

UW SYSTEM ADVISORY COMMITTEE ON FRINGE BENEFITS MINUTES
January 16, 2013

Members Present: Susan Fontana, Ana Araujo , Sharon Pink, Tracy Hofer, Mary Kay Sankey, Steve Guo

Members Absent: Diane Douglas, Fred Kolb, Sharon Klawitter

Guests: Carla Raatz, UW-Madison, Deanna Glatczak, U.W. Madison

Staff Present: Al Crist, Jason Beier (a.m.), Nicole Zimm, Beth Ritchie, Rose Stephenson, LaDonna Steinert, Kara Webber Schiro, Lindi Farra

The meeting was called to order at 10:10 a.m.

- 1) Minutes of the November 30, 2012 meeting were approved. The agenda and minutes are posted on the <http://www.wisconsin.edu/hr/benefits/fbac.htm> webpage.
- 2) Brad Winnekins, CEO of Legacy Services, gave a presentation about their services. Legacy, founded in 1999, is an independent broker of individual long term care insurance. It is licensed in 38 states but is located in Brookfield, WI. Legacy's focus is on educating employees about long term care insurance. Brad advises that individual long term care insurance will be less expensive for many people than the guaranteed issue group long-term care insurance plan currently offered approved by the Group Insurance Board through HealthChoice (a Mutual of Omaha product).
- 3) As an independent broker, Legacy can compare the plans from top tier companies to assist individuals in determining whether they need LTCi and to find the best plan for them. Brad indicated that inflation protection is often misunderstood and that is a focus of their educational services. Massachusetts Mutual is currently getting about 85% of Legacy's clients. About 15% of clients are advised not to purchase LTCi due to their situation.

There is no cost to the University in offering this service other than making facilities available and assisting in the promotion of educational sessions. Legacy commits to at least one session at each institution each year. For UW-Colleges and Extension, they would visit each campus in the first year and as needed annually after that if at least 15 employees were interested. They provide one-on-one telephone counseling. If employees or their family members purchase LTCi, the payment will be between the purchaser and the insurer. There are no implications for HRS or payroll.

Legacy's clients include Marquette University, Ohio State University, Mayo Clinic, Children's Hospital of WI.

The presentation ended at noon.

- 4) At 1:00 p.m., Catherine Kendall, Jeana Dodge and Lucy English of Bright Horizons gave a presentation of their dependent back-up care program. The program provides dependent care for planned or unplanned needs

allowing the employee to work when they would otherwise need to miss work. Back-up care can be provided at childcare or other facility or in the person's home. The back-up care can be for a child, adult or elder. Bright Horizons has a nationwide network of certified providers. Its approval process for providers is more stringent than is required by most local or state licensing requirements.

The employer purchases a certain number of days per employee, such as 10 days per year. When an employee uses the service, they pay a daily copay based on whether the care is in-home or in a group setting and the number of people being cared for (typically \$8 - \$24 per day). The University may prefer to pay a one-time startup fee and an administrative fee and have the institution pay as they go as their employees use the service. The cost to the institution per use is estimated to be \$152.50 for eligible employees, including graduate assistants and short-term academic staff. Bright Horizons handles the payments so there is no impact on HRS or payroll.

Bright Horizons has done analysis about faculty's job expectations and the challenges, particularly for women, of balancing their work and family lives. The data shows that programs like Bright Horizons increase their job satisfaction and improves their perceptions of the institution where they work. They are more likely to stay where they feel they are supported by their employer and that support is perceived as being even more important in gauging job satisfaction than wages.

Bright Horizons Dependent Back-Up Care clients include UW Hospital and Clinic, Cornell University, DePaul University, Yale University, NC State, University of Virginia, ESPN, General Mills, Harley Davidson, John Hopkins, Johnson & Johnson, Federal Trade Commission.

- 5) The FBAC members in attendance then met to discuss the presentations. While everyone was enthusiastic about both programs and expressed an interest in moving to the next step in the process, some concerns were raised. These include:
 - a) How to prevent other vendors requesting access to University facilities to promote their programs or products. Staff was asked if there are any guidelines in place and currently there are not. An unwritten policy is to not allow companies to promote offers that are not available to the general public. Legacy is the type of program the FBAC supports in that it is available to anyone and its primary goal is to educate employees and their families about an important insurance and planning tool. It also offers more options, for some at a lower cost, than what is currently offered through the GIB/ETF.
 - i) The Committee asked staff to draft guidelines that will allow programs like Legacy to be reviewed and approved without compromising the integrity of the overall insurance offerings.
 - ii) The Committee asked staff to contact some of Legacy's current higher education clients to see if they have any guidelines about allowing vendors to use their facilities and to gauge their satisfaction with Legacy.
 - b) Whether it was appropriate to have a formal RFP and bid process for the dependent back-up care program. Staff has researched other companies providing dependent back-up care. Bright Horizons is the only company that currently has a national presence. There are regional companies but none are in the Midwest.
 - i) The Committee asked that staff discuss this with Procurement to find out the policy when there is expenditure and there is only one known vendor who could meet the criteria of serving employees at all institutions and dependents nationwide.

- ii) The Committee asked that staff contact UWHC to see if they used an RFP process when they procured Bright Horizons.
- c) How to gain approval for the funding of the initial costs, the annual administrative costs and the pay-as-you-go costs for the dependent back-up care program.

Meeting adjourned at 3:50 p.m.