

Fiscal Affairs Committee – Committee Chair B. Sammons said a maximum of a 2% salary increase is being considered at this time and that is all the information that has been received.

Personnel Policies and Benefits Committee – Committee Chair Hawkins reported that the University Employees Benefits Committee met on February 29. Topics discussed in the meeting were as follows:

1. Problems with Anthem in January,

The biggest problem MSU experienced was getting Anthem to enter the change to the new Blue Preferred HMO into their system. MSU completed the necessary paperwork, forwarded it to Anthem on a timely basis, and continued to follow-up on the status of the change in medical coverage throughout the month of December. On December 31, Anthem notified Mr. Markwell that they did not have the Blue Preferred HMO plan loaded into the system. This created problems for those employees who tried to use the plan after January 1. This problem was not unique to MSU but affected the majority of Anthem's larger groups. This resulted in out-of-pocket expenses for prescriptions and doctor visits. Employees are encouraged to submit these expenses for reimbursement from Anthem.

2. HMO prescription rising costs with co-pays,

Employees saw a change from a \$5 co-pay to a tiered \$5 for generic/\$15 for name brand plan. This was due to MSU having a larger cost with the \$5 co-pay. MSU does have a lower utilization of generic drugs in comparison to peers across the state. Had MSU not elected to make this change, all employees would have experienced an increase in out-of-pocket expenses. Premiums would have been increase for all. The tiered system will affect prescription users; it will not cause a rate increase.

3. HMO Prescription Mail Order Service,

This service would provide prescription drugs prescribed by employee physician at a lower cost to the employee. This is another way to save the employee money.

4. Possibility of changing MSU's enrollment period,

Rep. Stewart asked Mr. Markwell about changing the enrollment period from November to October so that it would coincide with the State government enrollment period. He did not encourage this approach, as it would decrease the amount of history MSU could provide to possible health insurance companies that would join the bid process.

5. CHA as a health insurance administrator, and

Mr. Markwell suggested that MSU look at using CHA as an insurance administrator instead of just considering Anthem. CHA would be allowing MSU to use its network of physicians and healthcare facilities as Anthem does now. This would not be CHA insurance, it would be in an administrator capacity only.

6. Long-term disability insurance.

This insurance is being researched due to retirement systems having limited disability benefits. The optional retirement plans offer no long-term coverage. Kentucky Teachers Retirement Systems (KTRS) and Kentucky Employees Retirement Systems (KERS) does offer some coverage after 5 years of service. KERS offers coverage until age 65. KTRS appears to offer coverage for only 5 years. (There will be a review to determine the accuracy of this information.) This would not be a self-insured plan and the plan would be funded by MSU with no employee contribution. The long-term disability insurance is in the discussion stage at this time and has not been submitted to the President for consideration. Cost is estimated at \$9,500 per month to cover all MSU employees.

Rep. Besant asked if there would be money left over from the insurance this year and if projected where that money would be used. Mr. Barker to report on at next Staff Congress meeting.

Rep. Besant also asked about the vacancy freeze. What was the status on the freeze and would Mr. Barker report on this?

