FACULTY COMPENSATION AND BENEFITS COMMITTEE
MINUTES
September 29, 2010

Present:  David Miller – Chair, Robert Barrett, Donald Buskirk, Daniel Lybrook, Julie Mariga, James Mohler, Randy Rapp
Liaison Members: Archie Allen, APSAC
  Gary Carter, CSSAC
  Clifford Swensen, Purdue University Retirees Association (PURA)
  John Beelke, Human Resources
  Michele Salla – Human Resources

Guest: Pam Aaltonen, Chair, Blue Ribbon Healthcare Task Force

1. John Beelke reported on the following

   **Blue Ribbon Healthcare Task Force** has been meeting weekly along with Mercer, consultant, and will have a recommendation and report by March 1, 2011. The charge of the Task Force is to recommend strategies for managing the University’s healthcare budget while continuing to provide affordable quality healthcare. The Task Force has identified a number of areas of focus including on-site pharmacy and medical clinic; health improvement programs, plan design changes and strategies for the future, etc.

   Pam Aaltonen discussed with committee members the charge of the Task Force and asked for their input. Discussion and comments included the following:

   a) An on-site medical clinic and pharmacy would have faculty/staff support - although there is concern that the regional campuses would not be able to participate. Therefore, regional campuses should be considered if an on-site clinic were to be proposed. John Beelke commented that the Purdue Pharmacy is now open to faculty/staff but they are currently unable to do mail order.

   b) A spreadsheet showing a breakdown of medical costs and how money is spent would be beneficial.

   c) Look at peer institutions and what they are doing – invite other Big-10 schools to Purdue for a panel discussion in January.

   d) Maximum charge for certain medical procedures should be explored.

   e) Medical Travel – provide an incentive for employees who travel to Indianapolis for medical procedures because of lower costs than in the Lafayette area.

   f) Before a final report is prepared by the Task Force, give faculty an opportunity for feedback along with regional campus leadership. The key is to have input before a decision is made.

   Pam asked committee members to e-mail her with any additional thoughts, concerns, questions, etc., related to healthcare.
Medical Plan for 2011 – A draft of a proposal was distributed. Proposed changes included the following:

a) Eliminate the cash (opt out credit) provided to those who do not take Purdue’s medical benefit coverages;

b) Provide part-time employees with access to medical benefits, but base their premiums on the full-time equivalent salaries;

c) Retain all three medical benefits programs – the Purdue Choice Fund; the Incentive PPO; and the Co-Pay plan. There are no changes to the Choice Fund but the Incentive PPO and Co-pay plans will have increases in employee out-of-pocket costs for deductibles and copays. Both plans will have expanded preventive care benefits.

d) Continue the two tiers for premiums, but move the breakpoint to $44,000 since rebalancing will move some individuals over the current $40,000 tier. Premiums will be established shortly, but Purdue’s contribution and employee contributions should increase by 6% for 2011.

The proposed medical plan for 2011 will be presented to the Board of Trustees for approval at their meeting on October 15th.

On-line Benefits Enrollment for 2011 – will begin on October 25 thru November 12th. Representatives from Innotech and CIGNA will be on campus to assist employees with their enrollment. Numerous information sessions are also scheduled.

Retirement Plan – The change in recordkeeper from TIAA-CREF to Fidelity has begun. Transition Guides have been mailed to employees and information sessions scheduled. Fidelity will provide education and assistance and will have a permanent office in the Purdue Memorial Union.

CSSAC & APSAC Update- the main topic for both groups is the Retirement Incentive program. Staff are concerned of layoffs if they don’t take the incentive, etc.

2. Next committee meeting:  Wednesday, October 27
                             1:30 p.m.
                             Room 298, Physics

Minutes Recorded by: Michele Salla