AGENDA
UAF STAFF COUNCIL MEETING #91
Friday, June 6, 1997
8:30 - 10:40 a.m.
Wood Center Ballroom

<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Length of Time</th>
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<tbody>
<tr>
<td>8:30</td>
<td>I</td>
<td>Call to Order - R. Pierce</td>
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<td></td>
<td>A.</td>
<td>Roll Call</td>
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<td>B.</td>
<td>Adopt Agenda</td>
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<td>C.</td>
<td>Approval of Minutes to Meeting #90</td>
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<tr>
<td>8:40</td>
<td>II</td>
<td>President's Report - R. Pierce and P. Long</td>
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<td>8:55</td>
<td>III</td>
<td>Chancellor's Remarks - J. Wadlow</td>
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<td>9:00</td>
<td>IV</td>
<td>Vice Chancellor for Administrative Services Remarks - M. Rice</td>
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<td>9:05</td>
<td>V</td>
<td>Governance Reports</td>
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<td></td>
<td>A.</td>
<td>Faculty Senate - M Schatz</td>
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<td>B.</td>
<td>ASUAF - S. Nuss</td>
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<td>9:15</td>
<td>VI</td>
<td>Guest Speaker</td>
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<td>A.</td>
<td>Wendy Redman, Vice President for University Relations - Legislative Recap</td>
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<td>9:25</td>
<td>VII</td>
<td>Committee Reports</td>
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<tr>
<td></td>
<td>A.</td>
<td>Elections, Membership &amp; Rules - L. Bender</td>
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<td>B.</td>
<td>Rural Affairs - B. Oleson</td>
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<td>C.</td>
<td>Staff Affairs - B. Frey</td>
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<td>1.</td>
<td>Resolution on Health Benefits (Attachment 91/1)</td>
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<td>D.</td>
<td>Staff Training - D. Powell &amp; E. Ritchie</td>
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<td>E.</td>
<td>System Governance Council - M. Scholle</td>
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<td>F.</td>
<td>Task Force on Health Benefits - I. Downes</td>
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<td>1.</td>
<td>Executive Summary from Health Benefits Task Force - Mike Humphrey, Director, Statewide Benefits (Attachment 91/2)</td>
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<td>G.</td>
<td>Picnic Committee - S. Jordan</td>
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<td>1.</td>
<td>Turn in Raffle Tickets (Attachment 91/3)</td>
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<tr>
<td>10:25</td>
<td>VIII</td>
<td>Other Business</td>
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<tr>
<td>10:30</td>
<td>IX</td>
<td>Comments and Questions</td>
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<tr>
<td>10:35</td>
<td>X</td>
<td>Announcements</td>
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<td>A.</td>
<td>Staff Picnic, June 6, 4:00 p.m., next to Student Recreation Center</td>
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<tr>
<td>10:40</td>
<td>XI</td>
<td>Adjournment</td>
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ATTACHMENT 91/1
UAF STAFF COUNCIL MEETING #91
JUNE 6, 1997
SUBMITTED BY STAFF AFFAIRS

RESOLUTION

WHEREAS, The University of Alaska Health Benefits Task Force (HBTF) has presented its draft Executive Summary including history, statistics, and suggested changes to the current
WHEREAS, The options for change presented in the summary included individual suggestions which were not supported by the entire committee; and

WHEREAS, The committee disagreed on four options in particular (dental deductible, elimination of 4th quarter deductible carryover, vision care, and $100 per employee charge for the benefit package); and

WHEREAS, The summary does not specify which changes may or may not be implemented or dates of implementation, nor have University of Alaska employees at large been advised of the changes or asked to comment; and

WHEREAS, Informed consent of University of Alaska employees is essential to any proposed changes to the health benefits package; and

WHEREAS, The request of the Fairbanks members of the HBTF for an employee survey and open discussion forums regarding benefit package changes has not as yet been implemented; and

WHEREAS, The proposed timeline prevents the meaningful involvement in the decision process of those employees who are off contract during the summer months; now

THEREFORE BE IT RESOLVED, That NO CHANGES TO THE HEALTH BENEFITS PACKAGE be brought before the Board of Regents for voting and implementation until information on these proposed changes has been disseminated to all University of Alaska employees by direct mail, and until one to two opportunities have been provided for employee discussion in an open forum.

Dated this 6th day of June, 1997.

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ATTACHMENT 91/2
UAF STAFF COUNCIL MEETING #91
JUNE 6, 1997
SUBMITTED BY THE TASK FORCE ON HEALTH BENEFITS

HEALTH BENEFITS TASK FORCE
EXECUTIVE SUMMARY
MAY 1997

BACKGROUND

The University of Alaska has always recognized that the health care plan is one of the fundamental core benefits provided to employees. The University's health care plan is intended to promote and foster a sense of economic security against uncertain health care events and their potentially catastrophic costs. It is also an expensive benefit; the cost of the health care plan to the University has more than doubled in the last 10 years to about $16.0 million in 1996. It is the one benefit that nearly all employees and/or their dependents will use during an employee's career with the University.

Recognizing the essential importance of the health care plan to all employees and/or their dependents, Statewide Human Resources asked governance in January 1997, to identify staff members willing to help the University review its health care programs. The Health Benefits Task Force was created for this purpose.

ROLES OF THE HEALTH BENEFITS TASK (HBTF)

During the first meeting HBTF established its two primary roles:

- help identify health plan options that would slow the plan's rate of cost increase
- maintain the comprehensive nature of the health care plan

HBTF also established several secondary roles:

- help identify effective communication methods
- act as a sounding board for health plan design options
- assess the pros and cons of proposed options
It was considered unreasonable, given the diversity of the task force participants and the range of employees' health care needs, to expect the task force to arrive at a consensus on health care plan modification options.

CONCEPTS

The task force agreed on the following concepts:

If the cost of the health care plan grows unchecked, the University of Alaska would have fewer resources to serve students.

As the health care plan evolves, the overall increase in the cost of the plan must be controlled.

Any new or additional coverage must be offset by new resources or reductions elsewhere in the plan.

The health care plan needs to tap into regional health care delivery options to optimize the cost of the plan.

For the health care plan as a whole, plan modifications should be incremental.

Employees and dependents need to be educated to use the health care plan more effectively.

The benefits task force should be continued and charged with reviewing health care options to identify ways to provide optimum coverage for the least dollars.

FACTORS AFFECTING THE HEALTH CARE PROGRAM

The task force identified the following factors as affecting the University of Alaska's health care program:

- Legislative funding for the University of Alaska
- The increasing cost of health care
- More care and more sophisticated care being delivered in-state
- More health care services are generally needed as the average age of University employees increases.

HEALTH CARE PROGRAM OBJECTIVES

HBTF affirmed that the health care programs should meet the following objectives:

- Continue to meet the diverse coverage needs of employees and their dependents.
- Operate within the cost constraints of the University of Alaska.
- Must be valued by employees.
- Must develop long-term wellness options.

AREAS REVIEWED

HBTF reviewed and discussed:

- National, state, and University of Alaska health care trends.
- The demographics of people covered by the University's health care plan.
- The University of Alaska's current plan design.
- Short-term and long-term plan options.
- Current and future methods for communicating health care plan information.

SHORT-TERM OPTIONS

The task force recognized early in its discussion that short-term options for controlling cost increases in the next two years were limited. Traditional plan design options would have to be used to control cost increases.

LONG-TERM OPTIONS
HBTF recognized that to slow down the future cost increases of the health care plan to the employees and the University, long-term options would have to be identified which include:

- developing a managed care network
- expanding physician networks
- changing participants' lifestyles
- maximizing regional health care delivery differences

CURRENT COMMUNICATIONS

The task force identified the need for a genuine marketing effort to get information about the health care plan to employees through the use of the following methods:

- selective printed pieces mailed to employees' homes
- e-mail distribution of topical information
- training or re-orientation programs regarding the health care plan
- posters or fliers in the workplace
- creating resource centers where people can turn for information
- using easy-to-understand terminology in benefit communications
- training key staff to function as resource people who would know simple answers or know where to look for answers on more complicated issues
- a frequently-asked-questions document
- flyer-type pieces to post or put on-line

HEALTH CARE PLAN OPTIONS

HBTF identified the following list of options for controlling 1998 health care plan costs:

PLAN OPTIONS: Eliminate first $100 coverage on Lab and X-ray
IMPACT ON 1996 CLAIMS EXPERIENCE: $82,000
PROS: Eliminates a confusing element of the health care plan with minimal cost impact to employee.
CONS: Increases cost to employee by $20 if they have $300 in lab and X-ray services.

PLAN OPTIONS: Vision Care, increase exam reimbursement to $45 and delete coverage for lenses, frames, contacts
IMPACT ON 1996 CLAIMS EXPERIENCE: $150,000
PROS: Large cost recovery maintains a routine eye examination while providing a good savings to the plan.
CONS: Loss of lens coverage may cause some employees to avoid getting new glasses or contacts.

PLAN OPTIONS: $100 per employee charge for being on health plan
IMPACT ON 1996 CLAIMS EXPERIENCE: $350,000
PROS: Potentially large cost recovery with a predictable reduction in bi-weekly take home pay for all employees.
CONS: Impacts all employees regardless of plan usage or family size.

PLAN OPTIONS: Increase deductible to $150 individual/$450 family
IMPACT ON 1996 CLAIMS EXPERIENCE: $288,000
PROS: Large cost recovery; only a $50 annual per-individual increase in the deductible; deductible would still be less than most plans.
CONS: Additional cost to employee with a possibility of an additional family cost of $150 for three or more dependents who reach their deductible.

PLAN OPTIONS: Increase Out-of-Pocket Maximum to $500/$1,000
IMPACT ON 1996 CLAIMS EXPERIENCE: $152,000
PROS: Large cost recovery; would not effect most employees.
CONS: Additional expense for those incur high claims.

PLAN OPTIONS: Increase Dependent charge to add "4+" tier

IMPACT ON 1996 CLAIMS EXPERIENCE: $52,000
PROS: More equitable distribution of cost based upon family size and potential increased use of the plan.
CONS: Affects employees with larger families who may have higher health care costs.

PLAN OPTIONS: Dental deductible of $25 on level two and level three serves (not on preventative/diagnostic)

IMPACT ON 1996 CLAIMS EXPERIENCE: $82,000
PROS: Moderate savings while still maintaining a comprehensive annual cleaning.
CONS: Additional deductible to track for employees; additional communications to employees and dental community; savings small when compared to "cost" or hassle.

PLAN OPTIONS: Increase pharmacy maximum out-of-pocket to $150

IMPACT ON 1996 CLAIMS EXPERIENCE: $27,000
PROS: Cost shift based upon utilization; would not effect most employees who do not reach the pharmacy maximum out-of-pocket.
CONS: An additional out-of-pocket cost for employees who have high pharmacy claims.

PLAN OPTIONS: Increase pharmacy mail order copay to 90/10% from 80/20%

IMPACT ON 1996 CLAIMS EXPERIENCE: ($13,000)
PROS: Long-term savings to employees and the University
CONS: Short term increased cost of the pharmacy program and the "hassle" of getting medications by mail order.

PLAN OPTIONS: Eliminate 4th quarter deductible carryover.

IMPACT ON 1996 CLAIMS EXPERIENCE: $68,000
PROS: Not noticed by most employees since most use all of deductible during the year.
CONS: Loss of positive "incentive" for those employees who do not reach their deductible in a given year.

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SUMMARY COMMENTS
While HBTF identified a number of health care plan provisions that could be modified to slow short-term cost increases, HBTF did not believe all the identified options should be implemented at the same time. If all the identified options were implemented simultaneously, HBTF believes communicating such a wide range of changes would be difficult and that employee confusion, frustration, and disappointment would be high.

As a next step in the evaluation of the plan options, HBTF would like to see Governance distribute information to staff on the work of the task force. HBTF would also like to invite other employee groups to participate in the evaluation of plan options. The task force's request is to have the identified options refined by the University
Administration over the summer so final plan communications and announcements can be made during the month of September, 1997, for implementation January 1, 1998.

In order to achieve the above time line, the task force believes it is necessary for:

- this report to be included in the information going to the Board of Regents for their June 1997 meeting
- Governance to discuss the information contained in the task force report and provide their input by mid July 1997
- senior University administration to outline a plan of action by mid August
- employee communications to be developed by mid September

This timeline will allow for employees to be fully informed of any plan changes during the University's annual open enrollment period.

This document provides a summary of the Health Benefit Task Force's discussions. A more detailed account of meeting topics and discussions is available at the HBTF web site (http://sygov.swadm.alaska.edu/Bentask/), or in your regional personnel or governance office.

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ATTACHMENT 91/3
UAF STAFF COUNCIL MEETING #91
JUNE 6, 1997
SUBMITTED BY PICNIC COMMITTEE

STAFF COUNCIL RAFFLE

The UAF Staff Council will again be raffling off two Alaska Airline tickets to any US city served by Alaska Airlines outside of Alaska. Proceeds from the raffle will go to the Carolyn Sampson Memorial Scholarship, established by the UAF Staff Council. There will also be three runner-up prizes: two season tickets for Nanook hockey courtesy of UAF Athletics, two tickets on the Riverboat Discovery courtesy of the Binkley Family, and two tickets to El Dorado Gold Mine courtesy of the Binkley Family. Tickets are $5 each or 5 for $20 and are available from Staff Council representatives or the Governance Office, 312 Signers' Hall. The drawing will be on Friday, June 6 at the staff picnic. You need not be present to win. The airline vouchers must be redeemed by March 10, 1998.

The UAF Staff Council named the scholarship in memory of Carolyn Sampson, former executive secretary in the Governance Office. Carolyn was instrumental in obtaining support services for the Staff Council and provided support for the Faculty Senate and Academic Council while employed at UAF. The scholarship is designed to provide new career paths or retraining to applicants wishing to re-enter the job market or whose work activity may be threatened by economic, health or other factors. For more information, contact your Staff Council representative.

The Staff Picnic will be on Friday, June 6 at 4:00 p.m. next to the Student Recreation Center. Units are asked to bring the following items:

Units 4 & 7 Salads
Units 8 & 9 Baked beans and casseroles
Units 10 & 12 Condiments (mustard, pickles, ketchup, onions, lettuce and tomatoes.) (Representative will be collecting $1 from constituents to purchase economy size mustard, ketchup, etc.)
Units 11 & 16 Hamburger buns
Units 5, 6, & 13 Desserts (cookies, cupcakes, brownies)
Unit 15 Fruit
Unit 14 Vegetable trays and dip
Unit 18 Hot dog buns