

9-1-2011

Staff Council Compensation Committee Meeting, 9/1/2011

UNM Staff Council

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Staff Council Standing Committee Minutes



Committee Name: Compensation Committee

Regular Meeting time: 1st Thursday of each month, noon to 1:00 p.m.

Meeting Date and Place: September 1, 2011; Faculty Staff Club Meeting Room

Members Present: Fred Rose, Susan Hessney-Moore, Tom Rolland, Rhonda Bofman, Ed Baker, Suzanne McConaghy, Greg Molecke, Ann Rickard, Theresa Everling, Bridgette Wagner-Jones, Cynthia Hensley, Marsha Baumeister, Amie Ortiz

Members Excused: Carol Bernhard, Danelle Callan

Members Absent: none

Guests Present: Carolyn Hartley, Kathy Meadows, ..., ...

Minutes submitted by: Greg Molecke

| | Subject | Notes | Follow-Up |
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| 1 | Meeting called: 12:06 | Many late arrivals | |
| 2 | Introductions | Cynthia is a new member and brought 2 guests. | Update roster |
| 3 | Election of Chair | Greg was asked by Exec to run. Suzanne would like to continue. | By acclamation, Greg and Suzanne are co-chairs |
| 4 | Election of Recorder | No volunteers. Greg and Suzanne will switch off; one runs the meeting, the other records. | Suz prepared this agenda, so Greg to take minutes. |
| 5 | Questions re insurance to HR @ 9-20 SC meeting | Helen Gonzales of HR will be speaking at the Sept. SC meeting. Questions are to be prepared and submitted to Exec ahead of time if possible. | Members attend these for info. Are they using the scenarios we prepared? |
| 6 | Peer Institutions | <p>Ed Baker, Compensation Director, explained how Peer Institutions are selected for different scenarios. Most peers are 1)A Public Institution 2) a Flagship Institution 2)Dependent on State funding. They also look for Carnegie Category 15 Research Institutions. They can also refer to the peer groups assigned by the Commission of Higher Education. The goal is to make sure the peer groups are fair and reasonable, and will stand up to strict scrutiny.</p> <p>One intended use of this information is to compare UNM Salaries for similar positions from the top of the Institutions all the way down.</p> | |
| 7 | 15% coinsurance | <p>Tom has done a great deal of research to compare UNM's to APS, NMSU, CNM, City and County plans.</p> <p>Much discussion here regarding the frustrations and confusion we've been hearing about from staff. As the discussion became more heated, Suz reported that Helen had apologized during the FSBC meeting for the inadequate communications about the insurance change. Many were gratified to hear this. Many ideas were presented, and questions asked regarding the 15% coinsurance at the meeting, including:</p> <ul style="list-style-type: none"> • Some individuals present have found an | <p>Write up for 9/20 SC meeting.</p> <p>Try to work with Exec + HR to ensure that this type of communication snafu does not occur in the future.</p> |

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| | | <p>increase in miscoding of procedures, perhaps UNM and/or individual staff should review bills for miscoding resulting in higher balances and thus higher coinsurance amounts</p> <ul style="list-style-type: none"> • UNM now offers the use of 3 healthcare providers (Lobocare, Presbyterian, Lovelace) Are we paying for more choice than we need, and could we reduce costs by dropping one or more option? • Many questions about why UNM Healthcare is so much (after retiree costs are factored out)? • There were questions about dropping self-insurance and going to a regular plan through an external provider. Many people wanted to know how these costs would compare to what we're doing now. • On the Family plan, each person in plan has an individual \$1750 out of pocket max – it is not one combined out of pocket max across all members of the family • There was a question about how many peer institutions are self-insured • Question about the Scenarios requested by the Compensation committee – these have been built into the training HR is doing, however, they do not include what the previous cost was. Tom will add the old amounts back in for comparison. • There is a state statute that UNM not pay more than 80% of the healthcare costs. Right now employees up to a certain level (Something like up to 35k or 50k) have 80% of their insurance paid for by UNM, people above that level have 60% coverage. • One idea floated was the possibility of having more of a cafeteria plan that would offer several options for people based on their healthcare needs. People that rarely use the doctor could have a lower premium plan with higher deductibles to cover mainly emergencies. People that use medical more frequently could choose a higher premium plan with lower deductibles. | |
| 8 | Possible Resolution | Mary Clark, SC Pres., has asked Compensations opinion and support with a resolution: any potential changes in benefits should be brought to SC beforehand, as well as FSBC, so we can understand them to be able to communicate accurately with our constituents. | No resolution at this time. |

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| 9 | Kudos to HR for putting on insurance workshops | This is a step in the right direction. This would have been more helpful before the changes took place. | Would like to see something similar for Long Term Disability now, during Open Enrollment. |
| 10 | Suggestions | <ul style="list-style-type: none"> • <u>Market</u> existing resources for staff (what’s happening with LoboPerks?); • Encourage managers to have staff to take breaks; • Managers acknowledge value of staff; • Have input to manager’s performance review; • <u>Highlight departments who are advocating for staff—maybe they will serve as an example;</u> • Allow time to take classes/serve on committees; • There are IT training cost inconsistencies—some departments pay for IT staff to take classes to keep current, but others do not; • Organizational Incentives Plan: instead of giving incentives to one group (e.g., faculty), recognize that the entire organization is what makes things happen (e.g., money coming in from grants depends not only on faculty, admins, pre-award, post-award, purchasing etc., but the lab staff who do the research, the housekeeping staff who clean the buildings and empty the trash, the recycling dept., the biohazard + safety people, landscaping staff, etc. etc. etc.). • <u>Support for Stress Management:</u> Staff and managers both need massive stress management programs in order to function and fight depression. | <p>Carolyn spoke about LoboPerks and discovered that this program is not being widely advertised, eg at HSC.</p> <p>Let’s work on how to accomplish this, as a positive.</p> <p>Future agenda item: Manager Performance Eval.</p> <p>Chelsea Beth Walker from HSCSC will present on stress management to SC during the Dec. meeting.</p> |
| 11 | <p>Constituent Comments Received Prior to Meeting via email and through Staff Councilors:</p> <ul style="list-style-type: none"> • As a very near future retiree and just being told that my retina is pulling away from the back of my eyeball, plus I am a candidate for cataracts and not being 65 yet do UNM retirees continuing to keep their health insurance have the same 15% co pay on operations etc. ? Do I need to start saving now while I am still drawing income even though it is kind of fixed like in retirement in case I need an operation before I go on Medicare? <ul style="list-style-type: none"> ○ Dawn LaFleur, Retirement mgr. for HR: “The retiree would have exactly the same coverage as she had before she retired, so, yes, the 15% would apply. Her best option is to contact Social Security to see if her condition would qualify her for disability. The process is lengthy (like about 2 years) but the rates would be much lower. If she were accepted, she could have access to senior plans (Part B) before the age of 65.” • I took both of my children to their well child check ups with Lobocare... I paid the \$20 copay/child and then I received a bill in the mail for another \$30 per child... Now I'm paying \$50 per child for the well child check ups. Is this correct??? • I am concerned about how HR presented a change to our health insurance asking if we wanted higher co-pays in their survey but not suggesting that UNM was going to a consumer based health insurance. I may have then voted for higher co-pays vs higher co insurance charges for out pt procedures and surgeries. Their presentation/survey was covert and now it will cost me \$2000 a year for my son's out pt procedure he has done every 8 weeks plus our co-pays to see the physician. Very expensive for me. I am glad the staff council is addressing this, 4 years of no increases in salary and now being hit on by our own HR department is terrible. Please keep me updated and hopefully, some relief is in sight. • Employees did not understand this change because they could not believe that UNM was not looking out for them as they have for so many decades. This time they pulled a fast one and a covert action which was not on the behalf of people who are financially suffering. Anyone who has to have anything | | |

medically done will be paying a minimum of \$2000 with this new plan. The shock of this information is just now sinking in - a little too late!

- Wow--the Council started asking for this info on June 14 and still doesn't have an answer???! I've wondered about these changes, too. I recently had an incident where I went to LoboCare and ended up in UNM ER for a day. I've been waiting for the bills to see how much this is going to cost me, considering that I had a number of potentially expensive tests. Pretty scary. We really need to know the answers. I can't imagine what's taking them so long--it's not that difficult to answer those questions.
- I am concerned about all the increases placed upon us this year. In addition to the 15% coinsurance, we are funding more of our own retirement plus parking rates have increased. All these extra expenses on top of not getting a raise in three years. It's time to say enough is enough.
- I'm hesitating to have surgery because of the 15% co-insurance because that takes the cost over my budget...this is ridiculous
- Thank you for this opportunity to respond. I appreciate all the efforts of the Staff Council and the representatives who give of their time so willingly to advocate on behalf of the staff.
I am aware of the 15% coinsurance added to Lobo Care and the reason I am aware is because of a co-worker who happened to see it and went from person to person in our division making everyone else aware. She clearly knew that it had not been communicated adequately. The e-mail was actually imbedded in some non-descript e-mail heading that was filtered by my UNM spam, so I eventually found it in my Junk Mail. This I find to be a very sad commentary about the UNM's ability and effort to communicate significant information to it's community that impacts the healthcare of it's employees and their families.
It came at a time when there was a flurry e-mails being sent about our increased contribution to retirement benefits, diminished Continuing Education benefits, (and thanks to the Staff Council Health and Wellness are still in existence) and others, so clearly those e-mails were arriving with significant subject titles. The increase in Lobo Care coinsurance however, only found it's way to my junk mail so it appears the same prioritization was NOT THERE. This was a **substantial change** that was without a doubt poorly communicated. I remember feeling that HR was trying to slip it in without being noticed, that the poor notification was intentional. At one time UNM was considered an employee respected environment where New Mexicans wanted to seek employment. Sadly, I think that environment has become history and this is just one example of many. I have been employee for almost 25 years and I can say the UNM regard for it employee's is diminishing by the day. I **no longer** feel that it is a privilege to be part of this community.
- @ Roth Town Hall on 8-24-11, P. Roth quoted H. Gonzales, head of HR, in saying that 39 emails had gone out about the change in insurance. H. Gonzales further claimed that they worked on this with the FSBC and other subgroups across campus. We know that it is not true that FSBC was involved with this, as none of the members of that committee appeared to have the slightest idea of the Lobocare change when we asked about it in May.
- I would like to voice my concern regarding the 15% coinsurance added to LoboCare Network. My husband has been battling brain cancer for the past 6 years and is disabled. This has already been a financial strain on our family, especially without having a raise in the past 3 years. My husband requires a brain MRI every three months, therefore instead of my usual \$75.00 copay, which was still a financial burden but doable, we now are possibly looking at \$580.00 every three months for his brain MRI, which is not doable and will most likely bankrupt us. My husband has spoken with his provider and told him he may not be able to afford the MRI's which will put him at risk if a returning or growing tumor is not found early on. We have this increase as well as an increase in my premium and parking.
Not only am I in this awful position but I feel very sorry for UNM employees who are in lower pay grades than myself and may be in the same situation I am in. I also cannot believe that this was not better communicated to employees prior to it going into effect.

- In your list of scenarios, you missed the best.....radiation therapy! My right breast cost almost \$90,000 and of that, the 7 weeks of radiation therapy cost almost \$40,000. I would have maxed out the out of pocket at \$1750. Because I've had cancer, I am guaranteed at least 1 MRI per year and last year I had 3 MRIs and a \$12,000 outpatient surgery. If that had happened this year, here's what that would look like for me and my pay.

| | |
|--|-------------|
| ○ Yearly pay | \$ 47,900 |
| ○ 1.75% "temporary" ERB deduction (Richardson) | - \$ 838.25 |
| ○ 1.5% ERB deduction (Martinez) | - \$ 718.50 |
| ○ Deductible | - \$ 200.00 |
| ○ 15% co pay for my small benign lump | - \$1750.00 |

Remains: \$ 44393.50

That is a total of an 8% pay decrease. That's on top of not receiving a raise for 3 years. It is becoming increasingly difficult to financially justify remaining at UNM.

PS I don't know if you've noticed but the "deductible" does not count towards the "max out of pocket"

- As a manager I have seen firsthand how these insurance changes are affecting our employees. I have one employee who cannot take her 3 year-old to the Dr for a necessary procedure because she can't afford the co-insurance and wasn't told in time to plan for it. I have another exceptional employee who is looking for employment elsewhere because she can't afford to subsidize the general fund, go three years without a raise, and now pay for co-insurance.

This reeks of the higher paid employees making decisions that affect the lives of others with little or no concern for the impact those decisions have. The manner in which it was "announced" and never discussed was disingenuous to say the least. Someone should be held accountable.

I'm really ashamed of us for the 1st time in my long history with UNM.

- As a member of the Faculty Staff Benefits Committee, I feel very strongly that HR did mislead us. HR did come to the FSBC to get our support on the 15% co-insurance, but the way they presented it to the committee completely downplayed the end result of costs to the patient. It wasn't until the issue came up earlier this year with the pregnancy issue, that I started to see the full implications of the impact of the 15% co-insurance to anyone who has to actually use the new insurance. And many staff are understandably very upset as they begin to understand the implications the 15% co-insurance will have on them as they need to use the services that are covered by it (myself included, as I just had to have an MRI that would have generated a \$75 co-pay under the old insurance, and now I will have to pay the \$200 deductible, and 15% of the bill - which I haven't received yet, so I don't even know what the damage is going to be)."

- I wanted to voice my concern, especially for the single moms that have no choice but to work and have their children on their health insurance.

How is one to make it? Especially if the increase of health insurance continues regardless if its higher premiums or if they continue to add percentage increases in co-insurance. Do they not realize that singles moms are barely making it. If one gets paid a decent amount and goes to apply for state help, all one will hear is "you make too much money" and it's not by a lot, but they do not consider that one has to pay for a roof over one's family, or a car payment so that one can make it to work, or day care, or child care, that half their paychecks goes to making sure the children are covered for health insurance.

This really upsets me especially now if I have to take my child to the doctor and there is more to pay other than just my co-pay. What the hell is the point of paying so much money for health insurance when all they do is continue to increase different areas of our health insurance and make us pay more out of pocket. Isn't that their job, to pay for our claims for when we or our children are sick?

- I am disturbed about the 15% co-insurance fee. I just had an MRI and was informed that my co-insurance will cost me \$750. I'm a grade 7.
I've paid into health insurance since I was 19 and never had to use it. Can you imagine what that would translate to in dollars, considering I am now 50. Unfair doesn't quite describe how I feel.
Thank you for listening.
- From a Faculty Senate member, April 24, 2011:
I have just received an information package from the Division of Human Resources outlining changes to our health care benefits for 2011-2012. One item stands out as a potentially expensive change for any of us unfortunate enough to actually need health care - and which adds a personal touch to the label "self insurance." this is a 15% "coinsurance" added to Lobocare Network for "certain services such as inpatient hospitalization, outpatient procedures, and MRI/CT & PET scans/Nuclear Medicine".
According to the benefits summary "coinsurance" means "copay". Thus if you need an MRI you will be expected to pay 15% of the cost of the MRI. If you need three days of hospital care you will pay 15% of the bill. That's on top of the \$1,824 to \$6,576 full time faculty will be paying for UNM "self" insurance next academic year. The 15% may be limited to an annual maximum of \$4,750, but that isn't clear as the benefits summary attached to this email states that the annual maximum "does not include...certain copays...."
The average hospital stay in the "West" was 4.3 days and was charged at \$35,721 in 2007 (<http://www.beckershospitalreview.com/lists-and-statistics/hospital-average-length-of-stay-charges-and-costs-by-region.html>). 15% of that would be about \$5,360 - again on top of as much as \$6,576 you might have paid in premiums.
If this has already been explained to the Faculty Senate at a previous meeting this year, I apologize for missing it.
- Whatever happened to the staff council's resolution on swap time for pay?
I would certainly vote for that as an option even if on a limited time basis, e.g. one fiscal year, until staff could finally get an actual pay increase.
- Are these changes that are still going to happen soon down the line or are they talking about for next year?
Boy I tell ya with ALL these additional funds & fees coming out of our already sad-no-raise pays, pretty soon I will end up paying the university just to work here!!
I'm already looking for a second job to help make ends meet!!
- From a breast cancer survivor: I had a treatment in June only a Copay of \$50 now it is costing out of pocket \$450.
- "Co-insurance" is a cost shifting policy. How much projected additional money will Co-insurance cost UNM Employees, both Staff and Faculty, out of pocket this coming year. It is certainly a projection that should have been done if it hasn't been done. And it's a very

answerable question, you take all of the insurance claims for the last year, and run the numbers with the "Co-insurance" figures being plugged into the formula and you come up with a reasonable projection of how many millions of dollars extra out of pocket costs are going to be shifted to Staff and Faculty for FY2012.

- Thank you for working on this issue which has affected UNM staff tremendously. I for one have seen the effect of the new insurance coverage. Maybe my situation can be analyzed to find out what the cost would have been under the previous insurance coverage.

I have PTT (Posterior Tibial Tendonitis) on my foot. I have been under doctor's care for several months.

An MRI was done on my foot on June 28 of this year. My portion of the cost was \$431.60.

Since the MRI was done last fiscal year, I thought my portion was going to be much less or there would be no cost.

A brace for my foot cost me \$314.28. I picked up the brace on August 25.

All together treating the PTT has cost me close to \$1000. This includes doctor's fees, MRI, brace and medication.

I wonder how much it would have cost me if the coverage had not changed?

- One of the things that hasn't been made clear to me is the rationale for having a co-insurance on Lobocare. According to HR it's so we only have to meet one deductible amount for the year. Well, prior to this implementation, we only had to meet one deductible a year so I'm not sure how this is helping us any? Also, HR is saying our administrative costs are only 6% (as opposed to the 15% standard/required). If our admin costs are so low, again, why this adoption of co-insurance? Is the fund that pays out claims running out of money? This hasn't been addressed well at all.

I appreciate yours and the Staff Council's work on keeping this issue alive. Hopefully we can get some real answers and also maybe changes (for the better) in next year's open enrollment.

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Next Meeting

October 6, 2011

Meeting Adjourned at 1:15 p.m.