



EASTERN KENTUCKY UNIVERSITY

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Office of Human Resources

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Date: September 19, 2008
To: Eastern Kentucky University Faculty & Staff
From: Wally Skiba, Associate Director, Benefits & Compensation
RE: 4th Annual Employee Benefits Update

With the beginning of our new calendar year (January 1 – December 31, 2009) benefit period rapidly approaching, I want to highlight the changes recommended by the Benefits Committee, supported by Executive Vice President Harry Moberly, and approved by President Whitlock on September 15, 2008. In the fall of 2008, the 19 member University Benefits Committee met and reviewed the University's Benefit Plans. Specific recommendations for Property & Casualty Insurance, Chard Snyder Benny Card, and Health Care premiums were evaluated and recommendations were sent through Executive Vice President Harry Moberly to President Whitlock.

The following is a summary of the updates which are included in more detail in the **January 1 – December 31, 2009 EKU Employee Benefits Guide and on the HR/Benefits webpage.**

1. Health Care

- A. High Plan - NO INCREASE TO EMPLOYEE PREMIUMS. EKU absorbed 100% of the 5% increase needed to cover projected claims cost.
- B. Standard & Economy Plans – DECREASE TO EMPLOYEE PREMIUMS.
- C. Plan coverage:

➤ Lifetime maximum **increased** from \$1 million to \$5 million on all health plans.

Reminder: Effective July 1, 2008, generic prescription copays **decreased** from \$15 to \$7 also decreasing mail order copays from \$30 to \$14.

2. Chard Snyder Benny Card

The University will be funding 100% of the cost of the Benny Card for all FSA (flexible spending/medical reimbursement) participants. The availability of the debit card made utilizing this benefit very easy, but the added cost still prevented some participants from taking advantage of the card. By eliminating this cost for employees, the University hopes to see more employees take advantage of this valuable benefit.

3. Property & Casualty Insurance

The University will add to its Voluntary Benefits options, Property & Casualty insurance through convenient payroll deduction, by Liberty Mutual, effective January 1, 2009. Liberty Mutual is one of the largest providers of Group Property & Casualty Insurance. This benefit can be added at any time, not just during open enrollment. If you interested in this benefit, please contact Joey Doom at Liberty Mutual at (859) 223-1313 or toll free at (800) 852-4419.

4. Dental

- A. 6.5% increase in employee premiums on both Option 1 and Option 2.
- B. No coverage changes.

In summary, the University Benefits Committee, with the assistance of ECU Human Resources Department and Neace Lukens, conducted a review of ECU's employee benefits. The Committee believes, with these changes, our benefits continue to be competitive with our benchmark universities. Also, the Committee gave consideration of specific input from the Faculty Welfare Committee and Staff Council members through their representatives on the Benefits Committee.

On behalf of the Benefits Committee and all the employees who depend upon the University to provide them needed benefits, **please remember the University's health insurance is a self-funded plan, which means that each healthcare dollar is paid by the University and participating employees and is not covered by an insurance company.** For 2009, the University will contribute approximately 78% of the total cost of the health plan. Employee contributions provide the remaining 22% of the total costs of the plan. The total cost paid to our providers is projected to exceed 13 million dollars.

Claim expense drives the cost of health care. It is important for each of us to use the health plan wisely and to do all we can to stay healthy. Your participation in our Healthy You @ ECU program is greatly encouraged (www.HealthyYouatEKU.com). YOU CAN MAKE A DIFFERENCE!

Beginning in spring 2009, the Benefits Committee will reconvene to continue the monitoring of the effectiveness and efficiency of ECU benefits programs.

