Benefits Task Force Membership

CHAIRS:
Sara Rosenbaum, Harold & Jane Hirsh professor of health law & policy in Milken Institute School of Public Health
John Kosky, associate vice president of HR talent management, University Human Resources

FACULTY REPRESENTATIVES:
• Gregg Brazinsky, associate professor of history and international affairs in the Elliott School
• Shawneequa Callier, assistant professor of bioethics and health care regulation in the SMHS
• Joseph Cordes, associate director of the Trachtenberg School of Public Policy and Public Administration and International Affairs Public Policy program in the Elliott School
• Benjamin Hopkins, associate professor of history and international affairs in the Elliott School
• Suzanne Jackson, professor of clinical law and director of the Health Rights Law Clinic, GW Law
• Forrest Maltzman, interim provost, senior vice provost for academic affairs and planning and professor of political science

STAFF REPRESENTATIVES:
• Linda Brown, associate director, Colonial Central
• Pallavi Rai Gullo, director of legal clinics, GW Law
• Deanah McLeod, senior associate director of development, School of Engineering and Applied Science
• Sheneka Smith, office manager, Division of Development and Alumni Relations
• Alan Thompson, foreman, Engineering Operations

MEDICAL RESIDENT REPRESENTATIVE:
• Pooja Lakshmin, psychiatry and behavioral sciences at George Washington Hospital

SOCIETY OF THE EMERITI:
• George Bozzini, associate professor Emeritus of English
In charging the long term work of the Task Force President Knapp identified 5 key principles:

- Sustainable over the long term
- Remain competitive with market-basket
- Transparency and accountability
- Must not discriminate between faculty and staff
- Focus on health benefits
- Affordable for GW community
- Must not discriminate between faculty and staff

In addition, the goals of transparency and accountability emerged for the BTF as a major 6th principle.
Mercer’s benefits valuation report (BVR) provide a one-time snapshot analysis of GW’s health, retirement and tuition remission plans relative to those offered at 17 peer universities used by the GW BOT in its own policy making activities:

American University, Boston University, Duke University, Emory University, Georgetown University, New York University, Northeastern University, Northwestern University, Southern Methodist University, Tufts University, Tulane University, University of Miami, University of Pennsylvania, University of Rochester, University of Southern California, Vanderbilt University, Washington University- St. Louis

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Guiding Principles

1. For all options involving a potential reduction or significant change in benefits, the BTF emphasizes the importance of **grandfathering** current benefit recipients, as well as giving employees **sufficient lead time**, up to 24 months in some cases, before benefit restructuring begins.

2. Any benefit savings achieved should be **reinvested** in other employee benefits and all cost-savings should be **recaptured in the fringe pool**.

3. **Transparency** to ensure full accountability should be a hallmark of the change process.
GW currently offers three plans, two PPOs and a High Deductible Health plan.

**OPTIONS**

1. Eliminate the Basic and Medium plans and offer a high-deductible health plan that continues to use a broad network, contributes to an HSA without requiring employee contributions, and covers primary care and medications for managing chronic conditions.
   a. Standard PPO plan would be available for those whose status (or that of a family member) means that they cannot participate in an HSA.
   b. HSAs belong to employees and are not forfeited at year’s end.
2. Further explore adding a new “exclusive provider organization” EPO option that offers a tighter network, but lower deductible.
3. Continue to try innovative approaches to slowing cost growth.
4. Add “value-based” insurance design strategies that encourage health management.
5. Introduce innovative tools that help people use their coverage more effectively.
6. Establish a formal wellness program to help people stay healthy.
7. Add a surcharge for covering spouses who have coverage through their employer.
8. Use competitive bidding to renew contracts with medical and prescription drug plan administrators.
Health Benefits for Retirees & Their Families

GW offers two types of retiree medical plans. The first is the Basic plan, which is identical to the plan offered to active employees open to pre-Medicare retirees and their eligible dependents. The second is the UHC Blue 65 Choice PPO plan, which is open to Medicare eligible retirees and eligible dependents. GW contributes to the cost of retiree health plans.

OPTIONS

1. For faculty and staff retiring in 2017 or later, consider the establishment of a private health insurance exchange for Medicare-eligible retirees, with equal University contributions for both faculty and staff.
   a) Allow current retirees with grandfathered protections to opt into the private exchange plan if they choose.

2. Establish a University retiree health plan contribution policy of 5 years or up to age 75, whichever is longer.

3. Institute more active health care management.
Retirement Plan Benefits

After two years of service*, GW contributes 4% of benefits-eligible compensation (BEC) as a “base University contribution”. If an employee contributes to the plan, GW will match those contributions on a 1.5 to 1 basis, up to a maximum of 6% of BEC. The maximum total contribution is 10% from GW, subject to IRS plan limits.

OPTIONS

1. Modify current maximum University contributions for employees hired after 2016.
   a. Employees would continue to be eligible for the base contribution after two years of service, with immediate vesting – no change.
   b. Maximum University match would be reduced from 6% to 3% for the first 5 years of eligibility.
   c. Maximum university match would increase to 6% after this 5-year initial period.
   d. Proposed change would not take place until FY 2017.
   e. Existing employees would be grandfathered.

2. Automatically enroll all employees in the 403(b) retirement plan with an opt-out provision to encourage financial preparation for retirement and to maximize the benefit of the University’s contributions.

* Existing prior service exception would remain in place
Tuition Benefits

Tuition benefits are currently offered to full and part-time employees, as well as their dependents and spouses.

RECOMMENDATION

1. Continue tuition benefits for part time employees as a commitment to social and educational Improvement.

OPTIONS

1. Fully cover an initial bachelor’s degree at 100% at GW for any employee who does not already have one.
2. Make tuition benefits richer but more limited, while allowing employees to elect a 100% remission rate with a service payback requirement or a slightly lower rate but without a service payback requirement.
3. Make tuition benefits available at a lower rate under certain circumstances for employees and their dependents pursuing degrees at another institution.
Studies have shown that paid time off leads to higher productivity, stronger workplace morale, greater employee retention, and significant health benefits.

Recent layoffs and hiring delays mean that GW employees have been asked to fill in for vacant positions and have taken on more responsibilities.

Of the 18 market basket institutions analyzed, 9 institutions receive a winter break between Christmas Eve on December 24 through New Year’s Day January 1 when the institution is closed.

**OPTION**

1. Increase the winter break paid leave by 3 days.
Restructuring of the Fringe Pool

Benefits are financed through the fringe pool. GW uses a 25% fringe rate for 88% of wages and salaries, and a smaller fringe rate of 8.3% for the 12% of wages and salaries paid as bonuses.

OPTIONS

1. Apply the standard fringe rate to all compensation sources.
2. Increase the 25% fringe rate by 0.1% per year for 5 years.
Unlike our prior **OPTIONS** for consideration, these **RECOMMENDATIONS**, which received the unanimous and enthusiastic support of the BTF, are set forth because the University will need employee input and buy-in as it moves forward to reshape benefits.

1. **Engage** the GW community as a whole, and on an ongoing basis.
   a. Continue the practice of annual assessment of GW’s benefit competitiveness in relation to the BOT market basket;
   b. Conduct ongoing assessments through the use of an anonymous employee survey to measure preferences over time;
   c. Communicate survey results regularly;
   d. Provide timely reports that provide an understandable description regarding the changes under active consideration;
   e. Ensure that all schools have appropriate HR support;
   f. Use an online system to allow GW to communicate considered changes on an ongoing basis in order to get employee feedback, in real-time;
   g. Provide online tutorials, including full explanations of how each benefit works;
   h. Provide online benefit navigation tools that can assist employees in making informed benefits decisions.
Accountability, Transparency: Communication & Engagement

RECOMMENDATIONS CONTINUED

2. Commission an internal formal review on the effectiveness of all HR communications.
3. Expand benefit counseling and sources of help for employees and dependents.
4. Create a customer satisfaction survey measuring satisfaction with benefit matters.
5. Create a new position that focuses on robust HR Communications.
6. Review the current composition of the Benefits Advisory Committee (BAC).