



D. SCOTT RICHARDSON  
ACTING VICE PRESIDENT FOR FINANCE AND ADMINISTRATION

October 24, 2016

To: Robert Hollister, Chair FSBC

Subject: Healthcare for Faculty on Part-time Appointments

CC: Karen Gipson, Chair, ECS/UAS  
Jesse M. Bernal, Vice President for Inclusion and Equity  
Lynn M. Blue, Vice President for Enrollment Development  
Thomas A. Butcher, Vice President and General Counsel  
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Eileen Sullivan, Vice Provost for Student Affairs & Dean of Students  
Lisa Surman Haight, Senate Assistant

In response to your Memo of October 12, 2016, I do want to start with sharing your comment that the FSBC indeed works as a partner with the administration, as does all of faculty governance, and we are all better because of it.

The question of medical coverage for part-time faculty and staff that we began discussing over two years ago was a difficult one. While the entire Cabinet may not have been in agreement with the full FSBC recommendation, we did review it carefully and it shaped the Cabinet's decisions. The determinations to phase in any premium contribution, the amount of the premium and to continue to provide medical coverage for faculty changing to part-time for a non-permanent period of time resulted from your concerns and input.

As we have discussed earlier, the changes were made in an effort to align the value of the medical benefit between part-time and full-time faculty and staff as a percent of their pay, respond to changes brought about with the Affordable Care Act (ACA) including the new definition of full-time employment that is set at 30 hours or more a week and the enhanced access to health insurance coverage through the Marketplace Health Insurance Exchange. We felt the need to bring the GVSU medical coverage offerings in-line with the majority of the other state universities and regional employers, most of whom do not provide part-time benefits.

Importantly, our benefits consultants noted that by allowing a voluntary buy-in at this high premium level we could be exposed to significant adverse selection with only those who really expected to spend more than the premium electing our coverage. Those that thought they would not would purchase coverage through the less costly ACA Exchange.

We will, of course, not apply this to faculty electing a part-time appointment in phased retirement or for family and medical reasons and other non-permanent change from full-time status. In the few cases where a faculty member wants to elect part-time status on a permanent basis, our benefits office staff will be here to work with them to help them find coverage that works for their situation.

The Cabinet has discussed FSBC's request to apply this only to faculty and voted not to move from our model of the same benefit coverage for every employee regardless of employee group status or income level. We feel this model contributes to making GVSU a great place to work.

If you would like to discuss further, please let me know.