

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
OCTOBER 6, 2005

[In these minutes: New UEA Member on BAC, Employee Benefits Announcements, *The Moral Hazard Myth* presentation by Professor John Nyman]

[These minutes reflect discussion and debate at a meeting of a committee of the University Senate; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the Senate, the Administration, or the Board of Regents.]

PRESENT: Gavin Watt (chair), Linda Aaker, William Roberts, Pam Wilson, Karen Wolterstorff, Eileen Zeitz, Joseph Jameson, Michael Marotteck, Carl Anderson, George Green, Amos Deinard, Richard McGehee, Peh Ng, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Peter Benner, Jody Ebert, Rhonda Jennen for Rita McCue, Carla Volkman-Lien, Carol Carrier, Fred Morrison

ABSENT: Ronald Enger, Don Cavalier, Frank Cerra, Keith Dunder

GUESTS: Professor John Nyman

OTHERS: Linda Blake, Karen Chapin, Nancy Fulton, Betty Gilchrist, Shirley Kuehn, Kathy Pouliot, Jackie Singer

I). Gavin Watt called the meeting to order.

II). Gavin Watt welcomed the new UEA representative, Eileen Zeitz, to the BAC. Ms. Zeitz will be replacing Penny Morton on the committee.

III). Employee Benefits Announcements:

A). UPlan 2006 employee presentations on the Twin Cities campuses have concluded. On Tuesday, October 4th a presentation was held on the Duluth campus, which was very well attended. Over the next couple of weeks, Employee Benefits representatives will travel to Crookston and Morris to conduct presentations on each of these campuses as well.

B). MinuteClinic (<http://www1.umn.edu/ohr/eb/uplan/minuteclinic.htm>) reopened in Coffman Memorial Union (CMU) on Monday, October 3rd with new hours, 8:30 – 4:00. A new nurse practitioner, Laurie Starr, will be staffing the CMU site this year.

QuickCare, the on-site clinic for UMD employees and dependents, opened in September (<http://www.d.umn.edu/umdhr/quickcare/>). Unfortunately, shortly after the clinic

opened, the nurse practitioner at this site needed to attend to an urgent family matter, which caused her to be out of work for two weeks. As a result, the clinic was forced to close during this period. The University in conjunction with QuickCare is developing a staffing plan to handle similar situations should they arise in the future. Apologies were extended to Duluth employees and their dependents for any inconvenience this closure may have caused.

The \$5 co-pay for both the CMU MinuteClinic and the UMD QuickCare clinic have been waived for the fall semester as an incentive for people to use these facilities.

C). The "Take Time to be Active" wellness campaign was launched in September. This program aims to motivate people to spend 2,005 minutes involved in moderate-intensity physical activity. For more information about this program visit the following URL: <http://www1.umn.edu/ohr/eb/wellness/taketime/index.html>

D). Retiree medical design and rate details are in the process of being finalized. Retiree medical presentations will be conducted on all campuses. The same information will also be shared with the BAC.

E). Open enrollment dates are November 1 – 30, 2005.

F). Karen Chapin reported that Employee Benefits along with the 2006 UPlan vendors have been working diligently to ensure a smooth rollout of UPlan 2006. The vendors' cooperation in working towards a smooth transition has been exceptional. Mr. Chapman added that working with a reduced number of medical administrators has helped to facilitate communication.

As time has gone by, Employee Benefits has discovered that in the past one or another of the medical plan vendors was not administering the UPlan exactly as intended. In some of these cases, such administrative discrepancies may have cost the UPlan or its participants money, which the University intends to explore.

III). Other Business:

A retired member of BAC asked about whether the University has given any more thought to offering a Post Retirement Health Care Savings Plan (PRHCSP). While this item has been revived for discussion recently, it appears unlikely anything will happen, at least in the near future, especially in light of the fact that the University has no intention (at this time) of contributing money into the plan. A member encouraged retirees to continue pursuing this matter with the administration.

For members unfamiliar with the concept of a PRHCSP, Mr. Watt provided background information. He noted that an important factor to consider when attempting to offer such a plan is that all employees in a particular group e.g. faculty, Civil Service, etc. must participate in the plan. Many of these plans are organized through bargaining units. It was noted that assuming the Board of Regents approves the Teamsters' contract, University Teamsters with 10 or more years of service and 80 hours or more of vacation

when they terminate on or after April 1, 2006 will have their vacation paid into a PRCHSP.

IV). Gavin Watt introduced today's guest, Professor John Nyman from the School of Public Health, Health Services Research Policy. By way of introduction, Mr. Watt noted that Professor Nyman is mentioned prominently in a New Yorker article, *The Moral Hazard Myth*, (<http://www.sph.umn.edu/news/Inthenews/20050829nyman.html>). "Moral hazard" is the term coined by economists to describe the fact that insurance can change an insured person's behavior. Using a PowerPoint presentation, Professor Nyman provided members with detailed information about this theory.

To download a copy of this PowerPoint presentation, click [here](#).

V). Hearing no further business, Gavin Watt adjourned the meeting.

Renee Dempsey
University Senate