

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

The Faculty Council on Retirement, Insurance, and Benefits met on May 1, at 1:30 p.m. Chair Jim Whittaker called the meeting to order at 1:30 p.m.

PRESENT: Professors: Bliquez, Boxx, Brandt, Haley, Kochin, Martin, Waaland, Whittaker

Ex-officio: Chamberlin, Dougherty, Dwyer, Henley

ABSENT: Professors: Dugdale, Frey, Johnson

Ex-officio: Olswang, McKenzie, Rosales

Guest: Marita Berg, Benefits Office

Synopsis:

1. Approve agenda.
2. Approve minutes
3. Legislative Update & UW Benefits Office Report - Katy Dwyer
4. Long Term Care Website - Marita Berg
5. Tapping the Wisdom of Retirees- Larry Bliquez, Pat Dougherty
6. Work-group reports:
 - Fund Review Committee - Charles Chamberlin, Katy Dwyer, Chip Haley
 - Benchmarking Benefits -Katy Dwyer, Diane Martin, Charles Frey

Approval of Agenda

The agenda was approved.

Approval of Minutes

The March minutes were approved.

Announcements

Whittaker asked if everyone received the re-employment policy brochure. Most did, though it appeared to have reached some people in differing formats.

Katy Dwyer showed the group the new color VIP and UWRP plan brochures, and provided members with photocopies. The vendors are paying for the printing of the new brochures, Dwyer said. She would like comments on the brochures from the group by May 5.

Legislative Update & UW Benefits Office Report

Dwyer reported on the current Washington State legislative situation. Both the House and the Senate are working in special session on the budget for the '03-'05 biennium. Health care costs are expected to rise again.

Both the House and Senate now peg the employer contribution at \$482.38. The House bill steps up the employer contribution to \$520.29 in '04 and \$606.26 in '05. The Senate bill puts '04 employer cost at \$498.30 and '05 cost at \$567.67.

If these bills were to pass in their present form, the average cost passed on to employees might be \$125 in '04, and \$149 in '05. These are just estimates – almost no one fits the "average" – that give FCRI members some idea of how costs will rise. Both employer and employee costs are going up, but employees are being asked to pay a larger portion of the increase. This is a shift in the legislature's historical policy approach that reflects a nationwide trend. But the health care cost increases hit the UW harder because salaries are not increasing. In essence, this is a cut in pay. In addition, prescription co-pays are increasing and prescription benefits are

decreasing. This also reflects negatively on employees' take-home pay.

At present, UW employees cannot negotiate with the Public Employees Benefits Board (PEBB) as a separate bargaining unit, but this will change in 2005. Whittaker and Diane Martin both said that FCRIB and the UW Legislative Reps need to work closely with Dick Thompson's office, both to stay informed on issues and to present a unified UW voice on health care and other benefits matters.

Kochin reminded members that the Flexible Spending Accounts can be a good tool to pay co-pays with pre-tax dollars and save some money on payroll taxes. Dwyer agreed, but cautioned that the FSAs require that employees be good at estimating their yearly health care expenses.

Dwyer said that HB1829, Re-Employment of Retirees under PERS, is new legislation that would be retroactive to 2001. It revises the rules for PERS employees who want to retire and return to work. Under this legislation, there would be tiers and constraints on how soon staff members may re-employ after retirement, and stricter conditions under which they may do so. This does not affect faculty, but shows the legislature's annoyance with what they perceive as "double-dipping," even though that's not what it is.

Long Term Care Insurance Website

Marita Berg, the Benefits Office coordinator for the Statewide Health Insurance Benefits Advisory (SHIBA), has researched and put together a Long Term Care Website for the Benefits Office. The site explains what Long Term Care (LTC) is, who pays for it, what the average costs are across the nation, and the different kinds of care that are lumped under the term Long Term Care. The site also educates staff in the kinds of questions they should be asking about LTC - there are a lot of variables. For some people, a group plan may be good. For others, an individual plan may actually be more cost effective. Berg has included reports from Kaiser, Northwest Justice Legal Services Corp, and other recognized experts in the field to help UW employees make some choices.

Berg asked how the site strikes FCRIB members - is it too long, too general, complete enough? Karen Boxx characterized it as a good gateway to information, with lots of references. Haley noted that the Consumer Reports links go to information that is four years old. Is more current information available? Martin said she is looking for answers to questions such as "Why do I need it?" It is also important to do some education about the true costs of LTC, so employees can weight the pros and cons. Whittaker would like to see information about what a healthy spouse or partner gets to keep in a spend-down situation. In some states, most assets have to be spent for care. Boxx referred FCRIB members to the information under self-help resources and senior citizens at the Website nwj.org.

Most people, said Berg, are not even clear about the differences between Medicare and Medicaid. She thinks this information should be added to the LTC site. Patti Brandt wanted to see more depth in the information on the site - she doesn't think most people know what assisted living is, that most assisted living is not covered by Medicare, and that most assisted living services are "a la carte." This can be very expensive. It would also be important to know about exclusionary information, pre-existing conditions, and the meaning of terms such as "cognitive impairment."

Pat Dougherty reminded the council that the UW Retirement Association includes information about LTC in its eldercare workshop. Members may want to sign up for the workshop even if they are not now providing care for an elder. There is a workshop scheduled for June 5, 3:30-5:00. This is immediately after the June 5 FCRIB meeting - perhaps members would like to segue from FCRIB into the eldercare workshop. Dougherty will email a workshop notice to everyone. There is no charge, but registration is required.

Dwyer said she has lots of good notes she and Berg will be able to apply to the Website, and thanked FCRIB members for reviewing it.

Work-group reports:

Fund Review Committee – Dwyer reported that Chip Haley reviewed the letter to Weldon Ihrig that set out guidelines for the Review Committee, and it was forwarded to Ihrig. A letter has now been sent from Ihrig to various campus organizations (Libraries, PSO, etc.), asking them each to appoint a representative to the Fund Review Committee. A one-month turnaround is expected for the names of the nominees. FCRIB also needs to nominate one or more candidates. Levis Kochin, Karen Boxx, and Dick Kummert (Law) have been recommended by FCRIB. Kochin will serve in this capacity, but there is also room for a Faculty Senate member on the Committee. Names of candidates for the Faculty Senate rep should be submitted to Whittaker by May 22, so he can let Sandra Silberstein know of likely candidates.

Tapping the Wisdom of Retirees- Larry Bliquez, Pat Dougherty

Larry Bliquez reported that he has begun the process of interviewing retirees to glean their experiences in retirement. He met with Dougherty to refine his interview questions, and is asking people how they have used their UW Retirement Plan, how they have used their health plans, etc. He has approached four retirees, and all have agreed to be interviewed. He will keep the interviews anonymous, for privacy reasons and legal concerns. Interviews will be presented in narrative form and might be posted on the UWRA Website, with links to the Benefits site. Whittaker said he would also like to see the interviews posted where active faculty are more likely to see them.

One of the questions that is proving most helpful, Bliquez said, is “Is there anything you wish someone had told you before you retired?” Most of us, he added, don’t see what’s coming and could use some advice.

Bliquez is more familiar with the faculty on upper campus, and would appreciate referrals to faculty who have retired from service on south campus. Haley said there is a group of Business School retirees who meet on the first Wednesday of the month, at 10 a.m., in the Faculty Club. They may be a good resource.

Benchmarking Benefits -Katy Dwyer, Diane Martin, Charles Frey

Dwyer said the Benchmarking group has met twice. Charles Frey has thought specifically about what he would like to see, and what happens after the information has been collected. The group looked at sample graphs and information already provided to see how they would fit with the goals of the project, and chose some that would be most meaningful. The vendors will provide these electronically so they can be posted on the UW Website for “apples-to-apples” comparisons with peer institutions.

The Benchmarking group also wants individual information on UW benefits that can be tracked over time to show trends. Vendors said they probably could do that, but they want guidance from the group. Dwyer said they have given Frey’s charts to the vendors to see if they can do what he envisioned. A conference call with the vendors is in the offing. Martin especially wants to track one person over time to see how individuals are affected by benefits costs. The results might be posted on a Website, possibly with Larry’s vignettes.

Whittaker would like to see the percentage of dollars going into benefits, including nationally. Would that be possible? Dwyer said that kind of information is available from benefits consultants such as Towers Parren.

Whittaker noted it would be useful for incoming FCRIB chair Patti Brandt to have the benchmarking information available when she meets with Sandy Silberstein and Doug Wadden over the summer about the FCRIB agenda for next year.

The meeting was adjourned at 3:04 p.m. *Minutes by Linda Fullerton, Recorder.*