

Health Insurance Program Review Committee Spring 2008 Review

The Committee has met several times from March thru April with the majority of the agenda providing background information for educational purposes.

Some of the basic issues discussed:

- ISU's current coverages (Medical, dental and prescription drugs)
- What is post retirement coverage?
- Who is covered for Post Retirement Coverage?
 - Active Employees hired prior to 1/1/2005
 - Retirees, spouses and spouses of deceased retirees
 - Over 65 and on Medicare
 - Under 65 (not eligible for Medicare) on the regular ISU plan
 - What about employees hired on or after 1/1/2005 who are not eligible for post retirement coverage.
- What is the Governmental Accounting Standard's Board (GASB) Rule 43 and 45?
- Why ISU concerned about GASB and when is compliance with GASB required?
- What is a VEBA trust – Voluntary Employee Benefits Association)?
- How will that help maintain retiree/future retiree coverage?
- What type of Benefit Coverage Design does ISU want?
 - For Active Employees.
 - For Retirees/spouses Medicare eligible
 - For Retirees/spouses not yet eligible for Medicare.
- How much is the future liability of the cost of coverage for retirees and current employees?
- How can the benefits provided affect the total liability?
- How can the University afford coverage for the lifetime of retirees and future retirees?
- What are some of the options that will assist both the costs for coverage for retirees, future retirees as well as the University?

Representatives of Aon Consulting who have had experience with other employers facing the same issues as ISU are directing the sessions. A significant amount of time was spent on educating the group on the issues surrounding post retirement health coverage and GASB for a clear understanding of the issues and terminology.

Actuaries with Aon Consulting are now calculating the future liability for current eligible ISU staff, spouses and retirees. This calculation will include several options that the Committee members want to have considered; i.e., optimum retirement age and years of service for retirement purposes as well coverage options for the post retirement plan.

The Committee will also be reviewing optional programs for employees that include a tax-deferred program for employees who want to put money aside to help pay for future health costs. The Group plans to work thru the summer in order to continue the review process and make recommendations. Town Hall type meetings are planned for the campus to update and obtain input. It is expected that the Committee will have recommendations for the administration during the fall semester.