



Personnel & Benefits Committee Meeting

September 6th, 2024, 1:00 p.m. - 3:00 p.m.

Zoom Video Conference:

MINUTES

Attending: Jeffrey Schrader (Chair, UCD), Jeffrey Zax (Vice Chair, UCB), Sloan G Speck (UCB), Joe Rosse (UCB), Karen Sobel (UCD), Lisa Landis (VP Employee Services), Sherry McCormick, Michelle Martinez, Lindsey Yates, Melanie Joy (AMC), Erin Tilbury (VP Health Plan Administration)

1:00 to 1:05 PM. Call to Order.

- A. Review of minutes of Friday, May 3, 2024.
- B. Take stock of the committee's strong membership, while we await the arrival of one new member from Colorado Springs and another from Denver for 2024-2025.

1:05 to 1:25 PM. Follow-up on TIAA appearance from Friday, May 3, 2024.

- A. Clarification of questions from our Personnel and Benefits Committee meetings of February 2 and April 5, 2024.
- B. Quarterly review of how the funds are performing
- C. <https://www.tiaa.org/public/tcm/cu/investment-options/guided-approach?planId=406788>
- D. Assessment of PBC hosting TIAA presentations in 2022-2023 and 2023-2024 and ideas on how to pursue constructive approaches in the future.
 - a. SAVI
 - b. Employee engagement
 - c. Real estate fund
 - d. Self-directed brokerage account
- E. Contemplating developing a website that reviews selection process, fund determination, and comparative fees (against other institutions)
- F. Discussion with consultant regarding the issues in the press
 - a. Morningstar analysis tool looks at annuities
 - b. Determining the best option from the fund line-up; does not consider options that are not already part of the fund line-up
- G. TIAA Denver office is moving but there will still be consultants based in CO
 - a. Mainly an operational move
 - b. More information on how this will affect employees and plan delivery will be forthcoming
- H. The committee should draw up some parameters and expectations for TIAA

1:25 to 1:50 PM. Long-term questions regarding pharmacy benefit, with Erin Tilbury, Asst VP of CU's Health Plan Administration.



- A. Press reports over Summer 2024 confirm some of the anecdotal observations made in our committee meetings.
- a. Observations about pharmacy benefit managers (PBMs) by large employers and by executive and legislative branches of the federal government.
 - b. Health Plan administration is reviewing options
 - i. Open to RFPs (Request for Proposals)
 - ii. Strategy that PBMs implement to save clients cost
 1. BOG - Brand version which carries rebate
 2. Rebates are typically given to PBMs in exchange for placement on formularies
 - iii. Current contract requires 100% pass through on every rebates
 1. Rebate is returned to client (Health Plan admin)
 2. The plan predicts the rebate amount and then offsets the premium
 - iv. One of the benefits of a big national PBM is that it mitigates the impact of drug shortages
 - v. Great success with the diabetic prevention program
 - c. From the chat: *On rebates: does an employee benefit from the full amount of the rebate for drugs they buy? Or is that employee's rebate shared among all employees on some kind of pro rata basis?*
 - i. What mechanisms ensure the clients are getting the benefit of these rebates
 1. Actuary calculates guaranteed average rate; info is then used to set the benefit level for that class
 - d. From the chat: *It would be good for transparency for providers to know which rebates are active each year.*
 - i. PBM acting as the fiduciary in that regard
 - e. Not all conditions are covered on the list
 - i. Made separate from any financial considerations
 - ii. Determined by a committee of industry professionals (P&T pharmacy and therapeutics committee)
 - f. How can a prescriber know which brands are cheaper than generics (which has a deal with the PBM)
 - i. Providers should continue to prioritize generics to save patients money
 - ii. If the clients receive 100% of the benefit of brand rebates, does that affect the PBMs incentive to negotiate for better rebates? Would the plan benefit from less of the rebates if that meant the PBM would aggressively seek more rebates?
 1. Not at the current configuration but if that changes, the performance considerations might be taken into account
 - g. From the chat: *What are the alternatives to the current PBM?*
- B. As a result of the recent FTC report, changes have been made to evaluations regarding authorizations to ensure more equity between plans (continued monitoring); no legislation is reviewing an issue that the CU health plan hasn't already reviewed;
- a. From the chat: *Who was approving more Prior Auths - CVS or UC Health?*



- i. It varied by reviewer
b. https://www.cu.edu/doc/kaiserpreventive-tier-drug-list-co-en-2024-1pdf

1:50 to 2:10 PM. Lisa Landis; Presentation (originally presented to the regents)

- A. 2500 applications
B. Health and welfare trust
C. CU has a "Currently Under Review" page that refers to the Policy on Searches for Administrators, that Lisa cited. https://www.cu.edu/regents/rlpreview (Regent Policy 3.C)
D. No specific implementation of the policy at the system level.
E. From the chat: Jeff's question comes up pretty frequently. It might be nice to have a flow chart for how compensation or employment-relationship appeals move from the unit to the system.
F. FMLI Implementation and/or CU's Records for Sick Days.

FAMLI FINANCIAL SUMMARY

Table with 7 columns: Period, Jan-Mar, Apr-Jun, Jul-Sept, Oct-Dec, 2024 to Date, and a final column for totals. Rows include Balance as of December 31, 2023; Total Premiums Collected in 2024; Total Realized Investment Earnings in 2024; Revenue; Total Claims Paid in 2024*; Total Administrative Expenses Paid in 2024; Expense; and Cash Balance as of June 30, 2024.

* Note, due to leave processing one month in arrears:

Jan-Mar is FAMLI leave claims used in Jan-Feb
Apr-Jun is FAMLI leave claims used in Mar-May

Jul-Sept is FAMLI leave claims used in June-Aug
Oct-Dec is FAMLI leave claims used in Sept-Nov

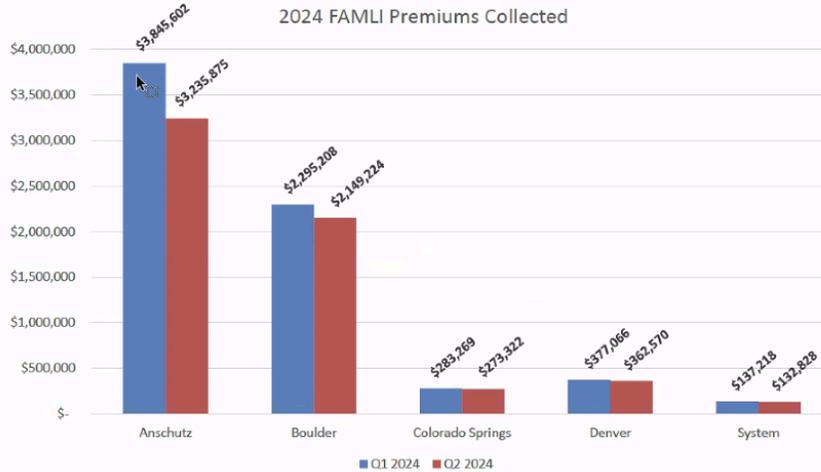
Supporting data on slides 4-6



G.



2024 FAMLI REVENUE DETAIL



Premiums collected will continue to trend downwards due to employees reaching their maximum contributions.



H.

2024 LEAVE EXPENSES

2024 Paid Leave	FAMLI Payment	FAMLI Supplement - Parental	FAMLI Supplement - Sick	FAMLI Supplement - Vacation	FAMLI Supplement - Other	FAMLI Supplement - Comp	Paid Parental Leave - not FAMLI	Grand Total of Leave Earnings
UAMC	\$ 4,187,806	\$ 2,317,012	\$ 2,301,393	\$ 426,093	\$ 193,409	\$ 249	\$ 310,539	\$ 5,548,695
UCB	\$ 1,481,116	\$ 27,466	\$ 435,475	\$ 138,667	\$ 217,224	\$ 1,477	\$ 810,021	\$ 1,630,329
UCCS	\$ 230,504	\$ 24,459	\$ 42,809	\$ 8,285	\$ 43,151		\$ 10,286	\$ 128,990
UCD	\$ 272,256	\$ 47,073	\$ 80,975	\$ 16,269	\$ 42,788		\$ 1,449	\$ 188,553
USYS	\$ 172,854	\$ 59,064	\$ 68,882	\$ 6,342	\$ 25		\$ 31,417	\$ 165,730
Grand Total	\$ 6,344,536	\$ 2,475,072	\$ 2,929,535	\$ 595,656	\$ 496,598	\$ 1,726	\$ 1,163,711	\$ 7,662,298

January 2024 through June 2024 FMLA/FAMLI/Parental Leave Cases

- \$6,344,537 paid out of FAMLI funds (Feb – June)
- \$7,662,298 paid out of position budget or campus fringe

Does not include sick/vacation used without FAMLI





NEXT STEPS FOR LEAVE PROGRAM

- Actuarial consultant engaged for January/February HR Gov presentation
 - validate past projections and update future projections
 - estimate appropriate reserve
 - provide guidance on future premium rate setting
- Phase 3 of AbsenceSoft technology scheduled for September
 - updated communications
- Explore moving Short-Term Disability(STD) from benefits team to leave team

I.

FEBRUARY 2023 ACTUARIAL PROJECTIONS

UPPER BOUND	ESTIMATED ANNUAL LEAVES 4,490	ESTIMATED LOST INCOME \$37,685,352	ESTIMATED FAMILI PREMIUM \$20,888,826	ESTIMATED BENEFIT \$18,987,187
MIDDLE	ESTIMATED ANNUAL LEAVES 3,951	ESTIMATED LOST INCOME \$33,163,110	ESTIMATED FAMILI PREMIUM \$20,888,826	ESTIMATED BENEFIT \$16,708,725
LOWER BOUND	ESTIMATED ANNUAL LEAVES 3,412	ESTIMATED LOST INCOME \$28,640,865	ESTIMATED FAMILI PREMIUM \$20,888,826	ESTIMATED BENEFIT \$14,430,261

J.

K. Question about the 7.5 mil fringe and source



- L. Minimum amount of time one can take for FMLI or FMLA
 - a. No minimum
 - b. Intermittent is an option
- M. Boulder appeared to have a higher representation of males taking advantage of the benefit compared to other campuses but that is due to a higher representation of males in general at that campus
- N. The state has issued a tax statement but there hasn't been one at the federal level
 - a. The CU plan is not the same as the state-run plan, so there is a basis for excluding the benefit from taxes but if it does not benefit the system, will they fight for this issue?
- O. The topic of sick days has been pushed back to the next meeting in the interest of time.

2:10 to 2:25 PM. Updates from Michelle Martinez, Director of Strategic Benefits Initiatives, Employee Services.

- A. Time and labor project under way that is expected to have an impact on all employees

2:25 to 2:35 PM. Leadership in 2024-2025 of the Personnel and Benefits Committee and discussion and/or vote.

- A. Jeffrey Schrader to continue as chair
 - a. Voted and approved by majority vote
- B. Vice chair and secretary will have to be determined at the next meeting (to be featured on the October agenda)

2:35 to 2:50 PM. New Business

- A. Identify topics and priorities of the Personnel and Benefits Committee that might accompany the next written report by the Chair of the Faculty Council to CU Regents.
- B. Housing benefits
- C. Medicare benefit for retirees (providing more clarity)
 - a. The Medicare program itself is anticipating structural changes (and possible disruptions)
 - b. Full communication plan is still being developed; this year plans have been extended to start the next cycle of enrollment on the calendar year
 - i. Pharmacy changes for Medicare
- D. Governor is getting ready to sign union classified agreement, which might affect CU employees (because benefits attempt to be standard across the board)

Meeting adjourned - 3:00 pm

Next meeting: Friday, October 4th, 2024, 1:00 p.m. - 3:00 p.m.