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2009 April 13 - Staff Senate Agenda and Minutes

Staff Senate, East Tennessee State University

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AGENDA

**Staff Senate Meeting
April 13, 2009
Forum Room - DP Culp Center
2:30 p.m.**

1. Call to Order
2. Approval of Minutes – March 9, 2009
3. Treasurer's Report
4. Committee Reports
 - Staff Development & Evaluation
 - Committee on Committees
 - Staff Concerns & Grievances
 - Committee on Elections
 - Holiday Food Drive Committee
 - Staff Picnic Committee
 - Blood Drive Committee
5. Old Business
 - Website Committee Update
6. Open Floor for New Agenda Items / Concerns
7. Adjournment

***Next Meeting – May 11, 2009
Forum Room, DP Culp Center***

STAFF SENATE MEETING
MINUTES
Forum Room, DP Culp Center
April 13, 2009
2:30 PM

Note to Senators: Please share the Senate agenda, minutes, and any other enclosures with your colleagues prior to the scheduled meeting. Senate meetings are open to all staff. Agendas, minutes, and attendance rosters are available on the Staff Senate website at <http://www.etsu.edu/stsenate/default.asp>

PRESENT: Constance Alexander, James Batchelder, Lisa Blackburn, Carolyn Bond, Sarah Bradford, Angela Brewer, Robert Calkins, Cindy Canter, Renee Couch, Tim Dills, Corintha Duncan, JoAnn Fitzgerald, Charles Forrester, Joy Fulkerson, Linda Greenwell, Myra Jones, Linda Lett, Susan Lilly, Diane McClay, Donna Murphy, Stephanie Nave, Chuck Patton, Betty Ann Proffitt, Shea Renfro, Wanda Richardson, Sharon Riddle, Dave Robinson, Sue Russell, Jamie Simmons, Kathy Smith, Patricia Stafford, Vanessa Stephens, Karen Sullivan, Carla Warner

ABSENT: Queen Brown (excused), Deanna Bryant (excused), Angela Haire (excused), Joe Miller (excused), Debbie Parks (excused), Debbie Starnes

The meeting was called to order by President Wanda Richardson at 2:30 p.m.

MINUTES: Senator Blackburn made the motion to approve the minutes of March 9, 2009. Motion seconded by Senator Robinson. The minutes were approved as distributed.

TREASURER'S REPORT: Senator Canter reported a balance of \$4,700.08 in the operating account. Expenditures for the month included the purchase of Staff Senate letterhead, envelopes, and postage.

COMMITTEE REPORTS:

- *Staff Development and Evaluations:* No report.
- *Committee on Committees:* Dr. Warner reported the committee continues to finalize the list of vacant positions for each standing committee. Recommendations will be forthcoming.
- *Staff Concerns and Grievances:* Senator Brewer advised that an employee's grievance has been rectified. After meeting with the individual and evaluating the complaint, the committee referred the employee to Gary Bishop for further advisement.
- *Elections Committee:* Senator Greenwell announced there would be a committee meeting immediately following today's adjournment of Staff Senate.
- *Holiday Food Drive Committee:* No report.
- *Staff Picnic Committee:* Senator Bond reminded everyone of the upcoming staff picnic scheduled on May 21st from 2:00-4:00 pm at the Cave Patio in the DP Culp Center. The

ETSU Celtic Band will perform throughout the afternoon and door prizes will be awarded. This year's admission is free and the invitation is open to staff employees only.

- *Blood Drive*: No report.

OLD BUSINESS:

- *Web Site / Communication Update*: Senator Dills announced that the web site is up and running and continuing to progress. For ease and functionality a link to Human Resources will be added. The web site is located at <http://www.etsu.edu/staffsenate>.

OPEN FLOOR FOR NEW AGENDA ITEMS:

- *Staff Awards*: President Richardson reminded everyone that nominations for the staff awards is drawing to a close. Those wishing to nominate fellow staff should do so before the end of next week.

There being no further business, Senator Robinson made a motion to adjourn the meeting; motion seconded by Senator Sullivan

Respectfully submitted,
Sue Russell
Secretary

***The next meeting is Monday, May 11, 2009 @2:30 pm
Forum Room, DP Culp Center***

Please send notices of non-attendance to russell@etsu.edu and agenda items to wanda@etsu.edu

Marybeth Kench

From: Tennessee Chamber Capitol Update [CapitolUpdate@tnchamber.org]

Sent: Thursday, April 02, 2009 4:13 PM

Subject: Capitol Update 4.02.09

Capitol Update, sponsored by Baker Donelson,
with law offices throughout Tennessee, as well as in Alabama,
Georgia, Louisiana, Mississippi and Washington, D.C.

BAKER DONELSON
BEARMAN, CALDWELL & BERKOWITZ, PC

IS PLEASED TO PRESENT



**TENNESSEE
CHAMBER**

April 2, 2009

State workers who smoke to pay more for coverage (News-Sentinel/Humphrey)

State employees who smoke - or who have a smoking spouse - will begin paying an extra \$50 per month for health insurance next year, state Finance Commissioner Dave Goetz said Wednesday. The State Insurance Committee, which Goetz chairs, voted to begin charging the extra premium to smokers effective Jan. 1. Those who quit smoking later can get a refund for up to six months of the extra premium charges. The move applies to all people covered by state-supported health insurance, including higher education employees and state legislators. According to the state, 274,345 people are covered by the state health insurance plan. "Experience has shown that, if you're here for five years, chances are you're here for the rest of your life," Goetz said of state employees.

<http://www.knoxnews.com/news/2009/apr/02/state-workers-who-smoke-to-pay-more-for-health/>

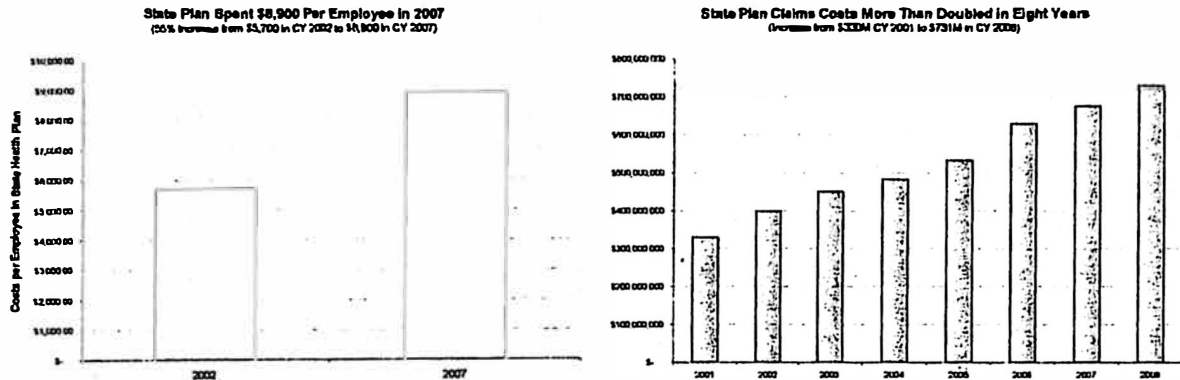
State, Local Education and Local Government Insurance Committee

**Agenda
March 31, 2009
Executive Conference Room
Ground Floor, State Capitol
8:15 a.m.**

- 1. Approval of Minutes – January 27, 2009**
- 2. [Action Item:] Approve a new tobacco surcharge policy**
- 3. [Action Item:] Discuss the revised the procurement schedule and approve contract extensions**
- 4. Discuss the mental health/substance abuse disorder parity requirements in the context of the revised procurement schedule**
- 5. [Action Item:] Approve the language in the respective plan documents with respect to the dependent eligibility verification effort.**
- 6. Follow up: Comparative Pharmacy Savings**
- 7. Next Meeting agenda items**
 - a. Procurement approval**
 - b. Pharmacy changes 2010**
 - c. Employee health clinic**

Issue #1: Proposed Tobacco Surcharge Policy

As the figures below illustrate, paid claims in the public sector plans increased on a per member per year basis by 55-65% in the five year period between 2002 and 2007.¹ Additionally, the total expenditures in the state and local education plans doubled in just eight years.² These increases in spending undermine our ability to preserve a comprehensive, affordable benefits structure for our members. It also forces substantial budget trade-offs at the state level that may negatively affect employees.



As Commissioner Goetz noted at the last meeting, the Committees have several ways to control spending in the plans. These include:

1. Cutting benefits;
2. Shifting costs to employees;
3. Reducing utilization across the board; and
4. Changing utilization patterns by helping people get and stay healthy

Commissioner Goetz noted Aon's finding that our plan expenditures are a function, at least in part, of our excess disease burden. Consistent with the cost containment option #4 above, he challenged us to develop wellness incentives that may improve the health status of members and effectively "bend" the health care cost curve. To this end, the Insurance Committees directed Benefits Administration to develop a proposal for tobacco surcharge/non-user credit for potential implementation in January 2010.

Recommendations

Other states (including West Virginia, Georgia, North Carolina, Alabama, and Kentucky) have implemented substantial wellness programs that include tobacco surcharges within their public employee insurance plans. After reviewing these programs, materials from the National Business Group on Health,³ and our systems capabilities, we recommend that the Insurance

¹ The actual increases between 2002 and 2007 are 59.3% for the State Plan, 55.4% for the Local Education Plan, and 65.1% for the Local Government Plan.

² The actual increases in claims expenditures between 2001 and 2008 are 121% for the State Plan, 150% for the Local Education Plan, and 29% for the Local Government Plan. The relatively low increase in the Local Government Plan is explained largely by changes in membership; note that this plan also had the largest increase in per member per year basis between 2002 and 2007.

³ For information, see "Tobacco: The Business of Quitting, an Employer's Website for Tobacco Cessation" (available online at <http://www.businessgrouphealth.org/tobacco/>).


Committees adopt a tobacco cessation program that combines a surcharge with an incentive for those who quit successfully. As our goal is for members to stop tobacco use, members have an opportunity to recoup the surcharge if they are successful in quitting.

We recommend a tobacco surcharge of \$50 per month (regardless of whether member has single or family coverage). The surcharge would apply to all members who report on an annual affidavit (i) the use of any form of tobacco (e.g., smoking or using smokeless tobacco); (ii) by any covered employee or covered spouse; (iii) during preceding three (3) months;⁴ (iv) that would leave detectable cotinine levels in the member's saliva, urine, or blood. The surcharge would also apply to members who do not return a signed and dated affidavit.

Benefits Administration is also proposing that the Insurance Committees adopt a tobacco quit refund/incentive for members. Under the proposed refund/incentive, members who pay at least six months (6) of the surcharge would be eligible for (i) a \$300 payment for remaining tobacco-free for six (6) months; and (ii) a \$300 for remaining tobacco-free for twelve (12) months.

If adopted, both the surcharge and the refunds/incentives would likely become effective January 1, 2010.

Table 1: Summary of Tobacco Use Surcharge and Quit Incentives

<p>Surcharge</p>	<p>Premium surcharge of \$50 per month (regardless of coverage type) if covered head of contract or covered spouse uses tobacco. Also, the surcharge applies to covered head of contract and covered spouse unless they promise to abstain from tobacco use in the coming plan year. This approach reflects a "haven't and won't" exemption for the tobacco use surcharge.</p> <p>Note: The surcharge would be a flat amount, regardless of whether either or both the covered head of contract and/or covered spouse uses tobacco.</p>
<p>Applicability</p> 	<p><u>The surcharge and incentive would apply to active employees, retirees, and covered spouses* in all three public sector plans (state, local education, and local government plans).</u></p> <p>* Excluding COBRA participants</p>
<p>Definition of Tobacco Use</p>	<p>(a) Use of any form of tobacco (e.g., smoking or using smokeless tobacco); (b) by any covered employee or covered spouse; (c) during preceding three (3)* months; (d) that would leave detectable cotinine levels in the member's saliva, urine, or blood.</p> <p>* This "look-back" period will increase to six (6) months for subsequent plan years.</p>
<p>Availability of Supports</p>	<p>Benefits Administration would promote the following quit supports and resources among members:</p> <ul style="list-style-type: none"> • Tobacco Quitline (under DOH's contract with Ceridian); • Healthways counseling; • Coverage (and/or couponing) for dermal patches, lozenges, and gum; • Coverage (and/or couponing) for Chantix and Zyban; and • Promotion of FSA reimbursement for out-of-pocket tobacco cessation

⁴ This "look-back" period will increase to six (6) months for subsequent plan years.

	treatment costs.
Quit Refund/Incentive Payments	Members who pay at least six months (6) of the surcharge would be eligible for the following refund/incentive payments: (i) \$300 payment for remaining tobacco-free for six (6) months; and (ii) \$300 for remaining tobacco-free for twelve (12) months.
Testing	Self-attestation in year 1.
Assessments/Damages	Benefits Administration will implement a graduated approach to address misrepresentations, which would be a breach of contract by members. The first offense of misrepresentation will have a \$300 assessment and imposition of the tobacco use surcharge going forward. The assessment for a second misrepresentation (in a subsequent plan year) will increase (amount to be determined). Benefits Administration could also suspend coverage until such assessment is paid in full.
Legal Issues	Each of the plans would likely need to exercise Public Health Service Act (PHSA) exemption to HIPAA provisions and related wellness rules.
System Issues	<ul style="list-style-type: none"> • Administer as a plan enrollment with affidavit during Annual Enrollment Transfer Period (ATEP); • Default = tobacco user; and • System reconfigurations may be necessary at higher education, local education, and local government agencies to collect member tobacco surcharges.
RFP Issues	Benefits Administration may contract with a third party to administer refund/incentive payments and/or couponing for tobacco cessation treatments.
Operational Issues	<ul style="list-style-type: none"> • Benefits Administration will handle alleged misrepresentations as we would allegations that a member's dependent does not meet the plan requirements. Accordingly, Benefits Administration will not investigate unsubstantiated allegations. • Refunds are generally prohibited in the absence of agency error. However, members may submit affidavit after the ATEP to remove surcharge going forward.
Estimated Costs	Benefits Administration estimates that the total costs of the program would be roughly offset by the surcharge revenue. See Appendix #1.

State Insurance Committee

Dave Goetz, Commissioner *

Department of Finance and Administration

Justin Wilson, Comptroller of the Treasury*

David Lillard, State Treasurer*

Shawn Hawk, representing Commissioner

Newman, Dept of Commerce and Ins**

Deborah Story, Commissioner

Department of Human Resources

Tim Poole, State Employee Representative

Jim Tucker, USEA Representative

Charles Peccolo, University of Tennessee

Tom Spillman, State Employee Representative

Local Education Insurance Committee

Donna Barber, Teacher Representative

Bill Bell, Teacher Representative

Cindy Lumpkin, Teacher Representative

Wesley Robertson,

Department of Education

Phillip White, Tennessee School

Boards Association

Local Government Insurance Committee

Tommy Pedigo, Mayor (*Absent*)

City of Sparta

Bob Wormsley

* Member of State, Local Education and Local Government Committees

** Member of State and Local Education Committees