

FACULTY SALARY AND BUDGET COMMITTEE

FEBRUARY 16, 2018

PRESENT: Marty Abramson, Bonnie Bowen (ex-officio), Neal Buckwalter, Larry Burns, Gregg Dimkoff, Robert Hollister (Chair), Andrew Kalafut, Nancy Mack, Paul Murphy, Julia Mason, Len O'Kelly, Jon Rose, Ashley Rosener, Paul Stephenson, Joel Stillerman.

1. The meeting was called to order at 12:00pm and the Agenda was approved.

2. The Minutes of February 2, 2018 were reviewed and approved.

3. Dave Smith, Director of Benefits & Wellness provided an update on Benefits.

Despite national healthcare spending trends that are double to triple inflation, the healthcare spending for GVSU in 2017 was very similar to the previous year (less than a 1% increase). In fact, the amount of money spent by the administration on healthcare at GVSU has been essentially flat since the university transitioned to the High Deductible Healthcare Plan in 2011. However, this is because the costs have been shifted to the employees as we have gradually moved to the stated cost sharing goal; employee out-of-pocket costs have more than doubled since 2011. Despite this doubling of costs, the GVSU plan is much richer in benefits and much less expensive for the employees than national averages. In fact, the employee maximum out-of-pocket costs for a family at GVSU is less than 1/3 of the national average. The remaining of this summary is focused on the employer costs (unless noted). In 2017, the amount of money spent on pharmacy claims went down because GVSU participated in a pharmacy purchasing coalition, which negotiated better discounted pricing and incentives. Spending on medical claims went up slightly. The number of employees that met their deductible has gone down slightly each year for the last three years, presumably due to the fact that the deductibles have risen each of these years. As the deductibles have risen, faculty and staff have contributed more to their HSA.

For 2018, there is an addition of a co-pay for pharmacy after the deductible has been reached (\$4 –Generic, \$20 –brand name, \$40 –Non-preferred brand name; capped at \$250 for single or \$500 for dual/family). In 2019, there are no proposed plan changes. For 2020, there are currently no proposed plan changes, however the administration is reluctant to commit to no plan changes until the fall of 2018. The standing practice over the past several years has been to make an announcement in April for the year and a half in advance, this year that announcement will be delayed.

In other updates, the Health & Wellness team continues to work toward making the campus healthier. Usage of the Encompass counseling service is up, this is considered good and shows that people are aware of the service and are using it. Over the summer the former outdated TIAA annuity contracts will be transitioned to new contracts; this does not involve a lot of people but for those people that it does involve, communication will happen soon.

This summer the administration plans to do a thorough peer comparison of benefits provided. The peers will include Michigan Public Universities as one cohort and employers in West Michigan as the other cohort. Results from these comparisons should be made available in the fall of 2018.

4. The committee discussed and agreed to send a memo to the Vice President concerning the announcement of changes to the Healthcare benefits plan. In the memo the committee will emphasize the expectation that any plan design changes that result in an increase in the deductible must be announced prior to open enrollment to allow faculty time to put pre-tax dollars into their HSA during 2019 so that it is available January 1, 2020.

5. The committee reviewed and agreed to updates to the FSBC webpage. These changes update the graphs regarding benefits. There was also an agreement to post Affiliate faculty salary data from AAUP when it becomes available.

6. The meeting adjourned at 1:30pm.