

**USG Retiree Council Meeting  
October 23, 2015  
Middle Georgia State College  
Foundation Board Room (Student Life Center)  
10:00 AM—2:00 PM**

**Participant List**

**Attending in Person:**

1. Barbara Price--GSO
2. Martha Wicker--Clayton
3. Richard Baringer—GSW
4. Pat Wilkins—GCSU & Darton
5. Raymond Chambers--Bainbridge
6. Anne Richards—UWG
7. Dennis Marks--VSU
8. John Derden--EGA
9. Dave Lapp—GRU
10. Andy Smith – Georgia Tech
11. John Hutcheson—Dalton
12. Barbara Morgan—AMSC
13. Bob McDonough—Georgia Perimeter
14. William Johnson—Albany
15. Verbret Moore—FVSU (for Tricia Addison)
16. Missy Cody—GSU
17. Dorothy Zinsmeister--KSU
18. Marion Fedrick—USG
19. Karin Elliott--USG
20. Linda Noble--USG
21. Teresa Joyce--USG

**Attending via Telephone:**

1. Ann Crowther--CCG
2. Kathy Martin--UNG
3. Tom Lauth—UGA (for Brahm Verma)
4. Alberta Cook—Staff Council rep for Tim Aldridge

**Not Attending:**

1. Jerry Turner—Gordon
2. Robert Marsh--Faculty Council rep
3. Patsy Hembree—ABAC
4. Julie Weisberg—GGC
5. Levy Youmans—MGSU
6. GHC, Armstrong, Columbus, SSU

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AGENDA

- |       |  |                     |
|-------|--|---------------------|
| I.    | Welcome  | Teresa Joyce        |
| II.   | Introductions and Roll Call  |                     |
| III.  | Approval of the Minutes of the May 21, 2015<br>USGRC Meeting                               | Barbara Price       |
| IV.   | August 2015 Presentation to the USG<br>Board of Regents: Goals for 2016 Health Plan        | Marion Fedrick      |
| V.    | Medicare Eligible Retiree Healthcare: Update<br>on Enrollment Process and Data on Progress | Karin Elliott       |
| VI.   | Working Lunch  |                     |
| VII.  | Report of USGRC Communication<br>Committee   | Dennis Marks        |
| VIII. | Council Membership Update  | Dorothy Zinsmeister |
| IX.   | Other Business   | Dorothy Zinsmeister |
| X.    | USGRC Spring Meeting   | Dorothy Zinsmeister |
|       | A. Month and Location to be Determined   |                     |
|       | B. Election of Officers  |                     |
|       | C. Issues for Consideration  |                     |

Note: GA-HERO Meeting, November 13, 2015, 10:00 am—2:00 pm  
Middle Georgia State University, Foundation Board Room (Student Life Center)



# PERSONNEL & BENEFITS COMMITTEE

Marion Fedrick  
Vice Chancellor of Human Resources  
August 12, 2015



# Agenda

- Goals for the 2016 Health Plan
- 2016 Plan Changes Summary
- 2016 Proposed Premiums
- Medicare Eligible Retirees



# Goals for the 2016 Health Plan

- Evaluate 2015 contract and plan implementations
- Control pharmacy costs
  - 19% increase 2013-2014
  - 10% projected increase in 2015
  - 11% projected increase in 2016
- Continue moving to defined contribution pricing model



# 2016 Proposed Plan Changes

- Medical - Add options for more flexible doctor visits
- Pharmacy - Specialty formulary and dispensing of drugs
- Wellness Initiatives
  - Support campus environmental changes and fitness challenges for employee well-being
  - Focus on improvements in top 5-lifestyle diseases



# Recommended 2016 Premiums

## Active Employees and Pre-65 Retirees

Employee Monthly Premium	Blue Cross Blue Shield of Georgia (USG Self-Insured Coverage)			Kaiser
	Consumer Choice HSA	Comprehensive Care	BlueChoice HMO	HMO
Employee	\$74	\$173	\$188	\$149
Change over 2015	\$12	\$3	\$12	\$6
Employee + Child	\$132	\$310	\$337	\$267
Change over 2015	\$22	\$5	\$22	\$10
Employee + Spouse	\$153	\$362	\$393	\$312
Change over 2015	\$25	\$6	\$25	\$12
Family	\$211	\$501	\$543	\$431
Change over 2015	\$35	\$9	\$35	\$17

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# Affordable Care Act 2018 Excise Tax

Imposes a 40% excise tax, starting in 2018, on the portion of health plan premiums that exceed \$10,200 for single coverage and \$27,500 for family coverage

What's important to know?

- TRSC has already taken steps to avoid the tax in early years
- Future recommendations will focus on plan design changes to avoid tax in later years
- Monitoring IRS guidance





# 2016 Medicare Eligible Retiree Plan

- **Primary Coverage (80%)** - Medicare Parts A & B
- **Supplemental Coverage (20%)** - Purchased from the Aon Retiree Healthcare Exchange, a private retiree health exchange

USG will assist retirees in selecting and paying for their Supplemental Coverage (20%)



# Medicare Eligible Retirees Selecting and Paying for Coverage

- Retiree
  - Meets with Aon Benefit Advisor to select best coverage
  - Selects coverage from Aon Retiree Health Exchange
  - Pays premiums for coverage each month
- University System of Georgia
  - Provide funds towards premiums
  - Funds from USG are deposited into a Health Reimbursement Account (HRA)
  - Retiree uses money from HRA to reimburse themselves for a portion of the premiums and/or out-of-pocket healthcare costs



# Medicare Eligible Retirees USG Funds to HRA

- Funding recommendation based on:
  - Retiree's spend for healthcare coverage relatively the same for 2016
  - No increase in BOR cost for retiree healthcare in 2016; 2015 spend at \$43.3M
- USG Funds to HRA
  - \$2,736 annual amount/\$228 monthly



# Medical Eligible Retirees

## What this means for Retirees

- Retirees will pay a similar premium in 2016 as they did in 2015
- Coverage levels are comparable to the USG plan

Average Retiree*	2015 Comprehensive Care Plan	2015 Aon Retiree Health Exchange Most Similar Plan
Suppl. Coverage Premium	\$116.00	\$199.00
Medical Costs	\$25.00	\$0.00
Pharmacy Costs	\$62.00	\$128.00
Total Cost	\$203.00	\$327.00
BOR Cost Share (based on 2016 proposed subsidy)	Already deducted from premium – <b>(\$234.00)</b>	<b>-( \$228.00)</b>
Monthly Retiree Cost	\$203.00	\$99.00

\*Average retiree is based on weighted average costs for 4 retiree health statuses: healthy, acute episode, chronic condition, and high-cost

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# Medicare Eligible Retirees Health Reimbursement Account

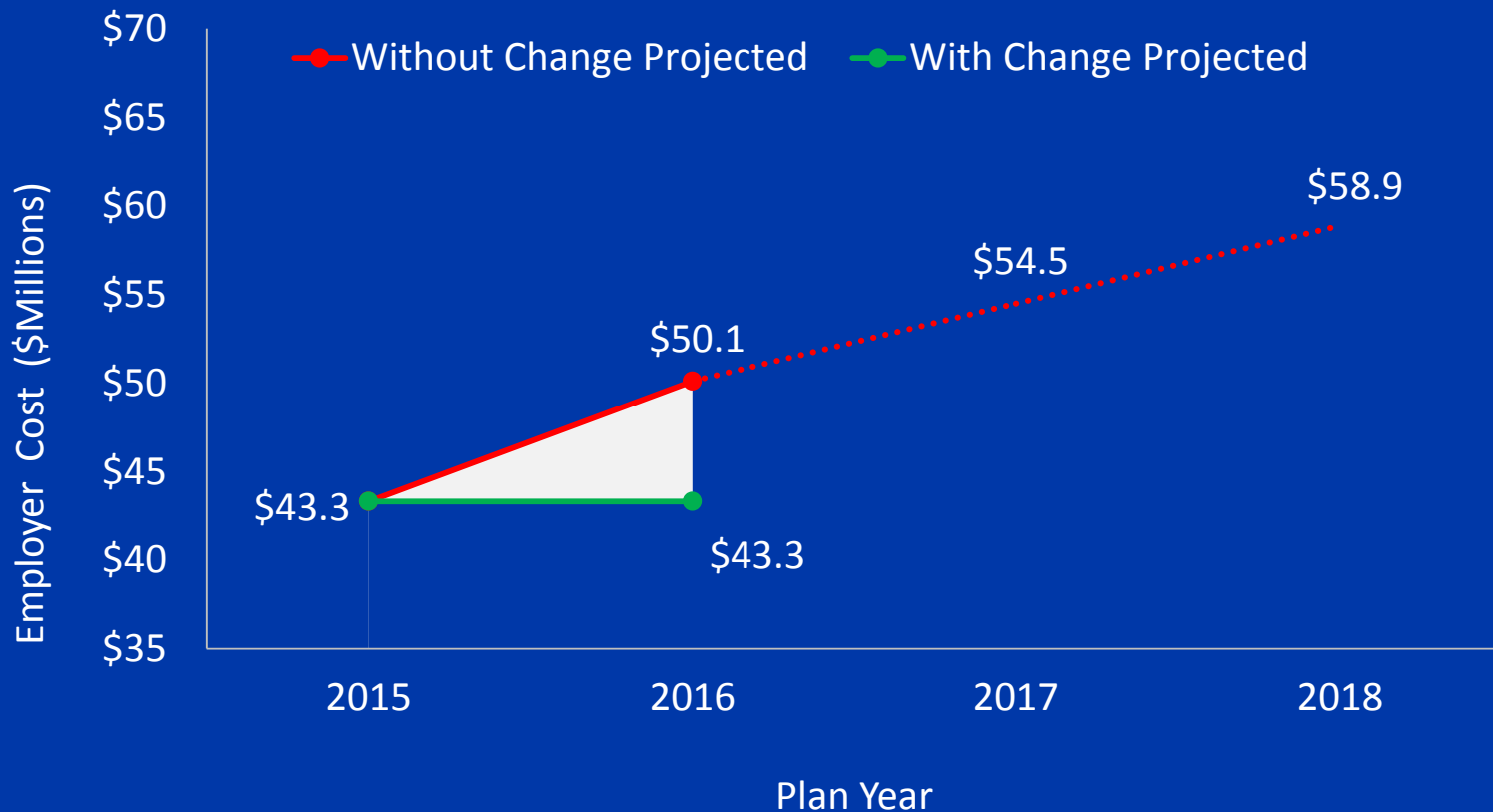
## HRA Details

- Retiree must purchase coverage through Aon Retiree Health Exchange to receive USG funds in their HRA
- USG funds the HRA for the full year on January 1
- Funds unused at the end of the year, roll over from year to year
- Eligible reimbursement expenses include:
  - Insurance premiums and out-of-pocket healthcare costs
  - Medicare part B premiums



# Medicare Eligible Retirees

## What this means for USG



Assumes a constant population size;  
2015 – 2016 projections provided by Aon Hewitt

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# Medicare Eligible Retirees Communications

- Fall enrollment informational meetings will be held at all 30 institutions
- One-on-one telephonic enrollment sessions
- Extended Open Enrollment – October 1 thru Dec. 31
- Working with retiree advisors for feedback
- USG Retiree Advisory Council
  - Advise system office on retiree engagement



Questions?