

University of South Alabama Fringe Benefits Committee – Meeting Minutes

Date: May 1, 2007
 Time: 3:00 p.m.
 Place: University of South Alabama

Members:

Dr. Lanier S. Cauley	Mechanical Engineering	Present
Dr. Patsy C. Covey	Academic Affairs	Absent
Ms. Elnora Davis	Central Supply	Present
Mr. M. Wayne Davis	Chairman - Financial Affairs	Present
Mr. Pat Downing	USA Brookley Center	Absent
Mr. Edward Felts	Computer Services Center	Present
Ms. Amy Fleet	Marketing	Absent
Dr. William Gilley	Graduate Studies	Present
Dr. Jean Irion	Chair, Faculty & Senate FBC	Present
Mr. David Knight	Supply, Processing & Distribution	Absent
Ms. Bessie Lee	Pediatrics	Absent
Mr. John Pannelli	COM Business Office	Present
Ms. Kelly Peters	Business Office	Present
Dr. Victoria Rivizzigno	Earth Sciences	Absent
Dr. Robert Shearer	Office of the President	Present
Ms. Barbara Shirvanian	Dean of Students	Absent
Mr. Joseph M. Smith	Maintenance	Present
Ms. Vicki Tate	Chair of Faculty Senate	Present
Dr. Stephen Teplick	College of Medicine	Present
Dr. Allan Tucker	College of Medicine	Present
Ms. Carolyn Williams	College of Medicine	Absent

Others Present:

Ms. Pamela Henderson, Director of Human Resources
 Mr. Gerald Gattis, Associate Director of Human Resources
 Mr. Ed Kahalley, Jr., Benefits Consultant and Secretary to the Committee
 Mr. David Cooper and Ms. Lori Schneider, Blue Cross and Blue Shield
 Mr. Brandon Bates, Mr. Jeffrey Tolbert and Mr. Bill Jacka, AirMed International

Call to Order & Meeting Minutes:

Chairman Wayne Davis called the meeting to order. The Chair recognized Dr. Jean Irion the new Chair of the Faculty & Senate Fringe Benefits Committee and Ms. Vicki Tate, Chair of the Faculty Senate.

Mr. Davis distributed and asked for approval of the 1/30/2007 meeting minutes.

A motion was made, seconded and the vote unanimous to dispense with the reading of the meeting minutes and approve same as prepared by the Secretary.

AirMed International:

The Chair introduced representatives from AirMed International. Mr. Jeff Tolbert made a presentation on AirMed International stating that it is the leading air medical transport company in the United States. He stated that 34% of all air ambulance services are rendered within the United States and that air ambulance services qualify if transport involves 150 miles or more from the individual's home. He provided several testimonials to the professional services offered by AirMed. He stated that the air ambulance service is from inpatient to inpatient or if the individual is unable to travel by commercial flight due to medical reasons. The service is also available for specialty hospital services for medical care. He explained the full range of services offered from triage to medical staffing for air transport. He stated that several universities are providing this coverage including the University of Alabama. The service is relatively inexpensive at \$1.25 per subscriber per month.

Mr. Cooper stated that Blue Cross and Blue Shield out-sources many services and partners with only the best providers. He stated that this is the case with AirMed International and that they have been fully researched and come recommended by Blue Cross and Blue Shield.

Members asked questions of Mr. Tolbert and he responded. The Committee generally agreed that this was an excellent addition to the USA Health Plan and especially due to the services offered within the United States. It was noted that the approximate annual cost of this benefit would be \$60,000 based on current population.

A motion was made, seconded and the vote unanimous to recommend that this service be added to the USA Health Plan with no change in the funding rates.

Financial Report:

Mr. Gattis distributed the financial statements for the 3-month period ended 3/31/2007. He stated that the first quarter had income over expenses for a positive balance of \$483,715 compared to \$696,298 this time last year with a reserve of \$14,468,214. He stated that the cost of claims was up by 5% but no cost increases in one particular area appeared to be excessive. The Blue Cross and Blue Shield administrative fee is down due in part to a reduction in the dental administration fee from \$4.00 to \$3.00. The dental benefit has a paid/loss ratio of 80%. The cost of prescription drugs is down slightly due to the \$50 annual deductible amount.

Mr. Gattis concluded his review of the financial statements.

Family Medical Leave Act:

Ms. Henderson stated that there was an administrative problem with the way the University provides FMLA leave. She distributed a handout providing a comparison of required leave to that of the University and other universities and an explanation of the current leave policy to the suggested change. She stated that the Act requires 12 weeks of leave and the University of South Alabama provides 16 weeks per calendar year. Under the Act an employer may allow FMLA leave on either a calendar-year basis or a rolling 12-month basis. She stated that the combination of allowing 16 weeks on a calendar-year basis can create a situation which makes it difficult for the University to maintain staffing. When leave is calculated on a calendar-year basis, employees can take up to 8 months of consecutive FML. She stated that the suggested change will allow departments more flexibility in managing staffing needs in an increasingly competitive employment market.

Ms. Henderson stated that other universities such as UA, UAB and Auburn all use a 12-week maximum. The University of Alabama and UAB use a rolling 12-month period with Auburn using a calendar year.

Ms. Henderson reviewed the suggested policy which includes using a rolling 12-month leave determination period and a 12-week leave maximum. She stated that the employee would still have sick and vacation time as well as eligibility for unpaid leaves of absence as operationally feasible, not to exceed one year. She stated that the changes, if recommended, would be effective January 1, 2008, to provide for timely notification to eligible employees.

Mr. Davis explained the difference between the rolling 12-month period and the calendar year. He stated that the current policy is somewhat onerous on the hospitals which utilize more than half of the University's employees. He recommended the change.

Mr. Gattis stated that he had been involved in the initial decisions when the FML policy was implemented in 1993. He stated that the University started on the calendar-year basis as did most other universities but that our peer institutions had migrated to the rolling 12-month period. He endorsed the change.

There followed a general discussion of the changes and impact on employees. All questions were addressed and resolved satisfactorily.

A motion was made, seconded and the vote unanimous approving recommendation of the changes in the University's FMLA policy to be effective January 1, 2008.

Health Advisory Committee:

Dr. Michael Doran
Ms. Carolyn Williams

Mr. Joe Smith
Mr. John Pannelli

Ms. Barbara Shirvanian
Dr. Jean Irion

No activity to report at this meeting.

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New Business:

1. Ms. Vicki Tate asked about developing a policy for donating sick leave or vacation time when a fellow University employee is in need.

Mr. Davis stated that it had been reviewed in the past. It was found to have some fairly significant drawbacks. One of the most significant being that sick leave counts towards retirement. Mr. Gattis mentioned the financial implications to the hospitals in the area of overtime.

2. Ms. Tate asked if the minutes of the Fringe Benefits Committee are included on the University's web site. Mr. Gattis stated that the minutes are not currently on the web but that would be addressed.

Ms. Tate also asked for prior meeting minutes and Mr. Gattis agreed to provide her with meeting minutes for the last several years.

Adjourn:

There being no other business to come before the Fringe Benefits Committee the meeting was adjourned at 4:20 p.m.