

## 2008-2009 Updated Report of the University Council Committee on Personnel Benefits

The committee has met six times this year, with one additional meeting scheduled for August.

The Committee reviewed proposed **health and welfare initiatives for active employees**, including changes in premiums for health insurance and dental plans for active employees, effective July 1, 2009. No changes were made in the basic design of the medical and prescription insurance plans or dental plans, but premiums will increase somewhat to cover increased costs, and some adjustments have been made, primarily in support of equity goals. The committee reviewed information on the relative rate of subsidy for the different medical plans and will seek additional information in order to advise concerning future trends.

The committee reviewed information on the **maximum out-of-pocket** limits in the various medical plans and prescription coverage. The maximum out-of-pocket for the medical plans has stayed the same since 2004, while the maximum out-of-pocket for the prescription plan has nearly tripled in the same time period. Also, the maximum out-of-pocket for the different components of the same plan and for the medical and prescription plans are each applied separately, with no overall maximum out-of-pocket. The committee will seek additional information and discuss these issues further before making any recommendations.

A proposed plan for **adoption benefits** was described by Marilyn Kraut, Human Resources Director, Quality of Worklife Programs. This plan met with general approval from the Committee, with one proposed change, namely, that the benefit should cover more than two adoptions when a group of siblings is adopted together.

The Committee developed proposals for changes in the **tuition assistance program** to provide some support for employees who take courses leading to a bachelor or associate degree at accredited colleges and universities other than Penn in the greater Philadelphia area. We explored the possibility of funding this in part through some changes to reduce the cost of the current tuition assistance program for Penn employees who take courses at Penn.

With respect to **transgender health benefits**, the committee reviewed some of the published information and heard a presentation by Erin Cross, Associate Director of Lesbian, Gay, Bisexual and Transgender Center. We reviewed available evidence concerning cost and learned that the American Medical Association has endorsed health insurance coverage for medical treatment of gender identity disorder with mental health care, hormone therapy, and sex reassignment surgery. The committee recommended further investigating the possibility of including transgender health benefits in at least one of our health care policies. We will seek additional information on costs and other practical considerations from Aetna.

We also reviewed reports on:

- changes in retiree medical benefits implemented for 2009,
- improvements in group life insurance which had been negotiated by Human Resources staff,
- the Aetna HMO Pilot Disease Management Program, including design, participation, and method of calculating savings resulting from the program,
- Caremark prescription drug benefits, including the factors that have contributed to and mitigated cost increases, and possible additional measures for reducing cost
- implementation of the CVS/Caremark Extra Care Card which entitles employees to an additional 20% discount on CVS brand items that are directly related to healthcare,
- the Mental Health Parity Act of 2008 and its implications for the design of Penn plans in the future,
- improvements by Penn Behavioral Health to reduce the time it takes to process an out-of-network claim,
- the new COBRA rules.

### **Proposed Specific Charges for 2009-2010**

1. Discuss the changes necessary to implement the federal Mental Health Parity Act of 2008.
2. Follow up on the possibility of including transgender health benefits in one or more of the University health plans.
3. Continue to monitor the cost and rates for all health insurance plans for fairness, including continued evaluation of the impact of maximum out-of-pocket limits on enrollees in our medical/surgical and prescription plans and continued consideration of possible changes in the rate structures for the POS and PPO plans.
4. Continue to monitor the effectiveness of Aetna's disease management procedures.
5. Consider implementing changes suggested by Caremark to reduce costs and/or improve management of chronic diseases.
6. Follow up on the possibility of implementing changes in the tuition assistance program for employees pursuing coursework inside and outside the university.
7. Review the anticipated report from the Committee on Backup Care.

We are grateful to Leny Bader, Executive Director of Benefits, and the staff from Human Resources for excellent staff support for the Committee, and we are grateful to Leny and Jack Heuer, VP of Human Resources, for their efforts to improve benefits for Penn employees.

**2008-2009 Committee Members**

**Chair:**

Ingrid Waldron

**Faculty:**

Erling Boe

David Freiman

Howard Goldfine

David Pope

Gerald Porter

Kent Smetters

Barbra Wall

**PPSA:**

Valerie Dorn

Victoria Mulhern

Lynn Rotoli

**WPSA:**

Kelly Dewees

Peter Rockett

Linda Satchell

**Ex Officio (Invited Guests):**

Leny Bader

Jack Heuer

Vincent Price