

Compensation and Welfare Committee Report

November 15, 2021

The C&W committee met twice this month. We discussed the Benefits Advisory Committee's requests for additional information regarding the increased rate of benefits this year and the questions that are pending. We also discussed how the explanation of increase in rates due to adding on certain items as part of coverage was contrary to the conversation that took place last year, in which it was discussed how any additions would be made so long as they would not affect the following year's premiums. The relevant excerpt from the April 2021 minutes is copied here:

Committee chairs also met with the Benefits Advisory Committee (BAC) on 4/21, a meeting called well in advance of a finalized plan, as we have requested. At the BAC meeting, members of the Mercer team (our benefits broker) explained the process for creating a benefits plan. They begin talking about plan renewals with SHU in Spring, negotiate with Cigna, benchmark our plan with other universities and similar organizations, and attempt to offer as rich a plan as possible while containing costs. Mercer reported that they were considering the priority list generated from C&W's recent faculty survey, and that Cigna has grown their behavioral health network, making it easier to find in-network providers, perhaps helping to ameliorate a complaint common in the faculty survey.

Given the limited answers received on certain key issues related to the increase, we followed up the meeting with an additional request for information. This was sent through Associate Provost Lillquist to Human Resources. As we have not received answers to the following questions that would support the Benefit Advisory Committee's advisory role as well as the Compensation and Welfare Committee's role in evaluating and relaying the benefits needs of faculty, the committee requests the Executive Committee facilitate obtaining the following information:

1. We would like to understand the impact of COVID-19 on utilization over calendar years 2020 and 2021. Would you provide the monthly utilization rates from January 2020 through July 2021?
2. Can you share historic data on the usage/loss ratio, utilization rates, and insurance premium increases over the last five years, beginning in 2016 through July 2021? We would like to see our utilization rates monthly for the past three years.
3. The report includes a list of enhancements to the SHU plan over the past few years. We would like to know all additions and subtractions to the plan from 2019 to 2022 broken down by plan type and the cost breakdown, that is, the cost of each addition and the estimated costs of this year's additional benefits.
4. Average premiums for single and family coverage each increased 4 percent—the same percentage as seen the prior year (Claxton et al., 2021). Why was ours double the average? Claxton, G., Rae, M., Damico, A., Young, G., Kurani, N., & Whitmore, H. (2021). *Health Benefits In 2021: Employer Programs Evolving In Response To The COVID-19 Pandemic: Study examines employer-sponsored health benefits programs evolving in response to the COVID-19 pandemic. Health Affairs, 10-1377.*

Respectfully Submitted,

Sona Patel and Roseanne Mirabella
Co-Chairs, Compensation and Welfare