

**UNIVERSITY OF WASHINGTON
FACULTY COUNCIL ON RETIREMENT, INSURANCE AND BENEFITS**

The Faculty Council on Retirement, Insurance, and Benefits met on June 3, 2004 at 3:00 p.m.
Chair Patti Brandt called the meeting to order at 3:03 p.m.

PRESENT: Professors: Boxx, Brandt, Demorest, Dugdale, Johnson, Kochin, Waaland,
Whittaker

Ex-officio: Cameron, Dougherty, Dwyer, Henley

ABSENT: Professors: Bliquez, Haley, Martin

Ex-officio: Constantine, McKenzie

Guests: Pete Cutler, Health Care Authority
Gary Osman

Synopsis:

1. Pete Cutler, Health Care Authority
Presentation
Discussion
2. End of year subcommittee updates, accomplishments, goals
Tuition waivers (Demorest)
Peer comparisons (Dugdale)
Long term care insurance (Whittaker)

Pete Cutler, HCA

Katy Dwyer introduced Pete Cutler, Administrator of the Health Care Authority (HCA). Cutler replaced former HCA Director Ida Zodrow, who visited FCRIB in 2003. Cutler has also worked in the state legislature, and as legal counsel for retirement systems.

The Health Care Authority administers four health care programs: Basic Health, Community Health Services, the Prescription Drug Program, and Public Employees Benefits Board (PEBB), and provides access to health care for more than 500,000 Washington residents. The HCA also oversees the Uniform Medical Plan (UMP), a state-administered, self-insured preferred provider plan that is available to active and retired state employees, as well as groups such as K-12 school districts and employer groups.

Cutler complimented FCRIB members on the analysis the long term care subcommittee did. He was impressed by the outline FCRIB submitted to HCA. He said that HCA is sending out RFPs to vendors for long term care, but he already knows that collective bargaining will be taking precedence over LTC until fall. It is clear that the Hancock product will not be ending in 2004 as Ida Zodrow originally thought.

This project has just been turned over to a new health insurance professional recently hired by PEBB and who will need to research LTC options, contact vendors, and structure an RFP that describes exactly what is being put out to bid. The RFP will probably be completed in 2005.

Cutler said that the present vendor has not provided the outreach and marketing they promised. One result is that there are only 1,600 HCA members signed up for this optional coverage. LTC is very valuable, and people will find it expensive if they wait too long to obtain it.

It is doubtful that LTC will be an issue in the coming labor negotiations – the unions seem to be more interested in catching employees up on salaries.

Whittaker asked how FCRIB can help move the LTC process forward. Cutler said the work FCRIB has done is very helpful and will be of substantial use to his office. Cutler made a distinction funded and unfunded benefits. He sees no special problems with the LTC benefit because it is an unfunded benefit. It is also possible that the UW might self-insure this program at a future date. This would be something to look into. HCA would need to see statutory language to make sure it achieves the UW's goal but does no harm.

Tuition Waiver Benefit

Steve Demorest reported that he should have preliminary data from the Budget Office next week on how much the proposed benefit will cost. He will keep the Senate leadership in the loop on results. The proposal will go to Human Resources on June 16.

Communication with the Budget Office has not been very smooth, but it is improving. Dwyer is meeting with the Budget Office again on June 3, and will try to get them back on track.

Benchmarking Benefits

David Dugdale reported on the benchmarking benefits project. Data has been hard to come by in useful form, but he distributed a screen shot of the Website that has been produced. It has room for stats and includes some retiree anecdotes.

Dwyer remarked that the retiree interviews should also be on the Retirement Center Website. She will talk more over the summer to her peers, who are interested in the project. The AAUDE report has some problems with it, and is not generally useful to everyone.

Dugdale also distributed a handout on common benefit concerns. On the Website, these will link to specific programs so more information is readily accessible to the reader.

Jim Whittaker commented that this is good work because it gives form to a seamless path between the benefit concerns of new employees and older employees.

The meeting was adjourned at 2:50 p.m. *Minutes by Linda Fullerton, Recorder.*