

## MINUTES

### RETIREE, HEALTH AND OTHER BENEFITS ADVISORY COMMITTEE

May 12, 2011

Al Hahn called the meeting to order at 12:30 p.m. Those present included Yuyi Lin, Doris Littrel, Barton Boyle, Leanne Peace, Jack Batterson, Steve Pallardy, Peter Wilden, Marjorie Leavene, and special guest, Bonnie Gregg.

Bonnie Gregg responded on behalf of Kelly Stuck to the questions that had sent to her from the committee:

Will the PowerPoint slides Kelley showed us in March be posted on the HR website soon; also the PowerPoint shown at the April meeting? There was a lot of good information on those slides.

Kelly thought the information had been posted and will check on the delay.

Is there a reason why MU has not amended the retirement plan that would allow active employees transfer funds from the 403b to a Roth IRA that was made possible by the small business Jobs Act of 2010? Does the University not qualify under that act to allow this type of transfer?

UM has not modified the plan which allows conversion at age 59.5 years. Not all plans will accept the conversion.

Do you have a goal when the 2010 retirement plan annual report will be posted?

Generally the entire annual report is not posted. A recap of the report is still progress and will be posted when completed.

Since Metlife is no longer offering Long term care plans, what long term care plan are new employees getting?

A memo was sent to employees April 29. UM is exploring other long term care plan options at this time.

We saw on your March slides the total premium increase for the health insurance plans for each group of employees. How much more did each group actually have to pay for this year?

Choice Health Care program increased 12.5%. There was no change in catastrophic care plan. Retiree Medical Indemnity plan increased 3-5.3%

Why is MU considering Medicare Advantage plans for retirees when these types of plans have proven not to be as cost effective as

Medicare? What is attractive about these Medicare Advantage plans? These are public insurance plans that have to pay their CEOs and pay dividends to their share holders.

UM has no plans to adopt the Medicare Advantage Plan. Many of these programs are being phased out.

How is the MU partnership with Cerner working? What features will we see in the next few years as the result of this partnership? I see this new partnership is called: Tiger Institute for Health Innovation and more information can be found at: <https://www.tiger-institute.org/>

Working with Cerner on innovative systems is working well. Security issues involving patient access is a concern.

Will MU consider offer some sort of "blue book" that compares prices of medical procedures at MU with other area health care settings in central Missouri so shoppers can find the best deal?

No program is currently available to provide this type of data.

The committee thanked Bonnie for standing in for Kelly Stuck at the meeting, and asked that she transmit an additional list questions to Stuck.

Committee members discussed the possible affects physician shortages may have on the UM Health System. The number of students enrolled in Medicine has increased 20% in recent years; however, the residency slots available to them have remained stable. A large part of the cost for the residency programs is paid by Medicare. The field of medicine is seeing physician shortages in the areas of primary care, OB/GYN (malpractice insurance is an issue), and Pathology. There are shortages in pediatrics nationally but not at MU.

There was also discussion regarding the cost of drugs. Some mentioned that since many of the drugs are coming to the end of their patent, drug costs should go down. This may not be the case. The wholesale cost of drugs is set on a daily basis. It is suspected that the lobbying efforts in Washington, DC, and the supply chain (supply and demand) keep the drug prices up.

There seem to be no major problems with the new dental plan.

There was some discussion of rollover plans. Pallardy commented that in the State of Missouri, creditor protection for IRAs is not as good. Regular 403Bs actually are protected from law suits/creditors. Once implemented, supplementary defined contribution plans (401A) cannot be changed. They are not as flexible as the 403B or 457 plans.

The committee discussed the faculty council recommendation regarding insurance for non-married partners. Many peer institutions do provide this coverage. After some discussion the committee opted to table the motion until the committee has received clarification regarding who would be eligible for this coverage. If the motion cannot be tabled until Fall semester, Al Hahn will e-mail a ballot to all committee members.

Batterson asked if the committee should send a letter to the Board of Curators in support of the proposed pension plan. Members agreed that it was premature for the committee to react at this time.

The meeting adjourned at 1:35 p.m. The committee does not plan to reconvene until Fall 2011 when new committee assignments have been made.

Respectfully submitted,

Marjorie Leavene