

WORKING GROUP MEETING

Group Name:	Benefits Advisory Committee
Date:	April 28, 2023
Time and Location:	10:30 AM – 12:00 pm CST Zoom

ATTENDEES

<input checked="" type="checkbox"/>	Danielle Hanson, Ex-Officio	<input checked="" type="checkbox"/>	Jodi Goode, Staff Council
<input checked="" type="checkbox"/>	Susan Fargo, Staff Council	<input checked="" type="checkbox"/>	Jeremy Mixell, University Senate
<input type="checkbox"/>	Univ Representative	<input checked="" type="checkbox"/>	D. Megan Helfgott, Univ. Representative
<input checked="" type="checkbox"/>	Eniko Racz, Univ. Representative	<input checked="" type="checkbox"/>	Thomas Kelly, Ex-Officio
<input checked="" type="checkbox"/>	Jonna, Peterson, Faculty Council	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	Graham Moran, Faculty Council	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	Tisha Rajendra, University Senate		

MINUTES

Danielle: Earlier this week, I sent out the agenda topics we were going to discuss today. Were there any other items this group wanted to discuss today? No? Okay.

Over the last week, I sent out a few emails recently about people’s tenure on BAC. Since our last meeting, there have been a couple changes. Heather Chester recently left the University. We’re looking to replace her spot in the next few weeks.

New member: Jonna Peterson, Interim Director of Health Sciences Library. I’m a second timer at Loyola. I was here about 20 years ago after my undergrad in Biology. Started in July 2021, the second time.

All members introduced themselves to Jonna, Jenny O’Rourke’s replacement from Faculty Council.

Workplace Wellness Programs / Wellness / Biometric Screening Requirements – Tisha Rajendra

Two studies on workplace wellness programs that were empirical. Illinois Workplace Study came out in 2019 in Quarterly Journal of Economics, & Rand Corporation Study funded by U.S. Dept of Labor. Rand Study – I didn’t read the whole thing – it was like 300 pages, but I read the executive summary. The Rand Study examined all aspects of Workplace Wellness Programs. Could be a carrot, offering support, or stick approach, like the surcharge we have. Rand Study included variety of programs, including but not limited to smoking cessation programs, weight loss programs, exercise incentives -- like we have for recording exercise for \$75 / quarter. Includes biometric screenings, but none of these programs specifically isolated biometric screenings, but Rand looked at smoking cessation, weight loss, and exercise incentives.

Rand Study concluded that program design matters a lot. Generic programs don't work, isolated from a consistent organization-wide focus on wellness. Includes messaging and other things you can do to support employee wellness. I'd say for programs to be successful, support would need to be at all levels, down to individual departments, and not just HR. Programs seemed to have effect on smoking cessation and exercise, but not anything else. No statistical differences in health outcomes or cholesterol levels, A little difference in weight loss, but does weight loss correlate to health – this is a complicated question. Weightloss outcomes must be durable, and most weight loss programs usually aren't. No statistically significant effects on health care costs – maybe \$157 per year.

IL Workplace Study – randomized control trial. This isn't my area, but it looked well-designed to me. If it is your area, please get in touch with me to work with me on this. Strong selection bias for participation. Offered wellness programs to some employees but not others. When employees opted in, there was a strong selection bias. People likely to sign up had lower health care costs and better health outcomes without the programs. Once you control for selection bias, there were no effects on anything. Despite strong program participation for people offered program option, failed to find significant treatment effects for any major subcategory on medical utilization. No effects on productivity whether measured through job satisfaction, hours worked, visits to campus gym facilities.

IL Workplace Study – do people have intangibles such as valuing health more, greater job satisfaction or employee retention? No.

Other evidence we have is no return on investment for incentive programs. Empower Health rep said we need to look at value instead of financial savings.

Summary thoughts: When speaking on workplace wellness, we need to differentiate. Smoking cessation vs. Weight Watchers, vs wellness incentives vs. biometric screening. Clear from IL Workplace Study and Empower presentation that there's no return on investment for these programs. Theory is wellness programs lower healthcare costs, but they don't. Biometric screenings are redundant. We have access to all of those tests with our insurance. Wellness visits and these lab tests are covered at 100%. Places additional demands on healthcare providers. Just informally chatting with colleagues, they say I can't fast and take my kids to school and then go to campus for my blood draw. I know the results aren't correct, but I don't care. People say you can also go to your health care provider, but healthcare providers are burnt out post-covid. Can take 6 months to get an appointment. To ask them to sign a piece of paper so we can get a \$50 discount when other employers require same thing. Not convenient. Colleagues say they need they \$50 off, but they also may not fast.

I'm an ethicist – that's my area. I think there are issues with employee privacy. A colleague said I feel harassed and patronized. People perceive the stick effects of a \$50 fine if we don't submit the piece of paper on time. Even though Empower assured us confidentiality, we're still compelled to provide this information. Incentive to trade our privacy away for money.

Some programs might work like maybe flu shots and Covid shots. Doesn't seem like campus gym memberships have affect, but I think it's a nice benefit.

One outstanding question: There might be a discount with Aetna for offering biometric screening. Will we still get the discount if we cancel biometric screening process?

Graham: Current cost of having this program with Empower, I assume is rolled into premiums?

Danielle: We set premium rate with wellness rate and non-wellness rate.

Tom: Empower is a separate service that's not figured into premiums. In the end, this is a way we come up with employee and employer share.

-I want to be clear that Empower is a HIPAA compliant provider like any other health provider. I'm not concerned about confidentiality issue. Their report back to us isn't at individual level. I appreciate Tisha checking to see if participation ends up in outcomes. While some people would rather not get some of these services in the workplace, others are just as pleased to receive some of those services on campus. I'm not responding to compliance part of that, but some people want to receive these services.

Tisha: Empower used to offer flu shots while people were doing their biometric screening. People can get their biometric screening and turn down the flu shot.

Jeremy: I appreciate the time and energy you put into the conversation. At the end of the day, we have one budget. What do we spend on Empower? Are there other opportunities for us to spend those dollars that would resonate more with a larger portion of community.

Danielle: I want to say it was \$130,000 last year, but I want to confirm that.

Megan: Do we save money with Aetna by having this Empower Program?

Danielle: No. There's no correlation between the two, but as Tisha pointed out, you can go to your own medical provider and get this screening for free.

Susan: Wanted to thank Tisha for presentation. It was really good. If there's no economic incentive – if the people who are participating in the screening aren't healthier and more productive, is there incentive to have it? Or are there just the negative effects that people think there's no purpose other than a financial benefit.

Jodi: As someone who appreciates option of flu shot and biometric screening, but if we're spending a good amount of money on this program that isn't providing major healthcare benefits, is this just a product of inertia because we've had it for a long time. Especially with Loyola's current budget constraints, is there a better way to spend this money on something that majority of employees or greater portion of employees would want.

Tisha: Two different people told me this - services offer vary from year to year. One year there was a bone density screening. I would've taken advantage of that. There wasn't a flu shot this

year. I think we got a survey back, and people wondered why there weren't flu shots. Services change from year to year without explanation.

Danielle: We had flu shots at each campus this year.

Tisha: I don't know why two different people would've gotten this wrong. I stand corrected.

Enico: Back to the budget, let's say we weren't going to do this anymore, what would happen to premium, would everyone pay the wellness rate or not pay the wellness rate? Is the cost of the \$130,000 recouped by people not getting the wellness rate.

Danielle: I think it depends. If we decided not to do the program, would we roll that into offsetting premiums. Tom do you have thoughts about this?

Tom: I'm not sure I'd move right away to not offer it because it is a way for people to engage. I would predict over time we'd have less people engaging with it, and there will be more savings to offset premiums. From a healthcare provider standpoint, we pay for it whether you get it at CVS, Walgreens, from your doctor, or on campus. If we didn't have the compliance piece of it, the differential goes away, and we'd have to slice and dice what happened to premiums. \$100,000 is a small percentage when we consider the health care insurance premium total of 18 million.

Tisha: Rates of participation declined steeply this year. People tired post-covid. People who don't do the screening this year are already struggling, so they don't have the head space to deal with it because they have kids or elder care obligations or struggling financially. People in head space to deal with this additional administrative task are people with time to burn and not people with kids or elder care or who are financially struggling. People who are already financially pinched could be doubly punished.

Susan: That's an excellent point.

Tom: I guess what I'm hearing is that the group is coming to some consensus on recommending LUC consider removing the requirement of biometric screening for the premium differential. Am I summarizing the consensus of the group?

Tisha: I wouldn't sign on if we all had to pay \$50 extra, but maybe if it was \$25, or if everyone got the wellness premium, I'd say get rid of biometric screening and carrot/screening, but I'd want to keep flu shots and add covid shots on campus.

Tom: That's the challenge because we'd still want to provide some services, so we'd still have to pay for that. Premiums likely going up. Small percentages of people paying extra \$50.

Tisha: Wasn't participation really low this year?

Tom: Participation on campus was down, like it's been post-Covid for many on-campus activities.

Danielle: Last fall total number of people who went through biometric screenings off-site at Quest, on campus, or own provider 1580 people (employees and spouses) and total cost \$120,000

without flu shots.

Tom: How many people are getting the wellness credit and how many aren't?

Danielle: I have that data – I just need to pull it up.

Susan: if there was a way to give everyone the wellness rate but maybe reduce the money Loyola gives to the HAS to maybe \$1000 as that's typical of other employers. I'm sensitive to people's bandwidth, so that most vulnerable employees can have a break.

Danielle: Just to clarify, Susan's talking about the Health Savings Account, which is only for only people who enroll in PPO3.

Tom: We've been keeping it (LUC contribution) up there just to get more people to enroll.

Susan: If we're paying money for something that doesn't give us the outcomes, is there something that does work and can make us happier and healthier?

Tisha: Rand Corp said smoking cessation programs work. I would want to keep this type of program if we have it, but do we have a high percentage of smokers?

Danielle: we do have a smoking surcharge. They're charged an extra \$50 per month. We ask people to certify during open enrollment. Less than 50 people certify they're smokers. EAP and AETNA have programs, but we don't have them on campus.

Megan: I'm not convinced. I don't think we can think of getting a rebate back if we get rid of this program. How much is \$120,000 per person. Are we reducing health insurance premiums by \$15 per person?

Danielle: We have about 2000 employees enrolled in medical insurance program. 4000 covered people, but 2000 employees. (2000 divided by 120000, but we may still offer some of these tests, but it may not be a requirement, so we'll have to budget for something).

Megan: I think we'll have pushback if we say it's not required, and we remove the carrot of \$50. I wonder if getting data from community might be a good way to go.

Tisha: I wonder if we can offer a \$25 discount for doing the healthcare power assessment. Part people find burdensome is going to do biometric screening. Might be an easier way to jump through a hoop than calling doctor or going to campus biometric screening.

Tom: But Tisha, you've convinced me that there's not necessarily causality there with reducing healthcare costs. Once we say it's not required, it's just one convenient way of offering a service. Is the cost-benefit of convenience worth it to us?

Tisha: I'd just give rid of it and give everyone lower premium.

Tom: But that's not how the economics works.

Tisha: But it seems like we're spending money on Empower, we're spending money on a lower health care premium.

Megan: If I've done the math right, it only reduces premiums by \$3.33 per person.

Tisha: If we can afford right now to give the \$50 off, why can't we afford to cut premiums by \$25?

Tom: We're going to have to figure out how to cover the cost of those paying \$50 more, not \$50 less. The point of this exercise you were leading was, are we getting value out of the campus biometric screening. There's gonna be a new rate set by whatever the experience is. One of the ways we price the plan is the \$50 more some employees have paid.

Tisha: So in that case, let's be clear this is a \$50 surcharge on whoever has so much money they don't care about \$50, or people who don't have the bandwidth. It's not about the health of all of us.

Jodi: If we eliminate the \$50 discount, a lot of employees are going to be really upset.

Tisha: But healthcare prices are going to go up because they always do.

Jodi: But \$50 is a lot.

Tisha: I think healthcare prices are going to up by more than that.

Tom: It varies by salary type and plan chosen. How we calculate the premiums are different every year.

Tisha: I think a lot of this is perception. It's how you say it: Is it getting rid of discount or It's a tax on people who don't have the bandwidth. If our committee agrees, I'd go to University Senate and say it's a tax.

Tisha: Can we take a vote on this or do people need time to think about it, I draft a recommendation, and we vote on it.

Enico: Hard to vote on it when we don't know how much premiums are going to be, and I see other's nodding.

Tom: It can't work that way. When are we going to have premiums Danielle?

Danielle: Typically not until late August.

Enico: Can we have an option A and option B if it's too difficult to calculate premiums. And is it too late in August?

Daneille: If we're going to do away with biometric screenings, we can't wait until August.

Tisha: Do you have the number of people who pay \$50 and those who don't?

Danielle: I can get that to everyone after this meeting.

Tisha: My instinct that this one variable won't be much when setting health care premiums.

Tom: The other cost to this, Tisha, is what are we generating in premiums for the non-wellness surcharge?

Tisha: So if we spread that number over all of us, is it a hike of \$25? Is it somewhere between 10 and 50?

Danielle: It's greater than 25% that get the reduction.

Megan: You're going to have blowback if in the next round of enrollments there's no wellness discount. You're saying we're going to spread the extra cost over everyone. For people who've gone through the hoops are going to be mad.

Tisha: I think you're going to get blowback no matter what you do. I think this will be lost in the blowback of increasing out of pocket expenses, which we're going to have to do. I'm not afraid of blowback. If University Senate wants to remove me from this high labor committee.

Tom: No, no. The Committee is making a recommendation to us based on plan design. Is this \$50 surcharge worth it and doing what we want it to do. I think people are comfortable with the \$50 for smoking cessation, counting on the fact that people are self-certifying. This is just one factor. I'm pleased with the recommendation. It's going to be in the construct of \$18-20 million in healthcare costs.

Tom: The number we need is the number of people enrolled in plan paying the surcharge. 2600 benefits eligible and 2000 enrolled in health plan. We only have this requirement for adults in the plan. Covered people includes children.

Tisha: I'm not comfortable basing a health policy decision on a false assumption.

Tom: And I agree with you. I think what people are uncomfortable with is that this might, will increase premiums.

Tom: So I hear that we owe the committee back a sense of what the total dollar amount is for the surcharge.

Tisha: And once I get that, I can write up a recommendation, and we can vote on it. I want to keep coming back to the false presumption that people who participate in health empower assessment and participate in biometric screenings have better health outcomes.

403b Retirement Plan – ESG funds and option of Roth contributions

Danielle: There were some emails back and forth between Jenny, Graham, and myself regarding 403b plan. Two topics of discussion were ESG funds and adding the option of Roth contributions.

Danielle: Some background regarding 403b plan, plan design: Fiduciary Committee responsible for 403b decisions regarding plan design for DCRP. Tom is administrator.

Tom: There's a faculty member from Business School, faculty from Stritch School of Medicine, but most of committee made up of administrators like CFO, chief investment officer, head of HR. This area is a highly regulated and highly litigated set of issues funds available, in how you're monitoring funds available, how you show the costs available.

-We used to have three providers TIAA, Fidelity, Ballick?. We consolidated under Transamerica. Years ago to be a good fiduciary, you had to give a people a lot of choice. Today, you have to limit choices and be focused on fees and net returns. We have array of funds set by market capitalization and investment style. We try to fill most of the boxes – large cap, small, and mid cap, international, the value, blend, and growth. We default people into life-cycle multi-asset funds (combo of stocks and bonds) based on your anticipated or preferred retirement date. More bonds closer to retirement and less stocks. We continue to offer a small sleeve of TIAA funds as well because we had a lot of feedback from participants to have access to their career or known investment provider, which was TIAA. To offer traditional annuity people used to, we had to offer a few other TIAA funds.

-We're now down to 10% contributions going into TIAA-Kreff funds. It's been a steady decline, so in a future state, we may look at whether we'll offer those funds on current platform. We're not in business of picking particular types of funds. There's a small number of participants who may want more choice, and it's less than 4%, but we offer funds through Schwab so people can choose the funds they want.

-Part of the request I wanted to put in context is why don't we offer ESG-type funds. We kind of do if you want to go through Schwab and pick it on your own.

Danielle: Regarding ESG (Environmental, Social, & Governance) funds, we'll never just pick one to be on platform of 15 funds and 4 TIAA. There are more than 1000 ESG funds out there right now, but if folks feel passionate about making sure they have retirement funds invested in TSG funds, you have that choice. You can open Schwab self-directed investment account. Fees will be different than what you'll be currently paying. Not monitored by Loyola and will require some review and oversight by employee investor.

Danielle: Employees pay \$18 per quarter for administration of Transamerica Acct. If you try to go the Schwab personal choice, you'll incur additional fees. LUC not making any money off the funds they're investing in. Because there's been a lot of litigation, Committee reviews funds each year.

Tom: We had some parameters about 11 years ago to adopt some of those best practices. We're going to pay for those administration expenses, flat dollar. Any revenue comes back to participants, and we'd be looking to lowest cost funds. We look for lowest net price. We look at each share class and fund and see what's going to be the lowest net we want to provide.

Danielle: Periodocally we go into market to find out what other vendors are charging for administration per quarter. We just lowered it last year from about \$22 to 18.

Other questions about ESG funds before we talk about Roth?

Danielle: We currently don't offer Roth IRAs that offer contributions to 403b plans on after tax basis. A lot of financial advisors will say you need blend of pre and after tax plans. We're going to implement Roth option for January 2024.

Tom: We can add we're being forced to do this.

Danielle: It's a compliance thing with legislation signed into law last year that all plans will have to offer Roth.

Megan: I heard there's a report that there's a push for annuities as well. Safety net.

Danielle: That's why we have TIAA still.

Tom: Part of what's changed in retirement landscape is fewer plans. I'm a TIAA fan, but it's only a part of the strategy. But fewer and fewer participants using it.

Danielle: More history - changes with one-year waiting period in 2018. You can change contribution amount and sign up for automatic increases each year. There are a lot of options built into plan.

Tom: We do have legacy funds with TIAA, Vallick and Fidelity. We continue to look at ways to reduce risk. They existed before 403b regs in Internal Revenue Code. They're individual retirement accounts. Last year, TIAA allowed LUC to redirect a number of the mutual funds. We're checking on those funds. All new money going to Transamerica except sliver going to TIAA. Where we can, we continue to try to resimplify.

Danielle: There's a question from last meeting. Someone wanted to know the rhythm and cycle of plans. There's Open Enrollment each fall. Need to use spring for decision making and VP of HR has final approval.

One other thing I had on the agenda was plan design. We need to continue monitoring our experience for total costs this year if we're going to move forward with plan design changes. Our experience has been good this year in terms of total costs. About even with last year, but only through the end of March. Some people still paying deductible through March. Will be interesting to see how second quarter performs. We do have some high cost claimants from year to year like cancer.

Enico: what's the time line for plan design?

Danielle: We'd have to tweak plan design in July or August.

Enico: Would we be part of that or not?

Tom: We'll discuss with you, but in the end, it's a series of trade-offs. We'd solicit feedback on how constituents going to receive this. Trying to keep committee apprised and aware of the levers – what dollars and sense impact of levers are. We may have to pull them / we may not.

Enico: Does BAC have meeting over summer? Plan designs seem to be happening over the summer.

Danielle: Depends on our needs – typically not because some faculty off over summer. We try to

get as much work done as possible in May and June, but final decisions in July and August.

Megan: Given we we're talking about now with Empower Health, would that be going into effect for next year or the following? We'll want to meet with our constituency groups to explain / let them know.

Tom: We have to continue to remind constituencies that we have to be realistic about expectations for health care costs and premiums as they're rising. Big changes tough on everyone. Keep it slow and modest. We don't have ability to fight health-care inflation. It's about shared costs.

Tisha: And it's a nation-wide problem, but we need to respond in some sensible way while we're trying to manage.

Danielle: Any thing else we need to cover?

Jodi: Wasn't there an email Danielle sent to us about a week ago to discuss an employee's experience with Aetna reimbursement?

Jodi: Did we sign a one-year or three-year contract with Aetna?

Danielle: 3 years.

Danielle: The employee tried to go out of network and tried to submit reimbursement for claims. It wasn't a smooth process. We want to encourage everyone to try to go in network.

Danielle: What's the balance, what's satisfaction overall? Healthcare premiums were most important to people, especially staff.

Tisha: There's no proof that BCBS would've done any better with this. Maybe the BCBS from 10-years ago, but there's no proof now when everyone is cost-cutting.

Jodi: My concerns are two-fold. One, that the employee contacted Aetna to confirm coverage before seeking the service, and two weren't we supposed to get some sort of enhanced customer service with Aetna with this new contract?

Danielle: I don't remember enhanced customer service. The employee received misinformation from Aetna, it could've been a training issue, so I don't know that enhanced customer service would've made a difference.

Graham: The enhanced customer service was in the CBIZ documents, but what is that. Isn't customer service customer service?

Enico: I think it would be helpful to maybe send a reminder out to employees to go to CVS for flu

shot.son