BOARD OF REGENTS
HUMAN RESOURCES COMMITTEE

November 22, 2004

The Board of Regents Human Resources Committee held a telephonic meeting on Monday, November 22, 2004, in accordance with §21.8 of the Iowa Code. The meeting was not held in person because it was not practical to have the Regents assemble in one location for this brief meeting. Public access was provided at the following locations:

Board of Regents Office, 11260 Aurora Avenue, Urbandale
University of Iowa, Danner Conference Room, Gilmore Hall, Iowa City
Iowa State University, 1750 Beardshear Hall Conference Room, Ames
University of Northern Iowa, Seerley Hall Room 18, Cedar Falls
Iowa School for the Deaf, Superintendent's Office, Council Bluffs
Iowa Braille and Sight Saving School, Old Main Room 102, Vinton

Persons in attendance (not all-inclusive):

Committee members: Sue Nieland (Chair), Amir Arbisser (arrived at 5:00 p.m.); Robert Downer (excused at 5:15 p.m.), David Neil, John Forsyth (ex officio).

Others: Owen Newlin, Greg Nichols, Tom Evans, Marcia Brunson, Susan Anderson, Carol Bradley, Barb Boose, Barb Briggle, Sue Buckley, Richard Saunders, Judy Hermsen, Steve Nelson, Bill Hesson, Linda Bergquist, Linda Everett, Heidi Nobling, Ann Madden Rice, Diana Leventry, Jim Henderson, Kevin Ward, Margaret Pickett (excused at 5:14 p.m.), Mark Chidister (excused at 5:14 p.m.), Tim Cook (excused at 5:14 p.m.), Nick Bambach (excused at 5:14 p.m.), Tom Schellhardt (excused at 5:14 p.m.), Jeanne Prickett (excused at 5:14 p.m.), Luann Woodward (excused at 5:14 p.m.), Dianne Utsinger (excused at 5:14 p.m.).

Regent Nieland called the meeting to order at 4:34 p.m.

Health Insurance Summaries, Enrollment and Rates

Associate Director Brunson stated that Committee members had been provided with information on the health insurance plans offered at the Regent institutions, as requested.

Regent Neil posed the following questions:

- How is prescription drug coverage handled at each of the universities?

- Who administers the University of Iowa plan?

- Under which University of Iowa plans are employees under the SEIU contract covered?

Senior Assistant Director Saunders responded that prescription drugs are covered under the major medical benefits of the University of Iowa's two CHIP programs. Drug cards are provided under the managed care programs. He stated that Wellmark is the carrier for all of the University of Iowa's plans. SEIU contract-covered employees may participate in any of the four University's health insurance plans.

Associate Vice President Pickett stated that Wellmark administers Iowa State University's current-year PPO and indemnity plans covering faculty and P&S staff. Health Alliance is the carrier for the HMO plan. Pharmacy plans are administered within each of those health plans for the current year. For the plan year beginning February 1, 2005, a separate pharmacy benefit manager will be utilized, which is anticipated to result in $1.5 million to $2 million in savings. She noted it was for that reason that Iowa State University's premium increases were lower for the 2005 plan year.

Director Bambach stated that the University of Northern Iowa has two insurance plans for faculty and P&S staff, both of which are managed by Wellmark. He said there is a deductible of $100 per contract year for prescription drugs in the indemnity plan, after which the coverage is at 90%.

Regent Neil said it appeared there were wide-ranging benefit levels across all three universities. He suggested that, at a later time, the Committee may wish to consider condensing the universities into one risk pool to further spread the costs.

Regent Downer stated that Regent Nieland and he had discussed that matter last month and were in agreement with Regent Neil's suggestion. Combining the university employees into one health insurance pool should be considered.

Executive Director Nichols pointed out that the focus of the human resources staff in the next two to three months would be collective bargaining. He said the Committee could direct the Board Office to construct proposals to streamline health insurance coverage for further discussion at a future Committee meeting.

There was consensus of the Human Resources Committee members to proceed in the direction that had been suggested.

Executive Director Nichols stated that institutional personnel had heard the discussion and would be prepared for a concrete discussion of this endeavor at a future meeting.

Regent Neil said there may be a need to seek outside expertise to help determine whether there is savings in merging the universities into one risk pool.

Associate Vice President Pickett stated this matter was studied approximately 10 years ago. At that time, the conclusion was that there were economies of scale within the universities' existing plans. The critical factor at that time was provider networks and who could provide the best discounts. For example, at Iowa State University, the market is dominated by one very large clinic.

Executive Director Nichols stated that, the study that was conducted approximately 10 years ago will be provided to the Committee to facilitate discussion of this topic at a future Committee meeting.

ACTION: Regent Nieland stated the Committee received the report, by general consent.

Executive Session

Regent Nieland stated the Committee had need to meet in closed session pursuant to Iowa Code §20.17(3) to conduct a strategy meeting of a public employer for collective bargaining.

MOTION: Regent Neil moved to enter into closed session. Regent Downer seconded the motion, and upon the roll being called, the following voted:
AYE: Downer, Neil, Nieland.
NAY: None.
ABSENT: None.

MOTION CARRIED UNANIMOUSLY.

The Committee having voted at least two-thirds majority resolved to meet in closed session beginning at 4:49 p.m. on November 22, 2004, and adjourned therefrom at 5:35 p.m. on that same date.

Adjournment
The meeting adjourned at 5:35 p.m. on November 22, 2004.

Thomas Evans MRB
Thomas Evans
Director, Human Resources

Gregory S Nichols
Gregory S. Nichols
Executive Director

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