

[In these minutes: 1. Final Report Recommendations]

HEALTH PLAN TASK FORCE (HPTF)

MINUTES

THURSDAY, OCTOBER 5, 2000

10:00 - 12:00

210 DONHOWE BUILDING

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

PRESENT: Dick McGehee (Chair), Linda Aaker, Mary Austin, Avner Ben-Ner, Susan Brorson, Amos Deinard, Keith Dunder, Robert Fahnhorst, George Green, David Hamilton, Christopher Hulla, Priscilla Pope, Kathryn Pouliot, Harlan Smith, Robert Sonkowsky, Larry Thompson, Gavin Watt.

REGRETS: Allan Baumgarten, Marjorie Cowmeadow, Bart Finzel, Bev Hall, Ron Kubik, Jason Reed, Gailon Roen, Anna Sommers.

ABSENT: Carol Carrier, Sue Mauren.

1. CHAIR'S REPORT

Dick McGehee distributed a letter from Carol Carrier to Julien Carter and the response that she received. A positive response was received in writing to each question except in terms of sharing the reserve pool.

Robert Fahnhorst said that a reserve pool is needed for self-insured entities. For the state there are two types: one pool for incurred but unreported claims and a second pool which serves as a contingency reserve to deal with premium increases. The University would be eligible for a share of the first pool, but the state is unwilling to share the second pool. The University feels that since it has been paying into it for the past 20 years, that a percentage should be reimbursed. More negotiations will be needed to resolve this issue.

Robert Fahnhorst also noted that the University currently pays \$300,000 to the state for administrative fees. The University has questioned this fee in the past since it does not want to pay for anything above plan administration. The state is now willing to meet and explain all the costs. The state also said that the University would be responsible for all actuarial and consultant charges associated with developing new health plans.

Dick McGehee then noted that the University asked if domestic partner benefits could be offered beginning in January. The state responded with a sound No since domestic partner benefit inclusion is subject to legislative approval.

This then raised the issue of what changes need legislative approval. DOER noted that legislative approval is needed for all contracts. Therefore, if the University had to wait to have there contracts approved at the same time as collective bargaining contracts, then the University would need to wait for the following legislative session.

Q: Does the Subcommittee on Employee Contracts operate between sessions?

A: Yes but the subcommittee only recommends. Approval is still needed from the full legislature.

Dick McGehee said that there might be some hope since Governor Ventura has directed Julien Carter to study the impact of domestic partner benefits on the state. MnSCU and University will also be pushing for these benefits, but employees can not count on this benefit being added anytime soon. He noted that the Governor could issue an executive order mandating domestic partner benefit inclusion and then challenge the legislature to get enough votes to override it.

A committee member then noted that MnSCU is defining domestic partner as same sex and opposite sex. It would seem in the best interest of the University to accept the same definition since this would present a unified front and would have more buy-in.

Members also suggested that Professor McGehee send a letter to the Governor in support of his initiatives and that everyone be encouraged to send their own letter in support.

Dick McGehee then stated that he and Linda Aaker met with four union representatives from MnSCU to explore common issues that the institutions are working towards.

Q: Will any new information be coming from the state in the near future?

A: No since all questions have been answered and all that is left is working out the administrative details.

Dick McGehee said that the timetable will be that preliminary findings and recommendations will be presented to the Senate on October 19. Nothing will be sent forward as a sense of the task force without a majority of members approving it, either by voice or by secret ballot. Members said that they felt comfortable voting by voice or hand versus secret ballot.

2. FINAL REPORT - RECOMMENDATIONS

Dick McGehee noted that the task force would start with agreeing on recommendations and then work on the findings. The task force then discussed each of the recommendations.

RECOMMENDATION 1

Members made the following comments:

- Committee should not determine retirement benefits
- Legal issues arise depending on who serves
- Committee only advises; does not negotiate contracts so include Advisory in title
- If union representatives are included, they cannot make any binding decisions
- If the committee will deal with all benefits, then all employees should be represented
- UMD faculty are also unionized and would need to be treated differently
- Committee could serve as a group to bring together representatives from groups that already work on these issues

The task force then spent time discussing the proposed charge to the Employee Benefits Advisory Committee, including the scope of its charge and its composition. Dick McGehee then noted that the charge did not need to be finalized today. The task force just need to agree on the formation of a committee in general. Members voted to approve the recommendation and also to compose a subcommittee to work on the charge. Subcommittee membership will include: Linda Aaker, Avner Ben-Ner, Carol Carrier, Amos Deinard, Keith Dunder, George Green, Kathryn Pouliot, and Gavin Watt.

RECOMMENDATION 2

Three options were presented for this recommendation: two extremes, stay with the state as is (2a) and separate from the state (2c), and continue to work with the state on modifications to what is currently offered (2b).

Members made the following comments:

- Bargaining units want it noted in writing that they have a choice to stay with the state or the University; it was decided that this was a fact, not a recommendation, so should be presented under findings
- 2b should be modified to include that the University will continue to pursue other avenues to keep the state motivated; it was decided to include a sentence at the end labeled contingency plan
- Domestic partner benefits might force separation from the state
- Trust in needed from the state

Members then voted that 2a and 2c are not favored recommendations at this point and that 2b is the best option available.

RECOMMENDATION 3

Members asked that domestic partner benefits also be included in this recommendation to emphasize the issue and discussed the issue of low expenses and premium contributions versus

no expenses or premium contributions. More talks will need to be held with the bargaining unit representatives before this recommendation is finalized.

RECOMMENDATION 4

Members noted that this recommendation is an attempt to educate the public on this issue. It was also asked that plan stability be added to the recommendation. Members then voted to approve the recommendation.

RECOMMENDATION 5

Members voted to approve the recommendation with the understanding that domestic partner would apply to same sex and opposite sex partners.

Dick McGehee said that he would work on redrafting the recommendation and then circulate them to the task force before the next meeting. He then thanked everyone for attending and adjourned the meeting.

Rebecca Hippert
University Senate