

University of South Alabama Fringe Benefits Committee – Meeting Minutes

Date: May 6, 2008
 Time: 2:00 p.m.
 Place: HR Learning & Development Center

Members:

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| Dr. Lanier S. Cauley | Mechanical Engineering | Present |
| Dr. Thomas Chilton | Associate Dean of Education | Present |
| Dr. Carl Moore | Academic Affairs | Present |
| Mr. M. Wayne Davis | Chairman - Financial Affairs | 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 of Faculty/Senate FBC | Present |
| Mr. David Knight | Supply, Processing & Distribution | Present |
| 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 | Absent |
| 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, Assistant Vice President of 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 introduced new members including Dr. John Sachs, Chairman of the Faculty Senate, Mr. Bobby McRee taking the place of Mr. Joe Smith and Dr. Carl Moore taking the place of Dr. Patsy Covey.

The Chairman distributed and asked for approval of the 1/29/2008 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.

Experience Report Fiscal Year Ended 03/31/08

Mr. Gattis distributed the experience report for the three-month period ended 3/31/2008. He stated that revenue exceeded expenses by \$422,599 year to date. Revenue is up by \$254,493 due to a 5% increase in the number of employees covered. The employer contribution accounts for 77% of the total cost. The reserve stands at \$13,937,875. Mr. Gattis reviewed the report with the committee stating that all looked very good to date.

Chairman Davis stated that there had not been an increase in the employee rates for three years except for the addition of the dental plan. He stated that if all goes well, the rates may hold for the coming year.

New Business:

Flu Vaccine:

Mr. Gattis stated that the President's office had been sponsoring flu shots for employees. Last year this expense was covered under the USA Health Plan. He stated that this arrangement provided flu shots only to covered USA Health Plan members and involved filing a claim. He stated that this year it had been suggested that the USA Health Plan pay for the cost of flu shots directly to the clinics at an estimated cost of \$30.00 per shot. The anticipated number of shots to be given is 1,000. This number does not include the hospital population as hospitals have a separate program for their employees.

The members agreed that this would be the better arrangement and the USA Health Plan should pay the clinics directly for the cost of administering the flu shots. All employees will be eligible, whether or not they are covered under the Plan. Mr. Gattis is to consult with HSF to determine whether or not dependents were covered last year.

Generic Drugs:

Chairman Davis stated that there were several new low-cost programs sponsored by pharmacies that provide generic drugs at a cost of only \$4.00. He mentioned a 90 day supply of prescriptions were available for only \$10.00. He stated that the members should be made aware of these low-cost programs to promote utilization of generic drugs.

Mr. Davis asked the Consultant to comment on this.

Mr. Kahalley stated that an article had been prepared for the next employee newsletter. He stated that the pharmacy director at Blue Cross and Blue Shield had been invited to the next meeting of the Committee to talk about prescription drug utilization and the new high-tech drugs that are entering the market.

The committee agreed to invite the pharmacy director to the next meeting.

Dr. Rivizzigno asked that the Consultant conduct a comparison in cost for some of the drugs listed on page 7 of the financials. For example, compare the cost of Nexium at CVS, Walgreens, Rite Aid and Walmart.

Life Insurance Renewal:

Mr. Gattis reported that the three-year contract with The Standard Life Insurance Company was soon to renew. He stated that he had negotiated with The Standard a 10% across-the-board reduction in rates. The 10% reduction includes both the basic life and voluntary life premiums.

The Consultant stated that he had reviewed the contract, the renewal experience and the renewal offer negotiated by Mr. Gattis and found same to be excellent.

A motion was made, seconded and the vote unanimous approving renewal of the group term life insurance program with The Standard.

AirMed:

Mr. Gattis stated that since implementing the AirMed benefit it had been used twice to transport members to hospitals for appropriate treatment.

The members agreed that this was a good benefit and provided a margin of comfort.

Wellness:

A member inquired as to the status of the wellness initiative. It was reported that Blue Cross and Blue Shield had the resources to administer most aspects of a wellness program including administration of incentives. The program has not been developed at USA but it is under review.

Other Issues:

Infertility Coverage/Three Tier Premiums – A member inquired about the status of these two items. Mr. Davis instructed Mr. Gattis to place these on the next meeting agenda.

Adjourn:

There being no other business to come before the Fringe Benefits Committee the meeting was adjourned at 4:45 PM.