

UM President's Council of Retired Employees

<http://www.umaine.edu/retirees>

September 11, 2020

8:15 to 9:15 am

**Minutes**  
**Meeting via Zoom**

**Attendees:** Claire Strickland, Dusty Dowse, Marian Dressler, Richard Judd, Sarah McPartland-Good, Thomas Sanford, Phyllis Thibodeau, Kimberly Whitehead (Claudia Torres), Nancy Boyington, Louis Bassano, and Sue Randall

**Absent:** David Bagley

**Guest:** Chris Lindstrom, UM Vice President of Human Resources (for UMaine and UMaine at Machias)

An announcement: Claire announced that she is retiring from the University at the end of the calendar year, perhaps 7 weeks from now. Thank you PCRE for the “retiree” training.

**Meeting called to order:**

Dusty Dowse formally called the meeting to order at 8:15 a.m. Let's keep the meeting to one hour; should be very doable.

**Approval of March 9, 2020 meeting minutes,** as amended (change Ms. To Dr. Mazie Hough)

The Board welcomed Louis Bassano as a newly appointed member retiring after 39 years representing Cooperative Extension

**Health Insurance Changes for 2021 – Updates and UMS H.R. Report:** This meeting was recorded on Zoom and available online. Check with Dusty FMI.

Dusty explained that we should keep in mind that the PCRE can be involved in any way we choose on this subject on Health Insurance.

Chris Lindstrom, Human Resources, came today to explain and update the Council on the UMS Health Insurance changes.

Approximately 3,000 retirees are currently covered under Aetna. This risk pool is not a large one collectively and not much leverage in purchasing power. Aetna prices their product to make a profit, as any vendor would. To protect against that risk – projections for January 2021 Aetna premium would go up 8% to 10% and escalating going up in future years. Sustainability of the plan has become challenging for UMS and everyone involved. Efforts were launched on what alternatives might be available.

Many higher education institutions and other organizations have moved to the Retiree Medical Exchange. Shifting from a one plan for all to the health exchanges where you have an array of plans to pick from. Currently there is no choice. For example, you and your spouse can choose the same or different plans in the marketplace. Just in the Bangor area there are about 15 Medicare Advantage plans to choose from, as well as 14 Medigap (Supplemental), and 22 Part D prescription drug plans. The Medicare Advantage plans would be very similar to the Aetna plan retirees currently have. Based on your needs, you can have a premium or go with a zero-premium plan. Even though more choices can be more challenging than no choice, there's where AON comes into play.

Chris explained that's why they have partnered with AON, who have the tools and the resources to take the input the retiree provides to the consultants and they can help do the analysis and help the retiree decide which one fits them the best.

The UMS continues to support retirees financially by the Health Reimbursement Account, \$2,100 for eligible retirees and \$800 for their spouses. Retirees and take the contributions and can choose to use for premium, co-pays or out of pocket costs. UMS makes contributions annually; if you don't use up that amount in your account that year, it will roll over into the next year.

One of the limitations of the current Aetna plan is that it doesn't cover hearing aids. Other plans may include benefits for hearing aids, dental, vision, etc.

Questions or Comments:

Claire pointed out that people who retired after 2010 are paying a premium for the current plan. That premium will disappear under the new plan. Probably most affected are those who retired before 2010 and they don't pay a premium.

Tom looked at his Aetna plan costs and the total for the year would be \$21,000 and the portion he pays is only \$1,500 annually. Will retirees get the same value in a new plan?

Chris explained that is the role of the AON benefits consultants, to help every retiree pick the best plan that meets their financial and health care needs.

Tom's second question was about pre-existing conditions – is what you pay based on pre-existing conditions.

Chris answered, no that is not the case. AON will help retirees select a plan that ensures that they are covered for pre-existing conditions as well as prescription drugs.

Question asked by Dusty (it was submitted by Jim McClymer another retiree) – if you don't sign up in a timely fashion (by the deadline 12/31/20), will no longer be eligible for an HRA after that

– the window will then close? Chris responded people need to sign up in a timely fashion (just like you need to for the Aetna plan now). Same thing holds true here.

Marion questioned why now during the pandemic? Has anyone questioned that – it adds more uncertainty? Chris answered that he appreciates that and it is an unnerving time for folks in a whole host of ways. It is also an unnerving time for UMS from a budget impact sort of way. In full transparency, it is anticipated to be a savings for UMS in the long run. The assessment & analysis they have done with AON, the vast majority of retirees should be able to get equal or better benefits at the same or lower cost.

Marion emphasized all parties -- the UMS, AON, and all of us -- need to remember there is a lack of computer experience among a lot of UM retirees. Chris emphasized that everything can be done over the phone and through USPS. They don't have to use online platforms to sign up.

Dusty found the webinar helpful and observed that all are private entities that we are shopping around. There is a rating system to review. What happens if one of these companies go belly up? Chris answered that all these companies are highly regulated. Also, each retiree must confirm their appointment with AON for that to happen appointment to happen.

#### **Next Steps:**

Dusty summarized the PCRE role as being a conduit of the information, which we can get and pass along. Our role is not an active one the way the unions are. Best thing to do is keep our eyes and ears open and monitor the situation. We will continue our discussion on the subject. Dusty explained that he has sent in a request concerning bargaining units to see what they are doing.

At our next meeting, we will need to make a decision on the Chair position, how many meetings and when this year, things we need to discuss, etc. Please share your ideas with Dusty as well as agenda items.

#### **Homecoming (2021):**

Dusty raised the question to the council on the likelihood of hosting the annual homecoming in 2021. Dusty suggests we consider cancelling for 2021. Make a decision sooner rather than later, especially since not much planning as occur.

Meerting adjourned at 9:15 am.

The next meeting is scheduled for October 9 at 8:15 on Zoom

Respectfully submitted,

Nancy Boyington