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INTRODUCTION

How and how much to compensate employees in terms of wages and fringe benefits represents a fundamental employer decision, especially in highly competitive job sectors such as higher education. The strength of any university, especially one that aspires to be one of the world’s premier research universities as stated in the university’s strategic plan “Vision 2021,” rests first and foremost on the quality of its workforce.¹ The university’s employees create and run its educational programs; undertake cutting-edge scholarship, research and teaching; develop strategic community relationships; engage in vital service; and ensure overall excellence in all aspects of university administration. In order for GW to achieve its aspirational goals, highly-qualified, engaged and committed faculty and staff are essential, and employee investment is of paramount importance to ensuring our success.

The Washington Post has identified Washington D.C., as the costliest U.S. urban environment² in which to live, work and raise a family. In order to remain competitive, GW must make a significant investment in its talent pool. The challenge becomes how to remain competitive and ensure well-compensated employees, while also addressing the cost increases associated with employee health insurance, retirement plans, tuition benefits and dependent care. A university benefits from the collective willingness of its workforce to forgo the more generous salary levels many could command in the private sector because of their individual commitment to the higher education mission. But the relative strength of benefits—both for active employees and later in retirement—is a key factor in both recruitment and retention.

Non-cash benefits represent a significant proportion and an integral part of total employee compensation. This portion of compensation is financed by each university employee unit through a concept known as a “fringe rate.” It is through this mechanism that the pool of funds to support non-cash benefits is created. The fringe rate is currently set at 25 percent of employee wages. The size of the fringe pool must be able to grow in response to changes in the underlying structure of the benefit mix, as well as changes in external pressures on the cost of benefits, particularly healthcare costs, which historically have risen at a faster rate than the rate of wage increases. Despite a slowdown in healthcare cost increases in the wake of the Affordable Care Act (ACA), costs continue to rise significantly faster than either wages or the university’s contribution to the fringe rate.³ These cost increases, as well as changes in federal policy, have hit health benefit plans especially hard, with a significant curtailment in coverage over the past several years.⁴

As the Benefits Task Force stated in its May 2015 short-term report, since 2010, the university’s budgeting approach for employee benefits has been to cap increases to benefits spending at 3 percent of benefits-eligible compensation each year. The tension between this cap and underlying increases in the cost of fringe benefits, presents a stubborn long-term challenge that must be addressed to bring balance between the institution and employees. As benefit costs continue to rise above 3 percent each year, driven primarily by

increasing healthcare costs, the importance of finding long-term solutions rises. While the factors driving cost increases largely lie outside the university’s ability to control, the importance of its response to the challenge cannot be overstated because of the consequences for employees.

Benefits have a value that transcends their nominal economic worth. Good health insurance is so vital to health and financial protection for employees and their families that it routinely ranks as one of the most important benefits people consider when assessing job options. Health benefits are important not only during active employment, but also in retirement as a supplement to Medicare and as a bridge for workers who retire prior to the beginning of Medicare coverage. The ACA has created a pathway to affordable health insurance for people under 65 who are not yet Medicare beneficiaries and who do not receive employer sponsored health plans. But premiums in the new individual market remain relatively high for all but the lowest-income families who qualify for generous tax subsidies. For this reason, employer health plans that offer good coverage and generous employer-paid subsidies remain a key element of workplace benefits.

In a similar vein, a good retirement plan is an absolute must for workers given the relatively modest nature of Social Security retirement benefits. Particularly important are plans that incentivize savings while rewarding a long-term commitment to an employer. Additionally for younger employees, who the university must attract and retain if its achievements are to be sustained over time, as well as workers at the height of their careers and preparing to send their own children into higher education, tuition remission represents not only a crucial benefit for furthering higher education but also one squarely in keeping with the values of an institution of higher education.

Benefits have a palpable effect on employee morale. Well-designed benefit plans that are affordable to the institution and its employees and are created through a transparent and inclusive process have the potential to generate stronger employee commitment. Inclusiveness in developing a strategy for managing benefits is particularly important at times when an employer is struggling to hold the line on costs, when competing values are at play in driving benefit design and when a broad range of competing considerations and tradeoffs must be taken into account. Whether compensation should favor higher salaries and more modest benefits and whether the benefits offered should emphasize health, educational, or retirement needs are all critical choices for GW employees, and a mechanism for moving forward with the fullest possible inclusion becomes essential. Poorly designed benefits that are developed opaquely, make sweeping changes without evidence of the process by which those changes were selected and adopted and that show diminishing value convey to employees that the institution’s bottom line is what matters most and that their values and preferences have not been considered. The detrimental impact on employee morale can be enormous.

Designing health and welfare plans presents many challenges to employers. Rising and unpredictable costs make health benefits particularly difficult to design and manage. The ACA has added a new twist as a result of its “Cadillac” tax (a 40 percent excise tax on the “excessive value” of more generous health plans), which is set to take effect in 2018, and has led employers nationwide to reduce the value of coverage through the use of narrower provider networks (limiting choice of providers) and fewer covered benefits, higher deductibles and higher cost sharing at the point of care. Mercer, GW’s actuary and benefits consultant, has trended forward. The IRS has not yet released the precise formula by which value will be assessed.

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5 The threshold at which the tax begins is $10,200 for individual coverage and $27,500 for family coverage in 2018, tended forward. The IRS has not yet released the precise formula by which value will be assessed.
informed the university that, like other employers, it can expect its health insurance offerings to hit the cap unless Congress and the Administration decide to alter federal policy, which at this point does not appear likely.

In response to the excise tax challenge, GW has been revising its health benefits. For the 2015 plan year, GW eliminated its highest coverage plan and introduced a high deductible health plan linked to a health savings account (HSA). GW has provided a modest matching HSA contribution tied to employee contributions ($300 for individuals, $600 for families) for the 2016 plan year. In addition, for the 2016 plan year, GW also introduced a more generous approach to income banding in order to better protect employees earning below the median wage, not just those with the lowest wages.

Beyond the large impact of underlying healthcare costs, GW's health plan premiums are rising for other reasons experienced by employers generally: an aging workforce and rising utilization of costly new treatment technologies, with specialty drugs in particular. In addition, GW has maintained a commitment to subsidizing health benefits for retirees, both those who qualify for Medicare and need supplemental coverage and those who retire prior to reaching Medicare beneficiary status and who depend on the GW employee health plan as their principal source of coverage for themselves and their dependents.

Primarily because of the uncontrollable and unpredictable nature of employee and retiree health benefit costs, managing the overall cost of fringe benefits presents a long term challenge for GW, as it does for all employers. Addressing this challenge means designing and managing benefits prudently and efficiently. It also means ensuring a robust fringe benefit pool strong enough to support current benefits while actively maintaining a reserve that can smooth out volatility in claims experience and unpredictable overall cost increases.

**President Knapp’s charge to the Benefits Task Force**

The university has arrived at a critical juncture and has wisely sought the advice and input of a broadly representative Benefits Task Force (BTF). The BTF considers this report an initial step in what it anticipates will be an ongoing, open and inclusive process that assists in identifying tradeoffs and gauging employee preferences. Indeed, the BTF offers options for further consideration, and these options will require reflection, in-depth analysis and consultation.

In recognition of the complexity of the tasks, President Knapp in January 2015 appointed a BTF composed of faculty and staff whose purpose is to evaluate the university’s benefits and review the balance between the salaries and benefit components in both the short-term and long-term. A list of members of the BTF can be found in Appendix A.

The BTF filed its short-term report on May 1, 2015. This report reflects the BTF’s deliberations regarding longer-term options for the university to consider as it moves forward with health and welfare benefit restructuring efforts. Crafting the short-term report presented difficulties nevertheless, the BTF attempted to create a balanced set of recommendations covering both investment and cost offsets that could be evaluated and considered for the 2016 planning process. Some of its short-term reports options were integrated to some extent in the 2016 plan changes, however the report’s main recommendations were not acted upon.

In charging the long-term work of the BTF, President Knapp identified several key principles:
THE LONG-TERM REPORT OF THE BENEFITS TASK FORCE

1. Benefits must be sustainable over the long term

2. Benefits must not discriminate between faculty and staff

3. Benefits must be affordable to the GW community

4. Particular focus should be placed on employee and retiree health benefits because of the special challenges they present

5. GW's benefits should remain competitive with its market-basket institutions over the long term

In addition, the goals of transparency and accountability emerged for the BTF as a major 6th principle, discussed at greater length later in the report. This principle will become especially important as the university begins to consider options for significantly restructuring employee benefits.

MARKET BASKET BENCHMARKING

The university retained Mercer, which provides actuarial and benefits consulting services to the university on an ongoing basis, to assist the Benefits Task Force in its long-term scope of work in evaluating the university’s relative position on benefits in relation to the institutional market basket used by the Board of Trustees (BOT) for other policy-making matters such as faculty compensation and endowment per student. The Mercer summary report, along with an in-depth explanation of the methodology used by Mercer to create the rankings, can be found at go.gwu.edu/bvr.

The Mercer report suggests that GW ranks approximately in the middle on the combined value of its health and welfare benefits. Notably, the BTF’s short-term report presented to the President in May found a lower ranking than that identified by Mercer in its evaluation. A key difference is that while the BTF measured GW's position based on the actuarial value of GW's health plan offerings (i.e., the percentage of premium returned to covered individuals in the form of actual health benefits and the standard measure employed by the ACA), Mercer also factored in employer premium contributions, another approach to measurement. The median ranking ascribed to GW by Mercer suggests (and Mercer's actuaries concurred) that GW in fact pays a larger share of total premium costs but for a less generous benefit package.

Like all snapshots, Mercer represents a single point in time, meaning that GW may be competitive one year and not in the following year. The Mercer report also cannot tell us whether GW's position may have risen or fallen compared to previous years and if so, whether an upward change in position may have been the result of declining benefits at other schools. For this reason, the BTF is skeptical regarding how much weight can be placed on the Mercer rankings as indicating a competitive position, although the Mercer study does provide a baseline going forward. Given the inconclusive nature of a single year ranking study, the BTF emphasizes the importance of establishing ongoing accountability and transparency as a key goal going forward, including ongoing annual rankings (rather than a one-time snapshot). In addition, several members of the BTF expressed concern that the Board-approved market basket is neither self-evident nor likely to be taken as particularly instructive to many university constituencies given the extraordinary cost of living conditions that confront GW employees. However, the Mercer analysts did account for unique factors such
THE LONG-TERM REPORT OF THE BENEFITS TASK FORCE

as geography, claims experience and demographics in conducting its analysis and establishing the relative ranking of GW’s plans.

Mercer’s benefits valuation report (BVR) analyzed 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

Of the 18 institutions (including GW) analyzed in Mercer’s report, GW ranked 8th in the total value of benefits included in the assessment. GW’s total value of $17,245 places it above the median of $16,777 per employee per year and closer to the highest-valued plan ($20,837) than the lowest-valued plan ($11,618).

HEALTH BENEFITS
Of the 18 institutions analyzed, GW ranked 8th in health benefits with a value of $8,061 per employee per year—just below the 75th percentile value of $8,343. The value of the GW health benefit is based on the university’s Basic medical plan which has the highest enrollment, with 3,745 employees enrolled.

The methodology in the report looked at the plan with the highest enrollment (if known). If that enrollment information was not known, then the highest valued PPO option for each university was valued. Three of 18 universities surpassed the 75th percentile threshold. Other than those three universities, the health plans offered by the other 15 universities are very close to one another in terms of value as 80 percent/20 percent coinsurance PPO plans.

RETIREMENT BENEFITS
GW’s retirement benefits ranks 7th among the 18 schools in the report, valued at $7,081 per employee per year. GW ranked slightly above the median in retirement benefits.

TUITION BENEFITS
GW’s tuition benefits at GW rank 10th out of the 18 schools included in the report. Differentiating factors among universities include employee eligibility, dependent eligibility and covered dependents; the number of credits the student can take per semester; maximum reimbursement; eligibility for part-time employees; and degree programs eligible for tuition remission. As a result, tuition benefit values are inherently difficult to quantify and vary more than other categories among the respective 18 universities.

RETIREE HEALTH BENEFITS
The BTF is awaiting Mercer rankings on this matter. According to the Kaiser Family Foundation, less than 30 percent of employers provided funded retiree health benefits at this time.

ENDOWMENT

6 The BVR analyzed GW’s health, retirement and tuition remission benefits, which constitute the largest benefits programs at GW, measured by yearly expenditures.
Endowment size is an important metric in evaluating a university’s fiscal resources. The data was obtained through the National Association of College and University Business Officers (NACUBO) Endowment Study and GW Endowment Records for 2014. GW ranked 14th out of the 18 schools with an endowment per student of $74,603. The median endowment per student of was $152,669.

HOW THE REMAINDER OF THIS REPORT IS ORGANIZED
The remainder of this report presents seven separate sets of restructuring options:

1. Employee health benefits
2. Retiree health benefits
3. Retirement financial plans
4. Tuition benefits
5. Leave benefits
6. Reforming the fringe pool
7. Community engagement, accountability and transparency

ADDITIONAL BTF CONSIDERATIONS
Because of the time constraints and the number of recommendations contained in this report, the BTF has carefully evaluated the benefits landscape at GW and has identified options for strong consideration rather than fully developed recommendations with detailed costing estimates. Additional research and analysis by University Human Resources will be needed to determine which options offer the best combination of changes for the GW community. Many will have interactive budgetary and operational effects on employees, retirees and plan administration.

This limited time frame, as well as the significance of the options identified, leads the BTF to underscore several fundamental assumptions that have guided its work.

First, 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 (where appropriate, at least 12 months, and in some cases, 24 months) before benefit restructuring begins. The BTF notes that, despite its express recommendation as well as identified offsets, this was not done in the case of the tuition benefit reductions that took effect in January 2015, thereby compounding the hardships faced by employees who depend on such benefits, as well as adversely affecting employee morale.

Second, any benefit savings achieved should be reinvested in other employee benefits and all cost-savings should be recaptured in the fringe pool. The purpose of the options we have identified is not to reduce overall compensation to employees and their families. Indeed these options are intended to strengthen the fringe pool and sustain a strengthened fringe pool over time. In other words, these options are intended to
identify approaches that will together allow sustainability over time while maintaining the maximum level of benefits possible. In other words, the BTF assumes that all compensation savings will be reinvested in the fringe pool and that any revision to benefits will be integrally related to fringe pool conservation and “right-sizing.” The BTF believes that not only should savings from one part of the fringe account be reinvested in other benefits, but that the university should pursue a careful upward adjustment of the pool over time while also eliminating certain exemptions that have enabled certain schools and programs to effectively be (semi) free riders on the fringe pool even as other schools and programs have fully contributed to benefits.

Third, as noted above, transparency to ensure full accountability should be a hallmark of change. Later in this report, the BTF will discuss steps that can be taken to further these goals.

1. Health Benefits for Employees and Their Families

GW’s full-time and part-time faculty and staff in benefit eligible positions are entitled to a health benefit plan with employer contributions pro-rated for part-time work status. Compared to other universities in the market basket, GW contributes a slightly higher percentage of the total premium (on average, GW’s expected cost share for the 2016 plan year is 69.9 percent of medical and Rx expenses). GW contributes toward the cost of spousal coverage without regard to whether an employee’s spouse has access to employer-sponsored coverage based on his or her own employment status. Some universities, including five institutions in our market basket, now assess a surcharge on employees who elect to cover a spouse who has access to participant coverage through his employer. In some cases, spouses in this scenario are not covered at all, a practice used by the University of Virginia.

A self-insuring employer, the university pays claims directly out of its operating budget, with reinsurance against high-cost claims. The university currently offers three plans, two PPOs (that is, as preferred provider organizations that limit but do not entirely exclude payment when covered benefits are received out of network and a high-deductible health plan (HDHP). The university contributes to the cost of the annual premiums employees pay for themselves and (where selected) their family members. The health plan uses UnitedHealthcare as its third party administrator (TPA). In addition, the university offers unsubsidized, fully-insured vision and dental coverage plans available to employees. Two plans (known as the Medium and Basic plan) offer relatively generous coverage with deductibles below the national average in 2015 ($500 and $850 respectively) as well as cost-sharing within standard norms. The range of covered benefits varies slightly, with the Medium plan offering certain types of coverage (e.g., infertility coverage, bariatric surgery, and hearing aids) not found in the Basic plan. Employees who choose the Medium or Basic plan can also contribute to a pre-tax flexible spending account (FSA) to cover deductibles, copayments and coinsurance, and certain other out-of-pocket, uncovered health costs (such as contact lens supplies). Employees have until March 15th when the 2½ month grace period has ended to request reimbursement from their FSA account. Per IRS rules, funds remaining in individual accounts at the end of the plan year are required to be forfeited and revert back to employers. In 2014, approximately $78,000 in medical FSA funds were forfeited.

The third plan is a high-deductible health plan, now increasingly offered by employers. A high deductible with significantly higher in-network deductibles ($1,500 for individuals, $3,000 for families for 2015 and 2016) is coupled with a health savings account (HSA) to which GW contributes modestly in 2016 ($300 for individuals and $600 for families, contingent on participant contributions). GW’s contributions are well below
the mid-Atlantic average, which is $500 for individuals and $818 for families). The health savings account belongs to individual employees, and funds remaining in the account at the end of a plan year remain the property of each enrollee and can build over time.

GW also offers “wellness” benefits and programs for faculty, staff and their families. Benefits consist of a range of classes and individual wellness programs including a smoking cessation benefit, free flu shots, a Healthy Pregnancy program and fitness classes. Mercer has concluded that by implementing a wellness program that effectively manages patients with chronic illness while incentivizing employees to better manage their health and health care utilization, GW could reduce its overall medical and prescription drug claims trend by 2 percent. Research on employee wellness provides some support for these assumptions because such programs help employees understand their health and how to improve it. Based on data from UnitedHealthcare, less than half of enrolled GW employees completed their annual wellness visit in the last year.

The potential for better member management results in improved health and lower cost is further amplified by the fact that GW plan members are more likely to use a higher level of emergency department care than in general for UnitedHealthcare’s benchmarking. Our plan members are also less likely than members of other UnitedHealthcare plans to receive appropriate generic drugs as a substitute for brand-name drugs. GW data further suggest that 4 percent of in-patient admissions were categorized as “avoidable.” These findings from our claims experience suggest that a wellness program strategy might yield savings, while being important for the health of employees and their families. However, BTF recommends that a more formal, funded, and resourced approach to wellness is critical to realize the benefits of wellness offerings.

As the BTF reported in May, over the past several years the premiums paid by GW employees have risen significantly faster than growth in employee wages, while the actuarial value of GW’s plan offerings has declined significantly, a trend mirrored nationally according to the latest authoritative report by the Kaiser Family Foundation. Furthermore, in order to keep its fringe rate from rising faster than 3 percent, GW has shifted premium costs onto employees and its own premium contributions have declined. At the same time however, according to the Mercer one-year snapshot, GW actually makes a slightly higher premium contribution than other market basket universities. This slightly higher premium contribution has the effect of increasing GW’s rankings, since from a strictly “actuarial value” (AV) perspective (i.e., the proportion of each premium dollar paid out in actual benefits to participants and beneficiaries), GW’s health plan offerings, as indicated in the BTF’s May 2015 report, appears to be somewhat below the market-basket average.

An important factor propelling this shift are the various fees and taxes introduced with the Affordable Care Act (“ACA”). ACA introduced a Transitional Reinsurance Program Fee, Patient-Centered Outcomes Research Institute (“PCORI”) Fee, as well as a “Cadillac tax,” a 40 percent excise tax on the “excess” value of health plans over a certain threshold. The tax begins in 2018 and is causing national retrenchment in the proportion of compensation allocated to health benefits. While there is considerable sentiment for repealing the tax, the


cost of doing so is steep enough so that repealing or reducing the tax is not likely any time soon. In enacting the tax, Congress assumed that total employee compensation would not drop but that the compensation received by employees would shift toward taxable sources (such as wages), thereby creating a higher income tax revenue stream to help offset the cost of the ACA’s subsidy expansions for low and moderate income individuals and families. In response, and like other employers, in 2015 GW discontinued the Premium plan, which is one of its penalty-liable medical plans (our most generous PPO with the lowest deductibles). The remaining plans offered by GW are projected to have some exposure to the Cadillac tax in the future.

For the 2016 plan year, GW has introduced a more generous income-adjusted premium in order to protect not only the very lowest-paid employees but also those whose incomes fall below the median. Higher-paid employees therefore bear a greater share of the premium payment in order to offset this adjustment.

Key to sustainability of health insurance costs are efforts to address the underlying cost of health care. Clearly this is an issue that vastly transcends GW’s own abilities; indeed employer plans far larger than GW are struggling with this problem. For this reason, GW cannot count on sustainable plan growth rates, although it might take certain steps to manage cost growth as efficiently as possible.

The university has introduced some management techniques this year. One example is in-network “reference pricing” for diagnostic testing and imaging services such as basic blood panel tests, MRI, PET and CT scans, meaning that plan members will be able to comparison shop among testing providers, with pricing transparency that allows them to select providers whose costs are lower and therefore more fully covered by the plan. Another example is more active management of physician prescribing practices in connection with high-cost drug use. Others management techniques include more wellness programs, more consumer tools to enable members to understand lower cost options (such as using an urgent care clinic in non-emergency situations in lieu of the emergency department) and other reforms. This may help alleviate cost pressures, but the long term pressure arising from costs will be great because of prices, utilization and demographics.

**Options**

1. **Consider eliminating the Basic and Medium plans entirely in place of a well-structured high-deductible health plan that uses a broad PPO network, provides generous HSA contributions not tied to employee contributions and uses value-based design by exempting primary healthcare and maintenance prescription drugs from the deductible entirely.** This approach is worth considering if the employer contribution to the HSA is sufficient to bring employees’ actual costs out of pocket to the same level of protection against patient cost sharing –that is currently available under the Medium PPO, without regard to employee contributions to the plan’s linked HSA. Under this option, all employees would be enrolled in a HDHP that continues to offer PPO coverage that continues to allow members to see out-of-network providers in exchange for higher out-of-pocket payments rather than excluding coverage altogether. In addition, certain benefits would be exempted from the deductible entirely, in keeping with what has come to be known as value-based benefit design. Under value-based benefit design, not only would preventive services be exempt from any cost sharing as required by the ACA, but drugs for treating long-term chronic health conditions such as hypertension, diabetes and depression also would be exempt from the deductible, as would be primary care office visits.
The result would be a HDHP linked to an HSA that is well-funded without regard to employee contributions and that remains with employees and their families rather than being forfeited at the end of a plan year as is the case with flexible spending accounts (which would be eliminated for the HDHP population, yet another plan administration efficiency). Coverage would be comparable to that offered through the Medium plan PPO, with changes in benefit design to ensure that benefits that are now unique to the Medium PPO (bariatric surgery, infertility treatment, hearing aids) would also be included. A more generous HSA contribution would help offset the impact of the shift while still maintaining the broad provider choice associated with PPO-style coverage. Were the university to shift toward a more generously designed high-deductible approach to coverage, savings (up to 18 percent based on industry research) would be achievable from both active and retired employees who would belong to the same risk pool.

The downside of HDHP design – high deductibles – can be mitigated through generous university contributions covering nearly the entire deductible (e.g., $1,500 for an individual and $3,000 for a family) along with primary care and health maintenance exemptions for primary care office visits and a wide array of preventive or maintenance prescription drugs. Key to this option is also the availability of strong consumer support tools and readily available assistance, such as the GW Health Advocate service or CastLight, to help members learn to use a plan in which a debit card is used to pay many out-of-pocket costs until the coverage threshold is reached. Employees with FSAs already have experienced this approach to coverage, as have those who have selected the HDHP. But going forward with a major new plan design strategy means thinking not only about the design but also how to make sure that employees know how to use the plan. To this end, introducing health care transparency tools will be paramount to sustainable success.

Even with this approach, however, it will be necessary to maintain at least the basic PPO and a flex fund option for certain employees because they (or their family members) are barred from participation in HSAs. These employees are those who are also currently enrolled in Medicare or TriCare, as well as employees claimed as dependents by another taxpayer.

2. **Consider adding a new “exclusive provider organization” EPO option.** Employees have asked about the possibility a “Kaiser” option where health benefits are concerned – that is, membership in a health plan that relies on a very tightly managed provider network as a means of containing costs, while keeping deductibles and other cost sharing lower. This model uses a higher premium, akin to a traditional HMO. But the deductible is far lower, and cost sharing may be lower. In modern parlance, this option is known as an “exclusive provider organization” (EPO) in keeping with tighter network management. One option may be to work with the GW Medical Faculty Associates (MFA), which has offered such an approach for its own employees for some time thus providing a possible avenue for offering such a benefit to GW employees and their families. Early research into the experience of MFA employees who are members of its EPO suggest lower premiums among its plan offerings, but also challenges with cost sharing and access. (The EPO research project was interrupted by open enrollment season, and we plan to resume in December with results available in January 2016). Both cost sharing and access challenges are ones that can be addressed with an expanded network and
better coverage design. In our view, it is worth ongoing discussion with the MFA regarding whether their employee product can be restructured to reach GW employees.

Given employee interest in a traditional HMO model, the BTF considers this direction one that merits a more in-depth examination by the university. The results of our research suggest that a move in this direction cannot happen in the short-term given the need to build more extensive provider capacity and ensure a fair cost-sharing design so that benefits are as generous as those offered to non-EPO employees, except for the narrower network used. But the BTF believes that continuing negotiations are worthwhile and should be pursued.

3. **Continue to develop options for controlling high-cost medical procedures that lend themselves to reference pricing strategies.** The university has started to introduce the concept of reference pricing in connection with diagnostic services, in which plan members are encouraged through the use of variable cost sharing to select certain procedures at free-standing vs. hospital-based facilities (radiology, MRIs, X-rays, for example) from lower-cost network providers whose care is of equal quality, as rated by the TPA. The BTF considers this to be a promising approach for controlling healthcare costs and one that might be extended to other services like elective surgical procedures that show considerable network pricing variation, such as hip and knee replacements. This is a strategy now being used by the federal government under Medicare as well as CalPERs, one of the largest of all employer-sponsored group purchasing systems in the nations and a leader in health care innovation.

4. **Consider expanding value-based insurance design strategies.** The BTF has discussed value-based insurance design strategies, which encourage employees and families to actively use preventive services as part of its first option, and it recommends continued work in this direction. The university has begun to emphasize value-based insurance design in recent years, and certain preventive services are already free of cost-sharing under the ACA. Prescribed drugs and treatments needed to maintain health among people with chronic health conditions such as diabetes, cardiovascular disease and depression all represent areas of close study in benefit design because of the significant potential payoff in terms of lowered healthcare costs. Research has shown that covering medications through a value-based formulary produces tangible cost-savings by ensuring there are no cost barriers to drugs classified as preventive or “maintenance medications.” The concept at play is that adherence to a maintenance prescription medication is correlated to lower utilization of emergency room visits and fewer avoidable admissions. First-dollar coverage of cost-effective treatments such as management of chronic health conditions amenable to preventive treatments should be pursued to the maximum degree possible. The BTF further recommends that the university consider implementing value-based design in prescription drug coverage via a formulary that will provide 100 percent coverage for maintenance or preventive medications (a change already in effect under the high-deductible health plan option) as a means of providing an incentive for employees with chronic conditions to maintain adherence to prescription regimens. Furthermore, GW could also explore other value-based coverage designs, such as increasing the subsidy for mail-order pharmacy and covering the full cost of the use of the telemedicine program (currently assessed an office co-pay).
5. **Introduce innovative health care transparency tools.** Using health benefits has become increasingly complex for employees to understand, particularly as deductibles and cost sharing have risen, value-based purchasing strategies such as reference pricing have been introduced and networks have tightened. Ensuring that employees are as enabled as possible to understand and use their benefits is absolutely crucial if cost containment strategies are to succeed in ways other than simply discouraging the use of unnecessary health care. Yet the most authoritative study to date, noted previously, raises this concern that health care costs will be reduced not through smarter buying but by discouraging the use of care. For this reason, the BTF believes that employee support tools such as Castlight or comparable products, which are designed to be plan-specific and to enable employees to understand how to make the most of their coverage, will be particularly essential.

These tools would be accompanied by greater investment in face-to-face, telephone and online counseling assistance from University Human Resources (UHR), with office hours held at the Faculty & Staff Service Center (FSSC). Currently, there is little integration because available sources of help (FSSC, UHR staff, HR Client Partners, Benefits Administration, UnitedHealthcare, CVS/Caremark and outsourced partners such as Mercer or the GW Health Advocate) are unevenly coordinated. By testing a concept of a more direct case management approach, the BTF concludes that this value-added service will contribute to the goal of helping employees understand our benefit plans.

6. **Consider establishing a formal wellness program.** The BTF noted that while there is evidence that several wellness programs exist such as Smoke Free GW, walking challenges, flu shots, etc., there is not an overall programmatic approach and strategy that is considered holistic, strategic or tightly-managed. Furthermore, there is some confusion as to how the Healthy GW initiative delivers tangible wellness programs designed to accomplish the overall purpose of improving wellness at GW. Therefore, BTF recommends that UHR develop a robust wellness program that is sufficiently resourced and budgeted for a long-term solution. A good wellness program would include an incentive management program, which would include incentives for participation in biometric screenings, receiving preventive screenings and participating in wellness and expanded disease management programs. Such a program should include health and financial literacy and mental health promotion, which have been shown to improve employee retention, productivity and morale. It is important to note that no direct revenue would be generated by these initiatives; rather, its purpose is future cost avoidance - a long-term approach. In addition, GW could consider an appropriate subsidy for gym membership.

7. **Consider changing spousal premium contribution policies to incentivize spouses with access to coverage through their employer to enroll in their own plans.** GW currently does not condition the size of its contributions to employee coverage on the availability of direct spousal coverage. Such an option could be considered for spouses, with a modest surcharge for spouses who have access to their own direct coverage but elect to enroll in the GW plan. In no event should such an option be used for other dependents. This option should be considered, in the view of the BTF, only if it is estimated to yield significant savings and only if the resulting savings are reclaimed as part of the
fringe pool; indeed, this assumption that savings will be recaptured in the fringe pool is inherent in all BTF options.

8. Consider competitive bidding for medical and prescription third-party administrators. Best practice in vendor management is to go to the external market through a “request for proposals,” or RFP process, every three to five years in order to secure the best possible terms, prices and conditions. GW selected UnitedHealthcare as its third-party administrator for 2011 and has not actively sought bids since that time. Therefore, in order to ensure our fees and costs are competitive and that the current offering is still meeting employee needs, the BTF recommends that GW conduct a full RFP process with potential third-party administrators in order to determine whether employees are receiving coverage that is both innovative and of good value. Before making formal changes to third-party administrators, UHR should take the pulse of faculty and staff to assess their willingness to change health or pharmacy providers, and then factor that input into the analysis. This recommendation is within the spirit of the BTF’s strong guidance to better engage the campus in benefit changes that impact university employees. The BTF recommends a contract negotiation approach to ensure that the most favorable terms are secured in contract language, such as rebate recovery and low administrative fees.

2. Health Benefits for Retirees and Their Families

Eligibility
In August, the retiree health benefits BTF Subcommittee was provided an overview of the retiree health benefit by Benefits Administration, attached as Appendix B. This overview suggested that for the first eight years of retirement, premiums for faculty were subsidized between $297.71 and $888.12, while staff were subsidized at the rate of $40 a month. All subsidies were to end after eight years of retirement were completed.

A chart provided more recently to the subcommittee on retiree health by Benefits Administration shows that retired faculty are receiving substantial premium subsidies. GW pays, in some cases, over 80 percent of the premium for retired faculty health insurance. For staff, GW pays between $258 and $1,209 a month for retiree coverage, depending upon the plan and the numbers covered. This figure is considerably higher than $40 per month. The chart is attached as Appendix C.

According to the Benefits Administration document, retirees who are eight or more years past their retirement dates receive no subsidy and enjoy “access only” coverage without an employer contribution. However, data from Benefits Administration suggests that these retirees in fact continue to receive premium subsidies from GW. Faculty and staff receive equal levels of subsidy, ranging from $225 a month for an individual Medicare plan (Blue 65), to $1,155 for a pre-Medicare plan covering three or more people. In 2012 the university began a gradual management program to correct the subsidy over 10 years.

Coverage
GW offers two types of retiree medical plans. The first is the Basic plan, which is identical to the plan offered to active employees and is open to pre-Medicare retirees and pre-Medicare dependents of retirees. The second is the UHC Blue 65 Choice PPO plan, which supplements Medicare coverage. Blue 65 is open to
Medicare eligible retirees and Medicare eligible dependents of retirees. This plan requires that eligible retirees elect Medicare Part B (at a cost of at least $104.90 a month in 2015 and calculated to increase). The prescription coverage within this plan allows retirees to postpone enrollment in Medicare Part D, providing some savings. This plan also contains coverage for some services that Medicare does not cover, such as an annual eye exam, but these additional services do not appear extensive.

The Blue 65 premiums, based on evidence provided for community-based rates in the Washington, D.C., area for Medicare F and N plans, are more expensive in comparison with many Medigap plans, as the plan pays second to Medicare (so Medicare has already paid most of the claims).

**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. Consider permitting current retirees who have been given grandfathered status to opt for enrollment in a private exchange plan in lieu of their current plan, either at retirement or later during open enrollment. The BTF views a private exchange as an alternative to the current UHB Blue 65 PPO plan for both current and future retirees. A detailed analysis prepared by Towers Watson for the BTF shows that by moving to a retiree exchange, GW would benefit from a community rating (claims experience compared across the entire GW geographic region) rather than the experience rating approach (i.e., examining claims experience only of GW plan members) that is used for our existing UHC-PPO plan. The savings to both retirees and the university are considerable and should be actively explored. Indeed, for the most generous MediGap plan on the market, retirees would pay hundreds of dollars less per each year for roughly equivalent coverage, and it appears that the university contributions would drop so significantly that it could consider extending the contribution period for both faculty and staff beyond the stated current period of eight years. The savings are sufficient (at least from preliminary data) to enable the university to give adequately generous underwriting for both faculty and staff to nearly eliminate retirees’ premium contributions for self-only coverage. (The university does not pay a subsidy for the spouses of Medicare beneficiaries who are retired employees, but this coverage could be purchased, of course, at lower community rates).

As noted, existing retirees could be given the option of switching to the new private exchange plan. Many may wish to remain in their GW insurance plans, possibly to maintain continuity while retirement changes many other aspects of daily life, or if they retired involuntarily, for example, the prospect of immediately changing health insurance could be overwhelming. The BTF analysis showed that the substantial majority of GW retirees live in the D.C. / Maryland / Virginia area (approximately 90 percent). University Human Resources should evaluate the private exchange option, gather data from its initial implementation and implement the long-term solution that is most appropriate for GW’s retiree population. In the interest of managing change, GW should also engage current retirees and those who are making plans to retire in open forums and town halls to get their input on private exchanges, the existing structure and grandfathering terms before changes take place. These sessions will provide retirees the opportunity to give feedback and ask questions on the proposed private exchange option.
2. **Establish a university retiree health plan contribution policy of five years or up to age 75, whichever is longer.** Employees retiring at age 67 would thus receive eight years of contribution, while those retiring at age 70 when the maximum social security benefit is reached, would realize a five-year contribution level.

3. **Institute more active health care management.** If the private exchange concept is not implemented, for both pre-Medicare retirees and those receiving Medicare benefits, active management and value-based coverage strategies should be fully employed with an emphasis on prescription drug management and value-based coverage of cost-effective preventive treatment for conditions such as hypertension, diabetes and depression.

### 3. Retirement financial benefits

GW makes a base contribution of 4 percent to its retirement plan. GW also contributes an amount equal to 150 percent of the first 4 percent of eligible employee compensation that employees contribute to the 403(b) Plan as a matching contribution. The maximum matching payment by GW cannot exceed 6 percent of eligible employee compensation, giving employees a maximum total contribution of 10 percent from GW.

Employees are currently eligible to receive the university matching contribution after two years of employment at the university, with immediate vesting upon qualifying for the match. GW permits a waiver of eligibility restrictions for employees with prior service at an institution of higher education.

### OPTIONS

1. **Consider modifying current maximum university contributions for employees hired after 2016.**

   Consider modifying current retiree plan practice compared to GW’s market basket by adjusting the university match in accordance with the following (or similar) schedule:

   a. Employees would continue to be eligible for the university contribution after two years of service, with immediate vesting upon qualifying for the match;

   b. The maximum university match would be reduced from 6 percent to 3 percent for the first five years of eligibility;

   c. The maximum university match would increase to 6 percent after the initial period of five years;

   d. The proposed change in the retirement system would not take place until FY 2017.

   e. Existing employees would be grandfathered in the current retirement plan and associated contributions.

*The parameters of the proposed change could be varied in any number of ways. The above is meant to illustrate one possible approach.

The proposal could generate substantial savings over time as it is applied to more and more new employees. Preliminary estimates based on data on employee turnover and hiring indicate that savings in the first year the new plan took effect could save $200,000 in the first and $200,000 in the second years assuming the scenario outlined above. Once the new plan was fully phased in after a period of five years, the annual budgetary saving could be up to $5 million.
The proposed change should not affect any employees hired before FY 2016. For employees hired under
the new plan, the approach would have the effect of reducing the amount of income in retirement for
employees who did not make any adjustments, or require that such employees make additional
contributions on their own (through the supplemental 403(b) program).

Under the assumption that employees did not make offsetting increases in their own saving for retirement,
the BTF estimates that an employee earning and participating in the proposed revised retirement plan
would accumulate about $120,000 less in retirement savings at the end of 40 years. This amount would
have an annual annuity value of about $7,400 assuming level annual payments for 25 years at an interest
rate of 4 percent.

2. Consider automatically enrolling all employees in the 403(b) retirement plan with an opt-out provision
to encourage responsible financial preparation for retirement by maximizing the benefit of the
university’s contributions. Given the importance of saving for retirement, the BTF recommends
introduction of an opt-out approach to retirement plan participation for all employees, beginning with
employees hired in CY 2017. UHR could consider the opt-out approach for staff only after sufficient notice
to staff currently not participating in the matching portion of GW’s retirement plan.

4. Tuition benefits

Tuition remission is one of the unique benefits provided by universities in general and by GW’s market basket
universities in particular. A strong commitment to the provision of this benefit to employees and their families
is intrinsic to an institution of higher learning. Indeed, one of GW’s stated values is “Learning.”

Tuition benefits are currently offered to full- and part-time employees, as well as their dependents and
spouses. There has been some discussion about whether the provision of the benefit to part-time employees
should continue. The BTF believes that given the importance of an affordable education to social and income
mobility, continuing to provide the benefit to part-time employees with requisite service requirements, shows
the university’s commitment to individual and community betterment through education.

The committee has identified three areas where it believes the university can improve its tuition benefit. The
recommendations present general principles, rather than specific proposals. With the exception of the first
recommendation, we believe these changes could be structured in such a way as to be revenue neutral to
the university.

Options

1. Consider fully covering an initial bachelor’s degree at 100 percent at GW for any employee who does
not already have one.

2. Consider making tuition remission a richer but more limited benefit, while allowing employees to
elect a 100 percent remission rate with a service payback requirement or a slightly lower rate but
without a service payback requirement. In exchange for this full remission rate, the university could
enact a post-degree service requirement, assessed on a salary-based sliding scale for employees. In
the case of employees who depart prior to completing an applicable service requirement, a pro-rated
tuition charge could be levied. Employees would be expected to elect at the beginning of their course of study. The service requirement could be higher for part-time employees. Careful consideration in the design of this service requirement is of importance, especially to long-term employees attaining a GW degree and highly mobile researchers and research staff who may be serving as project-related research staff while obtaining a graduate degree. It will be important to design a post-degree service requirement that mitigates unintended adverse consequences, but the BTF committee believes that service is a condition whose application merits consideration.

a. The dependent tuition benefit is currently limited to one degree per dependent at a maximum remission rate of 87 percent. This rate puts GW in the bottom third of the market basket, with 12 schools offering a richer remission rate. BTF believes the logic of richer remission in exchange for a service requirement equally applies to dependents. The maximum remission rate of 87 percent could be increased, with a commensurate increase in years of service dependent on salary to accompany/qualify.

3. Consider making tuition reimbursement, albeit at a lower rate, available under certain circumstances for employees and their dependents pursuing degrees at another institution. Tuition reimbursement should be applicable, at a lower rate, at other schools both for employees and for their dependents. Eight of the 17 market basket schools offer such a program. The schools offering such programs are best characterized as GW’s aspirational basket, with the exception of the University of Miami. A key consideration in offering such a benefit would be arriving at a design that is affordable and linked to a considerable length of service to the university. Potentially another factor to be considered is whether another institution offers a degree that can be considered unique. Realizing that this benefit would carry new costs, the BTF recommends that GW test the estimated cost impact of different defined contribution amounts as a means of gauging the impact of the option.

5. LEAVE BENEFITS

Studies have shown that paid time off leads to higher productivity, stronger workplace morale, greater employee retention and significant health benefits. Due to recent layoffs and hiring delays, GW employees have been asked to fill in for vacant positions and have taken on more responsibilities. Currently GW offers a limited paid leave policy for the winter. This leave policy consists of two days off for winter holiday and two days off for the New Year holiday. GW records show that approximately 90 percent of non-exempt employees used this leave in 2014. Of the 18 market basket institutions analyzed, nine institutions receive a winter break between Christmas Eve on December 24 through New Year’s Day on January 1 when the institution is closed. Georgetown and American University are indeed closed during this time period.

Options

1. Consider increasing the winter break paid leave by three days. This would bring GW in line with market basket institutions as well as other local institutions and would be an important employee morale booster. By

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9 Duke, Georgetown, NYU, Northwestern, University of Pennsylvania, Vanderbilt, Washington University and University of Miami.

implementing a winter break, GW would also support its sustainability initiative. GW would reduce its carbon footprint and energy consumption related to reheating the buildings. The estimated savings for the reduction in energy utilization is approximately $150,000 based on energy usage during the same period in 2014.

6. RESTRUCTURING THE FRINGE POOL

A fringe rate is the cost of an employee’s benefits divided by the wages paid to an employee. The largest share of CY 2014 wages and salaries ($480 million, or 88 percent) is subject to a fringe benefit rate of 25 percent, and a smaller share ($63 million, or 12 percent) is subject to a fringe rate of 8.3 percent. Of the wages and salaries that are subject to the 8.3 percent a total of $15.3 million is received by benefited university employees in the following forms: (1) supplemental compensation for faculty, (2) incentive compensation for faculty and staff and (3) overtime wages for regular full-time staff.

Restructuring the fringe pool to eliminate the “free riding” that comes when certain schools, programs and offices pay less than the full 25 percent fringe rate on total employee pay represents one important change designed to help offset the rising cost of benefits, particularly health plan cost increases.

OPTIONS

1. Consider establishing a policy that all compensation received by a “benefited” employee will be treated uniformly and subject to the university’s standard fringe rate (currently 25 percent). The proposed change would be to apply a uniform fringe benefit rate to all benefited university employees. At current fringe benefit rates, this would mean applying a rate of 25 percent instead of 8.3 percent to the types of compensation described above. Once fully phased in, the proposed change is estimated to increase the amount contributed by the various units of the university (academic and administrative) to the overall fringe benefit pool by some $2 million. If the change were to be phased in over two years, the annual impact would be to increase the amount allocated to the fringe benefit pool by $1 million per year for five years.

2. Consider increasing the 25 percent fringe rate by 0.1 percent per year for five years. The proposed change would increase the 25 percent fringe rate to 25.5 percent over a five-year period. The proposed increases in the fringe benefit rate would take effect in years three to seven (after the increase in the fringe rate from 8.3 percent to 25 percent was fully phased-in). When the recommendation was fully phased in, approximately $2.4 million would be added to the benefit pool.

7. ACCOUNTABILITY, TRANSPARENCY: COMMUNICATION AND ENGAGEMENT WITH GW EMPLOYEES

The options set forth in this report carry important, interactive implications. Even more importantly, they reflect a range of values. For example, maintaining and strengthening retiree health benefits for GW staff and faculty emphasizes the importance of good retirement benefits. Offering expanded tuition benefits, including a defined contribution, emphasize the value of attracting younger faculty and staff who are considering advanced education for themselves or their growing children. The tradeoffs and choices to be made are deeply important, and the BTF believes strongly that only the GW community as a whole can make these
choices. Community engagement around the re-design of benefits is thus critical to long-term benefit changes. Transparency and community engagement should be a hallmark of benefit restructuring given the major implications of changes for all GW employees.

**Recommendations**

For this reason, the BTF makes its sole set of recommendations in the area of robust community engagement as a core principle of benefit transformation. Unlike our prior options, these recommendations receive the unanimous and enthusiastic support of the BTF precisely 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 one-time benchmarking may give GW a sense of the starting point for re-designing benefits. However, it provides little help in guiding the university through complex and interactive changes over time, whose cumulative effect could have significant upward or downward implications for GW’s standing in the coming years. Therefore, the most important consideration should not be where GW stands in any particular year, but whether the changes to be introduced over time are understood by the GW community, viewed as sensible and fair in light of changing circumstances and responsive to the needs of the GW community as a whole. If health benefits are going to be scaled back, for example, such savings should be reinvested in other benefits or wages, and this reinvestment needs to be communicated to employees. Employees also should have confidence that before reducing benefits, the university has taken active and reasonable steps to maximize the pool of funds needed to support benefits. Employees should be able to understand the tradeoff considerations that inevitably arise when developing benefit policy and should feel involved in the effort. Moreover, this sense of engagement must extend beyond the relatively narrow confines of the Faculty Senate, ASPP and the Benefits Advisory Committee and include the university community as a whole. It should be noted that UHR took exceptional steps for the 2016 plan year to be much more transparent in the benefits process by engaging employees directly in the communication effort through benefits briefings, held both at the unit level for many schools, as well as at four general sessions available to the community at-large. BTF recommends that UHR continue this positive trend and momentum and build on this engagement.

For these reasons, the BTF recommends:

a. Ongoing assessment of GW’s benefit competitiveness in relation to the BOT market basket, updated annually, so that the Administration is continually working off the best evidence of GW’s position in the university benefits environment
b. Ongoing assessments of community needs and preferences where benefits are concerned, through the use of confidential and anonymous surveys designed to give the university insight into employee-wide preferences over time
c. Communication regarding the results of these anonymous surveys on a community-wide basis through both written results and frequent town halls or focus groups open to the entire community
d. Timely written reports that provide a full and understandable description regarding the types of changes under active consideration, who will be affected by the changes, potential strengths
and limits of various options and ways in which the university is approaching the challenge of mitigating the impact of changes that mean benefit reduction

e. Ensuring that all schools have a central HR resource (i.e., a Client Partner) on these matters, now lacking at both the GW Law and the Elliott School of International Affairs

f. Use of a web-based platform where GW can communicate considered changes on an ongoing basis. The university also should explore investment in technology tools that communicate key benefit changes through video explanations delivered by a specialized vendor such as Guidespark.

g. Investment in resources that provide online tutorials, including full explanations of how each benefit works

h. As noted, expansion of an online benefits navigation tool that can assist employees in making informed decisions about what benefit offerings are the most appropriate fit based on needs and preferences

2. Commission an internal formal review on the effectiveness of all HR communications, particularly benefit communications, to assess the degree in which employees use various avenues of information. Techniques for measuring effectiveness include measurement of click-rates, web site visits and other measures. Based on the results of the review, GW can make appropriate adjustments and refinements to its communications approach in order to maximize employee engagement and understanding of key benefit changes.

3. Consider in-sourcing all benefits counseling / employee-facing customer service functions in a role we conceptualize as a “Benefits Navigator,” which will serve as a case manager/advocate to help employees navigate all of GW’s benefits. The goal with this recommendation is to provide a central point(s) of contact for any matter pertaining to GW’s benefits. For example, a dedicated professional might be physically assigned to the Faculty & Staff Service Center and deployed across campus, as needed, to provide counseling to employees on key benefit matters and serve as a liaison between employees and benefits administration. The demand for such a person might necessitate more than one employee, although employee services could be supplemented by well-trained, well-supervised graduate student assistants studying health law or public health policy, and who in many cases, perform this type of counseling service as part of their course of study. At a minimum the BTF believes that the university should launch such a program for the 2017 plan year.

a. The BTF acknowledges that the institution cannot give advice on selecting a plan, choosing an investment option within the retirement plan, or making other comparable choices. But much can be done short of specific plan selection on an employee’s behalf, to ease the employee’s burden of making the choice him or herself. Providing information and explanations of benefits, educating employees about the meaning and significance of terms of art used in many plan documents, as well as assisting employees to compare their options, will allow employees to make sound choices and to make changes when these choices no longer serve them.
4. **Consider creating a customer satisfaction survey** or other feedback tools to allow employees to provide ongoing feedback regarding their experiences with benefit matters.

5. **Create a new position that focuses on robust HR communications.** This position, accountable to the Vice President for University Human Resources, should have a dedicated focus on development and implementation of a comprehensive internal communication strategy designed to make GW the best among its market basket in how employee benefits are communicated to the employee population. BTF considers this recommendation as essential to success to employee engagement. For minimal investment required for the resources identified in this section, we believe this is likely the most important and will slowly change our culture and build trust across the community.

6. **Review the current composition of the Benefits Advisory Committee (BAC) to ensure broad representation from across divisions and schools and equitable distribution of membership among faculty, staff and administrative representatives.** This committee arguably has a very influential role through feedback and advisory contribution to UHR throughout the planning cycle. Consider whether the BAC members should, on an ongoing basis, brief their respective division or school on possible changes under consideration, where appropriate. Careful consideration should be given to ensure that the size of the BAC is manageable and effective.
APPENDIX A: BENEFITS TASK FORCE MEMBERSHIP

Chairs:
Sara Rosenbaum, Harold and Jane Hirsh Professor of Health Policy, 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, Elliott School of International Affairs
Shawneequa Callier, assistant professor of bioethics and health care regulation, School of Medicine and Health Sciences
Joseph Cordes, associate director of the Trachtenberg School of Public Policy and Public Administration and International Affairs Public Policy program, Elliott School of International Affairs
Benjamin Hopkins, associate professor of history and international affairs, Elliott School of International Affairs
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, George Washington University Hospital

Society of the Emeriti:
George Bozzini, Associate Professor Emeritus of English

Secretary and Staff Support:
Kara Musselman, health and wellness analyst, University Human Resources
Janet Monaco, director of benefits administration, Finance Division
Cara Shumate, retirement plan administrator, Finance Division

Special Advisor:
Jennifer Lopez, assistant vice president, Tax, Payroll and Benefits Administration
APPENDIX B: OVERVIEW OF RETIREE HEALTH BENEFITS

GW Retiree Medical - Intended Contributions:

Faculty within 8 years post retirement:

- GW contributes the same amount as for active faculty members with comparable coverage.

Staff within 8 years post retirement:

- GW contributes $40 per month.

Faculty/Staff 8 years or more post retirement:

- GW subsidy ceases, access only.
## APPENDIX C: RETIREE HEALTH BENEFITS SUBSIDY TABLE

### Retiree Staff Contributions (Within Eight Years From Date of Retirement)

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### Retiree Faculty Contributions (Within Eight Years From Date of Retirement)

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<td>Individual</td>
<td>$671.57</td>
<td>$114.90</td>
<td>$556.66</td>
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<tr>
<td>Individual + one</td>
<td>$1,356.71</td>
<td>$425.14</td>
<td>$931.57</td>
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<tr>
<td>Individual + two or more</td>
<td>$1,952.87</td>
<td>$626.99</td>
<td>$1,325.88</td>
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</tbody>
</table>

### Retiree Faculty/Staff Contributions (Eight or More Years from Date of Retirement)

<table>
<thead>
<tr>
<th></th>
<th>2016 Monthly</th>
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<tbody>
<tr>
<td></td>
<td>Pre-Medicare</td>
<td>Rates</td>
<td>Retiree Contrib.</td>
<td>GW Contrib.</td>
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<tr>
<td>Basic</td>
<td></td>
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<tr>
<td>Individual</td>
<td>$1,048.41</td>
<td>$674.11</td>
<td>$374.29</td>
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<tr>
<td>Individual + one</td>
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<td>$1,989.73</td>
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<tr>
<td>Medicare Eligible Retirees</td>
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<tr>
<td><strong>Blue 65 PPO</strong></td>
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</tr>
<tr>
<td>Individual</td>
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<td>$446.26</td>
<td>$225.31</td>
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<td>$396.65</td>
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<tr>
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<td>$1,272.51</td>
<td>$680.36</td>
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