



Benefit Plans for 2012

Presentation to the University Senate

November 16, 2011

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Agenda

- Healthcare Changes for 2012
- Wellness Initiatives
- Medical Leave Policy

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Healthcare Changes
for 2012

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BLG Members

Donald Beck, Professor, Physics

Nancy Barr, Admin Associate, Mechanical Engineering

Jane Berner, Retiree

David Chard, Manager, Instructional Resources

Mike Hendricks, Institutional System & Analysis Director

Joe Herbig, Controller

Renee Hiller, Director of Benefit Services

Ellen Horsch, VP for Administration

Amy Hughes, Internal Auditor

Deb Lassila, Budget Director

Rudy Luck, Associate Professor, Chemistry

Michael Mullins, Professor, Chemical Engineering

Anita Quinn, HR Director

Tony Rogers, Associate Professor, Chemical Engineering

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Benefits Liaison Group (BLG)

Financial Considerations reviewed:

- Projected 2012 Healthcare Costs Net Increase of \$833,000 (5.79%)
- 15% Budget Cut From the State of Michigan (amounted to \$7.2 million)
- Yearly Tuition Increases for Michigan Tech Students

The BLG Was Asked to Provide 3 Scenarios to the Administration For Cost Containment For Plan Year 2012.

A. \$250,000

B. \$500,000

C. **\$750,000**

BLG Will Meet Early January 2012 to Strategize a Long-term Benefits Strategy.

If Financial Conditions Improve, the Healthcare Situation Will Be Re-evaluated To The Extent Possible in Light of the Overall Compensation Strategy.

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Legislation Changes

Effective January 1, 2012

- Health Insurance Claims Assessment Act – Passed by the State of Michigan Requiring Michigan Tech to Pay 1% Tax on Certain Healthcare Claims Including (but not limited to) Medical Care, Dental, RX, and Hospitalization. Effective Through January 1, 2014.
- State of Michigan Passed the Publicly Funded Health Insurance Contribution Act – Mandates the Employer Must Not Pay More Than 80% of the Total Annual Costs (premiums) or no More Than a Dollar Cap for Single, Single + Spouse, and Family Coverage
 - Analysis has Shown that Michigan Tech Passes the Dollar Cap Maximum for the Healthcare Plans
- National Healthcare Reform – 2012 Tax Year Will Require Michigan Tech's Value of Your Healthcare to be Reported on the W-2 You Receive in 2013

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2012 Healthcare Plans

- Continue Two Employee Health Plans With Aetna
HuskyCare PPO HuskyCare HSA
- Employee Premium Cost Share on the PPO Will Remain at 20%
- **PPO Changes:**
 - Deductible - \$1000 Single/\$2000 Family (increased from \$500 Single/\$1000 Family)
 - Out-Of-Pocket - \$2200 Single/\$4400 Family (increased from \$1500 Single/\$3000 Family)
- **HSA Changes:**
 - Deductible and Out-of-Pocket Max Will Remain the Same
 - \$400 Single/\$800 Family (reduced from \$750/\$1500)
- HuskyCare Dental/Vision Plans Remain the Same (vision allowance does not reset)

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Wellness Group Members

- **Jason Carter**, Department Chair, Kinesiology and Integrative Physiology
- **Becky Christianson**, Director, Work Life
- **Theresa Coleman-Kaiser**, Asst VP for Administration
- **Brett Hamlin**, Sr Lecturer/Asst Dept Chair, Engineering Fundamentals
- **Mike Hendricks**, Institutional System & Analysis Director
- **Karen Hext**, Coordinator of Benefits
- **Renee Hiller**, Director of Benefits
- **Kevin Kalinec**, Head Tennis Coach

Wellness Program 2011 Initiatives

- Aetna's Healthy Lifestyle Coaching
- Enhanced Health Risk Assessment (HRA) – 2nd year
- Nutrition and Cooking Classes (first pilot completed Oct 2011)
- Physical Improvement Plan (starts Spring 2012)



Medical Leave Changes for 2012

Medical Leave Group

- Role
- Guiding Principles
 - Protect Faculty/Staff
 - Protect University
 - Comprehensive and Clear Policy

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Medical Leave Group Members

- **Rick Berkey** - Sr Research Engineer
- **Wendy Davis** - Mgr, Process Improvement
- **Brett Hamlin** - Sr Lecturer/Asst Dept Chair (Engineering Fundamentals)
- **Michael Hendricks** - Institutional System & Analysis Director
- **Karen Hext** - Benefits Coordinator
- **Renee Hiller** - Director of Benefits
- **Deb Lassila** - Director of Budget
- **Jay Meldrum** - Director of KRC
- **Pushpa Murthy** - Professor, Chemistry
- **Anita Quinn** - Director of Human Resources
- **Bonnie Roth** - Director of Employment Services
- **Mary E Stevens** - Administrator, Forestry

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Medical Leave Group Subcommittee Members

- **Michael Hendricks** - Institutional System & Analysis Director
- **Renee Hiller** – Director of Benefits
- **Ellen Horsch** – VP for Administration
- **Tanya Maki** – Admin Aide, School of Business (UAW Rep)
- **Pat Martin** – Department Chair, Social Sciences
- **Jay Meldrum** – Director of KRC
- **Pushpa Murthy** – Professor, Chemistry
- **Mary E Stevens** - Administrator, Forestry
- **Thy Yang** – Director of IPS

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Medical Leave

Currently:

- **Family Medical Leave Act (FMLA):** 12 Weeks of Unpaid Leave for Approved Medical Conditions
- **Sick Leave:** Accrual of Up To 132 Days
- **Voluntary Sick Leave Pool (VSLP):** Coverage for Short-term Catastrophic Illness/Injury After a 6 Week Waiting Period
- **Maternity Leave:** Paid Leave for Birth Mothers
 - 6 Weeks Paid OR
 - Full Semester Paid at 100% (faculty only) and Relieved of Teaching Duties  Will Continue Research and Student Supervision

Why Sick Leave?

- Maximum at 132 Days to Bridge Gap to LTD
- Insurance for Your Pay
- Takes Over 10 Years to Accrue
- Managing an Illness

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University Statistics

- VSLP Intent Only Covers Catastrophic Illness/Injury
- Department Charged for Sick Leave/VSLP Strains
Departments Budget to Hire Replacement or Temporary Help
- 72% of Employees Do NOT Have Enough Sick Days to Get to Long-term Disability (6 months)
- 25% of Employees Not Protected by VSLP (elected not to participate or new hire)
- 40% of Employees Have Less Than 6 Weeks (current waiting period for VSLP)

Medical Leave Tier 1

- 13 Annual Sick Days (104 hours)
 - Pro-rated for Part-time and New Hire
 - Provided January 1st
 - Maximum of 60 Days

Medical Leave Tiers 2 & 3

- Short-Term Disability Policy (replaces VSLP)
 - Available to Regular Employees \geq .75 FTE
 - 14 Calendar Day Waiting Period
 - 70% Salary Benefit (University-paid)
 - Taxability of Benefit – Employee Choice
- Long-Term Disability Policy Remains the Same

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Medical Leave

Why Short-Term Disability?

- Broader Coverage (not limited to catastrophic)
- Shorter Waiting Period (14 calendar days)
- Immediate & Automatic Enrollment
- Consistency of Determining Eligibility for Short-term Disability and Long-term Disability
- Departments No Longer Charged for Those on Short-term Disability

Medical Leave Maternity Leave

- **Continue Current Maternity Leave**
 - Funded Centrally
 - Flexible Work Schedule for Staff
 - Includes Adoption

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Medical Leave Family Care Leave/Adoption

- Sick Leave May Be Used for Family Illness/Injury and Paternity Leave



Open Enrollment Forum Schedule

DATE	TIME	PLACE
Monday, November 14	10:00am	MUB – Ballroom A
Tuesday, November 15	9:00am	TechFund – Citizens Bank
Wednesday, November 16	5:30pm	Meeting of the University Senate
Thursday, November 17	2:00pm	MTRI
Saturday, November 19	3:00pm	Lakeshore Center Community Room (RSVP Required)
Monday, November 21	9:00am	MUB – Ballroom A
Monday, November 21	2:00pm	MUB – Ballroom A
Tuesday, November 29	10:00am	MUB – Ballroom A
Thursday, December 1	5:00pm	Lakeshore Center Community Room
Friday, December 2	1:00pm	MUB – Alumni Lounge



Open Enrollment Lab Schedule

DATE	TIME	PLACE
Tuesday, November 15	2:00 pm – 4:00 pm	MEEM 120
Monday, November 21	Noon – 2:00 pm	MEEM 120
Thursday, December 1	9:00 am – 11:00 am	MEEM 120

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QUESTIONS