

# Funded Retirement and Insurance Committee (FRIC)

September 7, 2007

The first Funded Retirement and Insurance Committee (FRIC) meeting for the 2007-2008 academic year was held 9/7/07 at 11:30am in 302 USB.

Members present: Richard Borchard, Jane Chalmers, Lois Dusdieker, Jon Garfinkel, Dan Holub, Melanie Kenney, Sheldon Kurtz, Lynette Lancial, Dorothy Persson, Bernard Sorofman, and Ruth Wachtel.

Administration present: Sue Buckley and Richard G. Saunders.

Guests Present: Debra Hughes, Susan Klatt, Joni Troester, Charles Drum, Julie Sexton, Eileen Sullivan, Terry Johnson, Charles Drum, and Nancy Williams.

1. Introduction of members and guests. An orientation to the benefit plans was recommended to all new committee members.
2. A website for FRIC is being developed. Meeting minutes and progress/accomplishments of the committee will be posted there in the near future.
3. Minutes of the 5/4/07 meeting were approved.
4. **Reorganization of benefit plans and adjustment of rates.**

UI Care, UI Select and CHIPS 3 plans are being discontinued. CHIPS 2 remains. A “revised version of UI Select” entitled UI Choice will be a 3-tiered plan with level 1 care provided at the Carver College of Medicine (CCOM) and UI Community Medical Services (CMSC). Level 2 services are by Blue Choice providers other than CCOM and CMSC. Level 3 services are for all other providers (may be out of state).

Coinsurance is less for level 1 and 2 at 10% and level 3 is 40%. Out of pocket maximums are the same for level 1 and 2 but more for level 3. There is no deductible. CHIPS 2 is not being revamped. You may choose any provider but have a \$1200 single/\$3600 other family status deductible. 10% coinsurance. The out of pocket maximum increases for family coverage.

With UI Choice every visit can be a different level and the costs to the employee varies by the level used for that visit. Routine care obtained in state (level 1 or 2) is much less expensive than routine care obtained out of state (level 3). Emergent care (if true emergency) is covered differently.

Rates for the 2008 enrollment period will be based on CHIPS 2 and UI Select rates for 6/06 – 5/07 and usage within those plans. Rates for 2008 will not exceed a 30% increase for each plan subgroup, i.e. CHIPS 2-family or UI Choice-employee/spouse, for example. It is important to remember that co-payments do not contribute to out of pocket maximums.

There is a growing concern about very large spending accounts for certain employees who do not purchase health insurance and hence have large residual Flex Benefit funds. This year there is a proposed cap of \$9000 for those with excessive flex benefits. There is a max of \$5000 on the dependent side (no matter how many dependents).

## 5. **Hewitt Recommendations for Flex Benefit Options**

The Flex Benefit design was established in 1987. It is time to re-examine the 20-year old program, see what is going on in current cafeteria plans, and possible options. Options extend from no change to tossing out everything.

Health, dental, life insurance, and disability coverage are under review. It is important to consider that total compensation includes salary and benefits. Salary here is not ranked highly by Big 10 standards. Committee members are to examine alternative program scenarios for medical (4 options), dental (4 options), life insurance (3 options), and disability insurance (3 options). These alternative program options will be discussed at the October, 2008 meeting.

6. **GSRA retirement options** were not discussed in depth secondary to lack of time.

Meeting adjourned at 1:00pm. The next scheduled FRIC meeting is at **11:30am, 10/5/07, in 302 USB.**

Respectfully Submitted,  
Lois B. Dusdieker, MD, MS