

Resolution to Update Faculty Handbook Language on Employee Health Benefits  
Finance & Facilities Committee  
April 16, 2012

**Tabled Pending Reconfiguration of Benefits Advisory Committee\***

Whereas, existing Handbook language in section III A-E has been rendered obsolete by changes in federal law and university policy, and

Whereas, the existing language in Section III A-E contains specific insurance plan details that are inappropriate for the Faculty Handbook, and

Whereas, comprehensive health insurance is a critical element in the Ohio University total compensation strategy, and

Whereas Ohio University has historically facilitated employee purchases of health insurance with an employer-provided comprehensive health insurance program, and

Whereas this tax-sheltered health insurance program continues to comprise a significant proportion of each faculty member's contractual compensation, and

Whereas, as of 2012, the program has evolved from one in which virtually all employee medical expenses were covered via the pre-tax program to one in which employees cover approximately 25% of annual program costs (including premiums, co-pays, and prescription drug costs) from the taxable salary component of their compensation, and

Whereas, these changes reposition health insurance as an increasingly important subject of shared governance and position employees as stakeholders facing increasingly high costs for program services, and

Whereas total health care costs are likely to increase into the foreseeable future, making plan quality and affordability, as well as the balance between tax-sheltered compensation and non-tax-sheltered compensation, increasingly important concerns for shared governance,

Be it resolved that the language in Section III A-E of the Faculty Handbook Section be changed to the following and that Section III F-R be renamed accordingly.

### III. GROUP BENEFITS

#### Health Insurance Plans

Any changes to employee premiums or other aspects of employee costs are part of the annual shared governance discussions concerning total compensation, including salary,

healthcare benefits, educational benefits, retirement, and other dimensions of compensation.

On health-related benefits, advisory decisions on the balance of employee contribution rates, program design, delivery, or coverage are made by the university's Benefits Advisory Committee, which includes the Chairs of the Senate and the Senate Finance and Facilities Committee. These officers shall regularly report committee decisions to the full Senate.

Each year, a fall semester Faculty Senate meeting agenda shall include a report from University Human Resources on the fiscal performance of the health plan for the previous year. The report shall cover all key facets of overall program performance, including the status of any surplus accounts, incentive programs, and FSA recoupments.

Each year, as early as possible in the Spring Semester, the VPFA or his or her designee shall brief the Senate on anticipated budgetary proposals regarding total compensation. Any changes to plan design or the employee contribution rates will be reviewed by the Faculty Senate for its consideration and comment prior to forwarding to the Board of Trustees for their approval and implementation.

Employees shall be offered coverage designed to meet diverse needs and circumstances with cost sharing structured to reflect the University commitment to offering a compensation strategy that is competitive with regional peers in higher education. The plan shall include major medical and hospitalization, utilization review, preventive care, prescription, hearing, mental health and substance abuse benefits, as well as vision, and dental plans for employees and eligible dependents. Specific details of coverage are available at [http://www.ohio.edu/hr/benefits/healthcare/medical\\_plans.cfm](http://www.ohio.edu/hr/benefits/healthcare/medical_plans.cfm) .

To make comparison and long-term tracking possible, Faculty Senate will create an online repository to archive and document coverage plans over longer periods of time. This repository will be hosted on the Faculty Senate website at <http://www.ohio.edu/facultysenate/>

\* April 2012: in consultation with the Executive Vice President and Provost and the Vice President for Finance and Administration, the President has agreed to review the charge of the university's Benefits Advisory Committee to determine if its responsibilities should include a broader responsibility for overseeing and recommending changes to employee benefits and how they are funded. This resolution was tabled pending the outcome of this process because key provisions rely on that committee.

