

COUNCIL ON HUMAN RESOURCES

Thursday, June 9, 2005

9:30 a.m. – 1:00 p.m.

Members Present:

Marvin Boots	William Bunting
Jane Crockett	Claudia Farr
Jim Frogue	Anne Howard
Sabrina Johnson	John McE Garrett
William Ross	Kevin Salminen
Janice Sigler	Carol Strickler
Sara R. Wilson	

Members Absent:

Cheryl Crawford	Ericka Davis
Oliver Hill, Jr.	Anna Thomson

Others Present:

Kevin Davisson, Lumenos-Health Care Enlightened
Sharon Finn, DHRM Health Benefits Program
Mary Habel, DHRM, Health Benefits Program
Belchior Mira, DHRM, Information Technology
Rick Pugh, DHRM, Agency HR Services
Mike Salster, DHRM, Communication
Barbara Tanner, DHRM, Administration
Michelle Wright, Senate of VA

Call To Order

The Council on Human Resources met on Thursday, June 9, 2005, at 9:30 a.m. at the Department of Human Resource Management, PDS Room #4.

HR Council Chairman, Bill Bunting, welcomed members.

Action Register

The HR Council sent a letter dated March 15, 2005 to the Governor concerning the Health Insurance Credit (HIC). A response was received from the Virginia Retirement System (VRS) dated April 18, 2005. There was a discussion concerning the appropriateness of the response coming from VRS rather than the Governor. Sara Wilson explained the process concerning responses from the Governor's Office. Additional questions were asked and a full discussion was held.

Mr. Bunting asked Council Members what more they wanted to consider regarding HIC. Marvin Boots distributed statistical data to Council Members concerning Total Health Insurance Premiums for State Retirees.

Premiums for State Retirees

Council Members agreed more research is needed and requested DHRM and VRS to examine the current cost of health care for retirees and alternatives to HIC. Council Members encouraged DHRM to consider more affordable HIC alternatives. DHRM and VRS will provide additional information to the Council so that the Council's input will be received in a time frame that is consistent with legislative agenda submissions. DHRM will coordinate the evaluation.

Council Members agreed that health insurance cost is placing an increasing hardship on all the nations workers and retirees. Council is very hopeful that meaningful and affordable options for the states retirees will come from DHRM and VRS evaluation. Council's objective is to get the cost as low as possible with the appropriate benefits.

Sara Wilson indicated that the HIC is managed by VRS and that VRS should take the lead on any HIC initiatives. She indicated she would forward the suggestions to the Administration for consideration.

The Chairman will draft a letter to Sara Wilson requesting the HIC and insurance cost review.

Health Insurance Options

Kevin Davisson, Regional Director of Sales from Lumenos presented an overview of Consumer Driven Healthcare Plans. He provided details on the Lumenos Consumer-Driven Plan designs, including:

- **HIA** – Health Incentive Account \$0 employer allocation incentive driven. This can be partially funded to encourage employees to do the right thing. For example: if you complete an assessment, you can get \$100 put into your account. If you have a spouse, and he does the same thing, you get another \$100. If you get a coach and complete the program, you will get additional monies. The program is to match the same plan and giving employees a chance to improve their health.

- **HRA** – Health Reimbursement Account \$2,000 Employer Allocation. This is a promise to pay. Preventive care covered at 100%, when you leave state government the money stay with the employer.
- **HSA**– Health Savings Account up to \$5,200 funded by employer and/or employee. You must have a high deductible plan to qualify. Employees put at least 900 into the account. This money will go with you when you leave state government. Several ways to add money to this account before you use it or after or at the end of the year.

A copy of his presentation is attached.

Numerous questions were asked and a full discussion was held. Specific questions included:

- Can you transfer money to HSA account from a 401K?
- How do these plans help employees 55 & over?
- Does this plan cover retirees?
- Does HSA go toward the deductible?
- Have there been any studies on expenses for employees?
- Have you dealt with older population?
- What is the average age of folks using these plans?

Mary Habel, Director, DHRM Health Benefits Programs informed Council Members that a new high deductible health plan will be offered beginning July 1, 2006.

Employee Relations Update

Claudia Farr, Director of the Department of Employee Dispute Resolution (DEDR), presented an overview of EDR's Statutory Mandate. EDR Services include: confidential guidance, mediation, grievance procedure, training and assisting with conflict management and resolution at the workplace. EDR has a Law Student Advocacy Project, which was launched in 2002. She discussed EDR's key goals for CY2005, top accomplishments from 2002 to 2004, and provided statistical data to the Council. A copy of her presentation was distributed to Council Members.

Compensation

Rick Pugh, DHRM Director of the Office of Agency HR Services, discussed statistical data on survey jobs. He discussed 9 issues: job categories, different codes, significant adjustments to align salary with other similar jobs; market data; labor market; procedures to correct salary problems; pay factors; morale of employees and lobbying for salary increases. In addition, he provided the Council with the estimated salary increases needed to bring job classification that were found by the staffing study conducted by DHRM to be well below market. A discussion was held on how to bring the salaries in line. A question was asked about faculty salaries and Sabrina Johnson will provide additional information on faculty salaries at the next meeting. Compensation will be placed on the next Council agenda. A copy of his handouts were distributed to Council Members.

Firewall Protection

Belchior Mira, Director, Information Technology discussed protecting information on the web.

Questions:

Is an attachment sent encrypted?

Have hackers ever gotten into DHRM system?

Hackers try to send problems as an attachment, which can corrupt the machine if they are opened. The Commonwealth has rules governing attachments to prevent this problem from occurring. Firewalls will delete the attachment. If attachment is too large, it will be dropped. Each agency handles these things differently, which creates a communication challenge.

Next Meeting

The next HR Council Meeting is scheduled for Thursday, September 15, 2005 at 9:30 a.m. DHRM – PDS Training Room 4. At the next meeting, Council will discuss Variable Pay, Medicaid Part D, and Faculty Salaries.

Handouts:

- a. Letter from William Bunting to the Governor
- b. Letter from VRS to Bunting
- c. Total Health Insurance Premiums for State Retirees – Marvin Boots
- d. Lumenos presentation (emailed)
- e. Department of Employment Dispute Resolution (2) – Claudia Farr
- f. Eliminating Deviations for Survey Jobs – Rick Pugh
- g. State Health Benefits Program Report to General Government Subcommittee
- h. State Employee Trends Report to Senate Finance
- i. 2005 Master Calendar
- j. 2004-2005 State Workforce Planning Report

Respectfully Submitted,

Barbara Tanner
Executive Assistant