories (managed and traditional) and have coverage differences.
 - Network providers provide balanced billing which means you only pay a negotiated allowed amount. The broader the network, the higher the premiums.
 - CHOICES offers many health plans (5) for competitive reasons; if there is nothing to drive the market, then health care becomes more expensive.
 - Cost/benefits analyses show that by using administrators such as Allegiance, et al, we save money.
 - Because MUS is a large pool of employees, negotiating fees for hospitals, e.g., reaps us competitive rates.
 - Wellness and disease management programs help to keep premiums down.
 - Vision and Dental plans have been negotiated for a low-cost group rate.
 - The vision plan has a four-year low rate guarantee; we are in the second year.

- This is the first year MUS has partnered with a dental administrator, Delta Dental. Enhancements to the plan will be coming in the next round of allowances.
 - Life Insurance
 - For MUS employees, there is a mandated benefit of \$10,000. The employee may upgrade during enrollment.
 - Long Term Disability
 - Pays medical bills for those disabled for two years and then, if you are unable to work, you receive total disability.
 - Long Term Care
 - Asset protection benefit. You pay the premium at the age you sign up. Anyone in your household may be enrolled. There will be a one-time open enrollment period where a medical history is not required.
 - EAP/TLC
 - MSU pays a flat rate for these benefits whether they are used or not. They encompass behavioral as well as financial counseling.
 - Facts about our benefits plan:
 - # of employees served by MUS plan is 28,000
 - The plan spends \$1.75M per week
 - Our largest expense area is prescription drugs.
 - Largest benefit/bottom line advantage is the tax favored status.
 - Administrative dollars spent is 5%.
 - The governing body of the MUS plan is the Inter Units Benefits Committee. This IUBC is half management; half union and, as such, benefits are not bargained.
 - The prescription plan comes from CVS/CareMarket, and the costs have exceeded the funds in reserve; the medical plan is subsidizing it. In the future, MSU will administer its own prescription plan. Changes in the drug benefits which will be announced at a later date.
- **Pension Programs**
 - The OPR-P is subsidizing about 4.72% of the TRS defined benefits plan.
 - The PERS (DC) is subsidizing about 2.8% of the PERS (DB) plan.
 - Employees may participate in retirement plans as well as 403(b) and 457 (b) plans simultaneously.
 - *Getting Ready for the Rest of Your Life* is a pamphlet available in the human resources department.
 - Medicare Part D is subsidized by the government at \$50 a year; there is a concern it will increase.

The Faculty Senate meeting ended at 5:00 PM, as there was no further business.

Signature
Wes Lynch, Chair

Signature
Gale R. Gough, Secretary