

University of South Alabama Fringe Benefits Committee – Meeting Minutes

Date: January 27, 2009
 Time: 3:00 p.m.
 Place: Human Resources Learning & Development Center

Members:

Mr. M. Wayne Davis	Chairman - Financial Affairs	Present
Dr. Lanier S. Cauley	Mechanical Engineering	Present
Dr. Thomas Chilton	Associate Dean of Education	Present
Ms. Elnora Davis	Central Supply	Absent
Mr. Pat Downing	USA Brookley Center	Present
Mr. Edward Felts	Computer Services Center	Present
Ms. Amy Fleet	Marketing	Absent
Dr. Jean Irion	Chair, Faculty Senate Fringe Benefits Committee	Present
Dr. David Johnson	Academic Affairs	Present
Mr. David Knight	Supply, Processing & Distribution	Absent
Ms. Bessie Lee	Pediatrics	Absent
Mr. Bobby McRee	Maintenance	Present
Mr. John Pannelli	COM Business Office	Present
Ms. Kelly Peters	Business Office	Present
Dr. Victoria Rivizzigno	Earth Sciences	Present
Dr. John Sachs	Chair of Faculty Senate	Present
Dr. Robert Shearer	Office of the President	Absent
Ms. Barbara Shirvanian	Dean of Students	Present
Dr. Stephen Teplick	College of Medicine	Present
Dr. J. Allan Tucker	College of Medicine	Present
Ms. Carolyn Williams	College of Medicine	Present

Others Present:

Ms. Pamela Henderson, Assistant Vice President Human Resources
 Mr. Gerald Gattis, Associate Director of Human Resources
 Mr. Ed Kahalley, Jr., Benefits Consultant and Secretary to the Committee

Call to Order & Meeting Minutes:

Chairman Wayne Davis called the meeting to order and asked for approval of the October 14, 2008, 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.

The Chairman introduced Dr. David Johnson, Senior Vice President for Academic Affairs, who is a new member to the Committee.

Experience Report:

A summary of the annual experience report was distributed. Mr. Kahalley reviewed the report with the Committee and answered questions. He stated that total expenses were less than projected for the year. Expenses increased by \$1.2 million or 5% over the previous year and the number of covered employees increased by 234 or 5.75%. Revenue exceeded expenses by \$766,178 and the reserve ended the year at \$12,939,619 after a transfer of \$1,341,835.

A member asked how much was left of the original transfer from the general fund. Mr. Kahalley responded that the balance due was \$2,903,246.

Mr. Kahalley stated that the employer contribution accounted for 75% of the total cost and was on target with the policy.

A member asked if treating Infirmary West as a network facility was economically sound. Mr. Kahalley stated that this is a decision made each year. He stated that the arrangement promotes the use of USA Health System physicians which makes up for the deductible and copay differential.

Mr. Kahalley stated that it had been a very favorable year for the USA Health & Dental Plan.

University of South Alabama Urgent Care:

Mr. Kahalley stated that he had toured the Urgent Care Clinic, and he felt that it was a great facility and should add even more value as it develops.

Health Quotient

Ms. Henderson stated that the Health Quotient (HQ) campaign was proceeding well. She stated that before the campaign commenced 75 individuals had completed the HQ. To date 1,004 had completed the HQ. She stated that there were approximately 6,180 eligible for the \$50 incentive for a potential total cost of \$300,000 and 16% had participated. Computers were available at all three HR offices. At the end of the three-month campaign Blue Cross Blue Shield would provide data to assist in monitoring the program. She stated that the program will develop more wellness initiatives.

It was noted that the next newsletter to employees would have a reminder and information about the HQ and the \$50 incentive. The most recent newsletter published in November 2008 had announced the Plan's benefits improvements and the wellness initiative, as well as the employee premium contribution remaining the same for the current year.

Mr. Davis stated that a report showing the success and results of the new wellness initiative would help in obtaining approval and additional support from the President.

New Business

A member asked if Blue Cross Blue Shield had information on primary care physicians and if the system could direct individuals to USA Health System physicians.

Mr. Kahalley stated that Blue Cross Blue Shield could not do that for several reasons. He stated that the Urgent Care Clinic could help with that issue. He stated that in fact the Clinic has a kiosk in the waiting room that lists all of the USA Health System providers.

A member asked about the disease management program as a part of the wellness plan. The member stated that prevention should be a major part of the program concentrating on diseases such as type II diabetes, cardiac, hypertension and other treatable diseases. Incentives could be provided to maintain health and avoid costly complications. Mr. Kahalley stated that he would request a year-end report on that program.

The Chairman stated that more pharmacies were offering generic drugs at a reduced price, \$4.00 being the most common. He stated that the next newsletter should include information on these programs.

The Chairman agreed that the USA Health & Dental Plan had experienced a very good year. This factor had allowed the contribution rate to remain the same for another year with some improvements in benefit levels. He stated that the cost of the program was manageable and very favorable compared to other alternatives. He thanked the Fringe Benefits Committee members for their support in the management of the Plan.

Adjourn:

There being no other business to come before the Fringe Benefits Committee the meeting was adjourned at 4:10 p.m.