

# Employee Benefits Advisory Committee

## Minutes from the April 25, 2019 Meeting AO Room 403A

### Members in Attendance:

Mark Lacey (Chairperson)  
Jametoria Burton (APC)  
Denise Giarrusso (APC)  
Mandi Miller (Career)  
Matt Wetzel (Career)  
Jill Bradberry (Career Alternate)  
Steve Milczanowski (Faculty)

### Resources in Attendance:

Randi Brokvist  
Al Little  
Timothy Nelson  
Glenda Parrish  
Judy Robbins  
Steve Stanford

### Members Absent:

George Coleman (Faculty Alternate)  
Christina Goodell (Faculty)  
Tameiko Grant (APC Alternate)  
Debbie Monnseratt

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The meeting commenced at 1:00 p.m. A quorum was confirmed to be present.

### Introductions (Lacey)

Chair Lacey opened the meeting by welcoming everyone and confirming the items on the agenda.

### HDHP/HSA Potential Change to Base Plan (Lacey)

Chair Lacey discussed the potential change involving the status of the High Deductible Health Plan/Health Savings Account (HDHP/HSA). The College is recommending the HDHP be the base plan for 2020. The 2019 health data handout was distributed and reviewed. The handout breaks down enrollment in each health plan with the majority of enrollments of being “employee only”. The next section of the handout covered the cost breakdown for all three plans currently offered. Emphasis was placed on the difference in the employer cost between the HDHP and PPO plan. The HDHP provides a \$249.39 monthly cost savings to the College compared to the PPO Plan. The proposal is to take the College savings and give it to the employees as a \$3,000 salary increase. The projection data distributed is based on 2019 rates. If the rates go up, the result would be a slightly higher increase for the employee. The 2020 medical premiums have not yet been determined.

The example used was a health insurance maximum out-of-pocket (OOP) based on a \$50,000 salary tier. The HDHP dependent premiums are less expensive than those under the PPO base plan. Employees who choose to “buy up” to the PPO or HMO plan would use the \$3,000 salary increase to offset the employee premium cost. The HDHP has the same provider network as the PPO plan. The one notable difference is prescription medication for the HDHP is covered at 100% once the employees reaches the deductible.

Mr. Little confirmed the health insurance subsidies in all dependent premiums will go away and not be continued after 2019.

The \$3,000 would go towards base pay as taxable income. However, if employees used the \$3,000 to buy up their coverage to either the PPO or HMO plan, the premium is pre-tax thereby offsetting the increase. Employees may also choose to divert funds to the HSA to offset the increased taxable income. The \$3,000 also increases benefits for future FRS and Social Security benefits as well as increasing the hourly rate for terminal leave payouts.

### **Questions**

Ms. Miller asked what is pushing this change to the College's base plan. Chair Lacey stated that it is the long-term savings to the College based on the ever-increasing cost of health care. Mr. Little explained it would lower the College's base of health care cost.

Ms. Miller stated that the loss of the subsidy would hurt any employee who wants to buy up to the PPO + Family plan. The \$3,000 raise would only cover the buy-up.

Mr. Milczanowski is concerned that healthy employees might accept the HDHP but it would not be a good fit for employees with excessive medical issues. Mr. Little stated that employees with excessive medical issues could buy up to the PPO plan. Mr. Little reiterated that employees will continue to have a choice in their medical plan options.

Ms. Giarrusso asked if the College is still doing research on making the HDHP the base plan or whether it a done deal. Mr. Little responded that the College is looking for feedback and encouraged the Committee to discuss the proposed changes with their constituents.

Ms. Burton asked if \$3,000 is going to be given to the employees up front. Chair Lacey stated that the \$3,000 would be divided over 24 paychecks.

Mr. Milczanowski asked if the decision would be made before the new President starts. Mr. Little responded that no time line has been set; however, it was discussed with the District Board of Trustees. A decision would have to be made before the benefits open enrollment period.

### **Next Meeting** (Lacey)

The next meeting of the EBAC will be scheduled for May 8, 2019 at 2:00 p.m.

### **Adjournment**

The meeting was adjourned at 2:48 p.m.