

**Joint Benefits Administration Committee  
Meeting Notes  
Tuesday, July 6, 1999**

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**Attendance:** Doug Fletcher, Randy Dewar, David Piasta, Debby Svedic, Ellen Woods, Jennifer Holden, Carolyn Parry

**Regrets:** Jim Blake

**Recorder:** Anna-Maria Wijesinghe

**Chair:** Jennifer Holden

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**1.0 Mercer Presentation – Stuart Monteith**

Stuart Monteith of William Mercer Ltd. provided the Committee with a brief overview of the history and services offered.

As a result of a letter dated XXXX from Doug Fletcher and Ellen Woods, Stuart Monteith presented the Committee with the following handouts:

- BC Colleges Faculty Common Agreement Benefits Plan Changes Based on January 1, 1999 Renewal Adjustments. (Included: Estimated Annual Cost Based on January 1, 1999 Renewal Adjustments and Estimated Annual costs based on January 1, 1999 renewal adjustments)
- BC Colleges Faculty Common Agreement Benefit Plan Changes – Pre January 1, 1999 (included Estimated Pre-January 1, 1999 Annual Costs and Estimated Additional Annual costs based on pre-renewal costs)
- Employee Booklets and insurance contracts in a binder for each member in the Benefit Consortium
- Benefit Plan Design Details for each member in the Benefit Consortium
- Service Agreement (for all User Group Members)
- Union Contacts (references)
- Suggested Strategic Issues

## **1.2 Handout discussed -- Benefit Plan Changes Based on January 1, 1999 Renewal Adjustments and Benefit \_Plan Changes – Pre January 1, 1999**

The union representatives stated they were disappointed that this Committee was not involved in the renewal process.

There was a discussion on the type of underwriting arrangements used by each college. Stuart indicated that Northwest, Douglas, Malaspina, BCIT, Northern Lights and Selkirk have changed their funding arrangements on Health and Dental to ASO on the date of the renewal.

As a result of reviewing the handouts the following observations were made:

- The Unions stated that during Faculty negotiations there was an indication that any savings generated would flow through. Therefore, there was a question as to what were the savings for those colleges that changed to ASO.
- A definition of "savings" needs to be defined. (e.g. FTE before and after)
- Need to look at efficiencies and benefit design.

**ACTION: Stuart will provide cost on an FTE basis. (the entire worksheet will be provided on disk and e-mailed).**

There was a discussion as to how Mercer is compensated. Stuart informed the Committee that Mercer receives compensation in two forms:

1. On retainer with Maritime Life - (Mercer tracks time with each of the colleges. If there is a deficit in the account, it is managed internally and all deficits/surpluses are disclosed.)
2. Hourly rate – Consult with PSEA

## **1.3 Binders**

Stuart provided the Committee with one complete set of binders for each college in the Benefits Consortium that includes:

- a. copy of insurance contract
- b. copy of electronic booklet and site address
- c. list of Joint Committee on Benefits Administration Members

Stuart indicated that it was relatively easy to produce this type of information for those colleges in the Consortium. But there are some colleges in the Faculty Common Agreement that are not in the Consortium (e.g. Langara, VCC, Justice Institute and OLA) and Mercer relies on Anna to obtain the information.

**ACTION: Stuart will investigate the costs of scanning all this material to be accessible through a web site.**

**ACTION: Doug will keep the complete set of binders and make a copy for the employers' representatives.**

#### **1.4 Service Agreement**

The Service Agreement was reviewed.

#### **1.5 Other Joint Labour/Management Projects Mercers Provides Consulting Services**

Stuart described other joint labour/management projects Mercer has provided consulting services and has offered to provide this Committee with references.

Stuart indicated that Mercer would not feel comfortable to provide one side with information and not the other. There was a comment that Mercer is the agent of record with the Colleges and PSEA and therefore there may be a conflict of interest in sharing information.

**ACTION: Anna will e-mail the Committee with a list and break down how colleges are grouped and services received.**

#### **1.6 Benefit Plan Design**

The handout was reviewed.

**ACTION: Included information for those colleges not in the Consortium (i.e. IIG, Justice, VCC, Langara and OLA).**

**ACTION: Further discussion warranted on LTD increases (e.g. go to an ASO arrangement? Disability grouping – what is the trend?)**

## **1.7 Strategic Issues**

Stuart outlined various strategic issues the Committee could investigate:

1. AD&D Marketing – some colleges have AD&D attached to their Life plans (which is not the most efficient).
2. LTD – rehabilitation/return to work initiatives
3. National network with other educational institutions
4. Insured/ASO long term disability
5. Wellness programs
6. Drug awareness programs
7. Flex benefits
8. Total Flexible compensation
9. Cyber Booklets
10. Education—Mercer Bulletin/Mercer Communiqué

There was a discussion on the original mandate of the Benefits Consortium (i.e. to preserve each college's identity) and the possibility of a change (i.e. an overall plan and rate).

There was a discussion on the method and procedures of how Maritime Life was chosen as the carrier.

**ACTION: Stuart will provide the Committee with the evaluation form, weightings and factor used by the group in determining the carrier.**

**ACTION: Plans were underwritten on an institution by institution basis but the insurance companies were asked to give credit to the critical mass. Stuart will provide the Committee with the range of costs those insurance companies were asked to quote.**

## **1.8 Other**

The Committee requested if Stuart had any ideas on how to provide for efficiencies. Stuart indicated that there really are very little savings that can be generated from the administration of benefits since 95% of costs pays the cost of the claim and 5% pays the cost of administration.

Other suggestions included:

- a. LTD - expense efficiencies, return to work
- b. Extended Health and Dental – dispensing fees, lowest cost alternative, preferred providers, etc.

## **1.9 Discussion on Presentation**

There was a brief discussion on the presentation made by Stuart Monteith.

**ACTION: Do all colleges have EAP programs? Who are the carriers and what is the premium?**

**ACTION: Report on how Mercer is paid and what were the arrangements prior to Mercer.**

**ACTION: Due to the change in underwriting arrangements saving were generated, Doug will, in writing, request the amount should go to PSEA in trust.**

**ACTION: Jennifer will inform the Committee why North Island did not change underwriting arrangement.**

**ACTION: Ask Stuart Monteith to provide references.**

**ACTION: Jennifer will look at strategic plan and will try to set some time frames**

## **2.0 For Next Agenda**

- a. Information on LTD claims trends
- b. Demographics effects on ERIP
- c. AD&D marketing
- d. Discussion on STD and sick leave banks may be an avenue for savings
- e. Discuss Mercer as a consultant to the Committee
- f. Assigning Responsibilities to Strategies
- g. Work towards a Joint Presentation to CEOs

## **3.0 Next meeting:**

Monday August 23, 1999 from 10:30 – 3:00 at the CIEA office.