

University System of Georgia – Retirees’ Council
Meeting Minutes

November 3, 2017

Middle Georgia State University
Professional Sciences Building, Room 212

1. Welcome (Missy Cody), 10:00 AM. After the welcome, Missy asked those present to check in with Dorothy Zinsmeister at some point during the meeting to verify any changes in representatives and non-voting alternates for their institutions.
2. Introductions and Roll Call (Ray Chambers). The following unit institutions were represented: Atlanta Metropolitan State College (Barbara Morgan), Augusta University (David Lapp; Tom Abney, non-voting alternate), Bainbridge State College (Ray Chambers, Secretary), Clayton State University (Jim Braun; Martha Wicker, non-voting alternate), College of Coastal Georgia (Mary Mitchell Jones, by phone), Columbus State University (Dutchie Riggsby, alternate), Dalton State College (John Hutcheson), East Georgia State College (John Derden), Georgia College and State University (Judy Malachowski), Georgia Gwinnett College (Victoria Johnson), Georgia Highlands College ([Ken Weatherman](#)), Georgia Institute of Technology (Ron Bohlander, chair-elect; Kathy Tomajko, [guest](#)), Georgia Southern University (Gene Murkison), Georgia Southwestern State University (Richard Baringer), Georgia State University (Missy Cody, chair), Georgia Perimeter at GSU (Bob McDonough; Ron Swofford, non-voting alternate), Kennesaw State University (Dorothy Zinsmeister), Middle Georgia State University (Bob Kelly), Savannah State University (Margaret Hunter), South Georgia State College (Jim Cottingham), University of Georgia (Mark Eason; Tom Landrum, non-voting alternate), University of North Georgia (Toni Barnett, by phone), University of West Georgia (Mitch Clifton; Anne Richards, non-voting alternate), Valdosta State University (Dennis Marks, immediate past chair).

The following institutions were not represented: Abraham Baldwin Agricultural College, Albany State University, Armstrong State University, Fort Valley State University, Gordon State College.

University System of Georgia Chancellor’s Office representatives: Karin Elliott, Associate Vice Chancellor for Total Rewards, HR; Monica Fenton, Director of System Benefits, HR.

Others in attendance: Aon representatives (Mark Chandler, Retiree Health Solutions; Jane Funk, General Manager, Retiree Division; Robert Gazzo, contact person for Karin Elliott and Monica Fenton; [Kris](#) Schneider, Carrier Engagement/Contracting), Georgia Health Policy Center representatives (Kristi Fuller, Bill Rencher), Staff Council representative (Ashlyn Reece, Secretary).

3. Review of August Board Presentation and HRA Subsidy Discussion (Karin Elliott); further details in attachment #1)
 - a. Overview of the Total Rewards Steering Committee Membership
 - b. [There will be premium increases for active employees.](#)
 - c. Plan performance: 2016 came in slightly under budget and 2017 is expected to, as well. [This is due to lower than expected claims costs and/or better pharmacy rebates than expected during this period.](#) For 2018 increases of 7% for medical expenses and 12% for pharmacy expenses are expected.
 - d. In response to a question about expenses that might exceed what is budgeted, Karin acknowledged that there is a reserve fund available. However, a portion of that fund will be redirected to a separate account to cover retiree liabilities. This is a change in accounting rules; instead of pay-as-you-go systems, USG will be required to show tangible evidence of ability to cover future liabilities. We are currently at \$4 billion in liability, heading toward \$5 billion.
 - e. Plan changes for 2018 for active employees only
 - i. Prescription out-of-pocket [maximum](#) will increase by \$150 per member.
 - ii. In-network out-of-pocket maximum goes to \$250/member and \$500/family.
 - iii. By law, hearing aid expenses for children have been added.
 - iv. There will be a greater effort to encourage the use of generics and reduce duplicative prescribing. Most members (89%) use generics.
 - v. Well-being programs are being instituted for full-time employees with the goal of extending them to spouses, students and “the campus community.” There also will be an incentive program to encourage participation in the well-being programs (\$100/person) [for active employees and their spouses covered under the USG healthcare plan.](#)
 - vi. The USG subsidy will be the same for every plan by coverage tier, i.e., the same amount will be contributed for every “employee-only plan”, every “employee + child plan”, etc.
 - vii. Plans costs to the USG will increase. The Board of Regents (BOR) has requested [estimated](#) \$15.0 million, of which \$11 million will be requested of the State.
 - f. For retirees, the Health Reimbursement Account (HRA) remains at \$2736/eligible individual for 2018. The Catastrophic HRA also continues; the individual has to contact Aon when s/he reaches that limit. There was discussion of the need to communicate better about the availability of the Catastrophic HRA.

At this point the regular schedule was suspended because the presenters had not arrived. The program moved to section 9b and then continued to 4.

4. Healthcare Policy Overview (Bill Rencher and Kristi Fuller, Georgia State University; further details in Attachment #2)
 - a. The Georgia Health Policy Center at Georgia State University is an interdisciplinary [work](#)ing group. They noted the following.

- b. While the ACA does not affect Medicare , except in relation to the “donut hole,” health care spending has been increasing. While such costs were 5% of GDP [in 1960](#), they now reach 20%.
 - c. There are several reasons for these increases, including: intensity of treatment, demographics, health status, insurance coverage, instability of the individual market, region (Southwest Georgia is the most expensive in the U.S.), and increasing costs when insurance add coverage.
 - d. Costs to Medicare also have been increasing since 1965 when it started and after the disabled and those with end stage renal disease were added to the program. Today over 45 million are covered by Medicare. Costs will continue to rise as the population age increases. Part D costs are expected to grow faster than Part B costs as chronic use of pharmaceuticals increases. The practical implication is that individuals have higher out-of-pocket costs as they get older because they typically use more medications.
 - e. Current approaches to easing the pressure on Medicare have included
 - i. Standardizing diagnoses through diagnosis-related groups
 - ii. Establishing Accountable Care Organizations (ACO)
 - iii. Using value-based purchasing and bundled payments
 - iv. Penalizing hospitals for readmissions within 30 days for similar diagnosed conditions and for hospital acquired infections
 - v. Relying on evidence-based medicine
 - f. Reform suggestions have included
 - i. Substituting a premium support system for traditional Medicare
 - ii. Raising the eligibility age
 - iii. Making greater use of Medicare Advantage Plans, i.e., managed care
 - iv. Limiting what Medicare Supplement ([Medigap](#)) Plans can cover
 - v. Raising payroll taxes
5. Aon Retiree Health Exchange Market Update (Kris Schneider; further details in Attachment 3)
- a. The 2018 Medicare premium has not been determined as of November 3. This means that insurance supplement plans cannot announce any changes in their premiums/coverages because they will need to cover the “gap”, which is unknown at this time.
 - b. Medicare Advantage Plans
 - i. There are many new carriers
 - ii. Premiums for advantage plans are expected to decrease by about 6%.
 - iii. Nationwide approximately 34% are enrolled in Medicare Advantage Plans compared to the 16% in Georgia. Most in Medicare Advantage Plans (70%) are in PPO plans.
 - c. Medicare Part D premiums will average about 3% lower, and the donut hole is shrinking.
 - d. Medicare Supplement (Medigap) Plans
 - i. New retirees in 2020 will not be able to enroll in Medigap plans C or F, which are being discontinued. They are urged to go to either Medigap D or G, some of which are guaranteed issue.

- ii. Current retirees seeking to switch plans and new retirees may face issues regarding guaranteed issue. Some Aon partner plans have guaranteed issue, but not all do. At this time, Anthem (Blue Cross/Blue Shield) is not guaranteed issue, but Cigna and Mutual of Omaha are. Schneider recommends Plans G which may save money overall but do not cover the Part B deductible.
 - iii. In Georgia most retirees use Medigap plans, and 86% of those have chosen Plan F.
 - iv. For Medigap plans, the expected premium increases are between 4% and 7%.
 - v. Responses to questions
 - 1. The plans offered through the Aon exchange are individual insurance products. While USG has 17,000 retirees, there is no leverage for lower prices because these retirees make individual, not group, choices.
 - 2. Some Medicare Advantage plans and some Medigap plans include Silver Sneakers or other wellness programs. These are not required.
6. [In response to follow up questions to Aon, we learned that during the 2016 open enrollment we were sitting at 16,766 enrolled and as of fall 2017 were at about 17,100 enrolled or a 1.75% increase. At transition, there were about 16,000 enrolled and as of 2/28/18 we have about 17,500 enrolled or an increase of 9%. Looking back on 2017 we averaged per month about 105 eligible “age-ins” with approximately 75% enrolling in coverage.]
7. Lunch (Thanks to the Chancellor’s Office for providing the box lunches and refreshments.)
8. Roundtable Response Session (Bill Rencher, Kristi Fuller, Kris Schneider, Monica Fenton; See Attachment 4 for the list of previously submitted questions. Some were answered earlier in presentations. Those questions and others that arose in follow-up are included below.)
- a. Has the number of retirees covered by the HRA changed from 2015 to 2018? Answer: The trend has been flat; although typically 80 are added per month, there are nearly an equal number leaving. In 2016 it was 16,900, and now it is about 17,000. [In response to follow up questions to Aon, we learned that during the 2016 open enrollment we were sitting at 16,766 enrolled and as of fall 2017 were at about 17,100 enrolled or at 1.75% increase. At transition, there were about 16,000 enrolled and as of 2/28/18 we have about 17,500 enrolled or an increase of 9%. Looking back on 2017 we averaged per month about 105 eligible “age-ins” with approximately 75% enrolling in coverage.]
 - b. Do you have data showing how much retirees are spending for their healthcare and drug premiums by age? Answer: There is a chart with this information in the previous presentation (see Attachment #3). This information is only about

- premiums and not claims. Aon does not have claims data [associated with the HRA](#), which would give a more complete picture of healthcare costs for retirees.
- c. Has the Board of Regents Human Resources Office considered redistributing the HRA using a sliding scale based on age, since older retirees face higher insurance premiums? Answer: This is unlikely because there are many factors regarding what a retiree pays out-of-pocket, not just the insurance premium. Follow-up comments: Retirees may make changes during open enrollment and can move to a different supplement plan. Some, not all, carriers have guaranteed issue/enrollment. Education about options could be helpful.
 - d. If a retiree participates in Aon for [Medigap](#) coverage so s/he gets the HRA, but not Medicare Part D coverage (i.e., s/he goes outside Aon for her/his drug coverage), is s/he still eligible for the Catastrophic HRA? Answer: Yes.
 - e. When does the insurance company have to notify us of changes in our policy? Answer: Notification occurs after Medicare has made its determinations. Note that insurance companies may make changes any time of the year.
 - f. Does the insurance company notify us directly or through Aon? Answer: Directly
 - g. Are insurance policy changes posted on the Aon website? Answer: Yes. Changes are available on October 1. Changes to the supplement ([Medigap](#)) plans are updated as carriers know about them, [make changes and report them to Aon](#).
 - h. New questions/follow-up questions
 - i. What is the difference between the November 10 and the December 7 open enrollment dates? Answer: The deadline for dealing with the University System through OneUSG Connect for open enrollment for benefits covering [pre-65 health insurance](#), supplemental life insurance, dental and vision is November 10. The Aon [and Medicare](#) deadline is December 7 for decisions related to post-65 healthcare coverage.
 - ii. Is the HRA the same as an HSA (Health Savings Account)? Answer: The HRA is not an HSA. The HRA rolls over to the next year, but it is not a personal savings account because it cannot be left to heirs. The funding stays in your account for six months, if you die. Your heirs can use it to pay your healthcare bills. If it takes longer than six months, there is an appeals process.
 - iii. If an individual has a [Medigap](#) plan and wishes to change to a Medicare Advantage Plan, do they still get to change between different plans? Answer: If you are in a Medicare Supplement ([Medigap](#)) Plan and are interested in changing to a Medicare Advantage Plan, you can only make a change between October 17 and December 7. There are multiple PPO, HMO and HMO plans with point-of-service options. To look at other Medicare Supplement Plans, you can do this any time of the year. Some will require medical underwriting, and some will not.
 - iv. If you make a change to a Medicare Advantage Plan and then want to go back to the Medicare Supplement Plan, can you do this? Answer: You can only do this between October 17 and December 7. There could be guaranteed issue or not, depending upon the carrier.
 - v. If a retiree did not get insurance with Aon when we went to Aon, can they get it now? Answer: A retiree could get the insurance with Aon if the

person continuously had insurance through the USG prior to the point of the transition. However, if a person chose not to continue with Aon at the time it was offered, we considered the person dropped. Once a person is dropped, s/he would no longer be eligible for the benefit. If there are extenuating circumstances, the employee can appeal.

- vi. Several of us have tried to get Delta Dental to give us information about the amount we paid last year. We know how much was taken out per month, but want to get something in writing from the USG. Answer: You want to submit your premium payment to the YSA? For any retiree who retired under ADP, we used to get one page from Aon that provided this information. Since we moved to OneUSG, we can explore how to do this.

9. OneUSG (Karin Elliott). After completing the transition to OneUSG, only 688 retirees have not paid their premiums either by mail or through direct debit. The Council was asked to help find these people and help them work into the system. A list of names, disciplines, and prior institutions will be sent to the Council.

10. Committee Reports and Updates

a. Communications Committee [\(Dennis Marks\)](#)

- i. [A copy of the report from the USGRC Communications Committee that was presented to the USGRC at its March 4, 2016 meeting was distributed \(See Attachment 5\). Dennis gave an update on progress and challenges in implementing the Retiree Council's motion of that meeting on creating USG- and institution-level communications networks and encouraging the development of institutional-level retiree organizations.](#)
 - ii. Of special importance is communicating with those about to retire (within the next 5 years). Discussion ensued as how best to reach these people. Several suggestions were made, including development of pre-retirement materials; having an information table at your institution's Benefits Fair to engage with colleagues about retirement and your institution's retiree organization; hosting an annual retiree luncheon to welcome prospective members; collecting email addresses while they are still public, i.e., on the institutional website to communicate with colleagues before they retire; and connecting with your Human Resources unit to collect information during retirement processing.
 - iii. A related issue dealt with how to proceed merging retiree councils where schools are merging (consolidating). Several suggestions were made, depending on the individual situations. These included getting a consolidated list of retirees.
- b. Ashlynn Reese, Secretary of the USG Staff Council (USGSC) reported on the October Staff Council meeting. They had breakout sessions on healthcare, communications, and how to put wellness into the workplace. The USGSC Executive Committee members plan to visit every active [institution](#) Staff Council this year to explore their activities and to determine how the USGSC can help them. The USGSC has dues of \$50/institution.

- c. Retirement guides. [“Steps to Retirement” brochures have been developed at Clayton State University, University of West Georgia, and Valdosta State University. At the System level, work continues on a retirement guide and possible webinars. The webinars would be designed to fill in the gaps for active employees who retire without the benefit of the programs on healthcare transitions that were held during the move to Aon. Drafts of print materials will be sent out before the spring meeting, with the goal of March.](#)

11. Retiree Registry ([Ron Bohlander](#))

- a. One mission of the Council is to prepare a registry of retirees identifying any knowledge and/or skills they possess that might be helpful [for short interim assignments](#) at various institutions or the system as a whole. A survey is in preparation.
- b. A survey was distributed [by Kathy Tomajko, retired Associate Dean of Libraries at Georgia Tech](#), at the meeting to determine the extent of access to institutional libraries for retirees, especially electronic access to university-licensed materials. In some cases institutions require proof that the retiree is a bona fide retiree from the institution. Therefore, some units issue retiree ID cards. [The results of the survey will be shared with the USGRC when completed.](#)
- c. Retiree information is held in OneUSG. Retirees must authorize changes to their information [through the One USG Connect portal](#); their institutions cannot make changes to their personal information.

12. Adjournment (Missy Cody). The meeting concluded with reminders of the GA-HERO meeting on November 17 and the AROHE meeting in Atlanta, hosted by Emory University, October [7-9, 2018](#). Missy thanked Karin and Monica for their attendance and all of their help. Meeting adjourned at 2:15 PM.

Respectfully submitted,

Ray Chambers, Secretary