

The Higher Education Workplace

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HEALTHCARE COSTS LOOM LARGE

How Institutions Are Finding Creative Ways to Drive Them Down

Also In This Issue:

- Corporate College Reinvents Training
- More Funding For Community Colleges
- The Healthcare Debate in Washington



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CUPA-HR Online

Registration is now open for the 2009 CUPA-HR National Conference and Expo in October! Visit www.cupahr.org/conference2009 for details. This year, national office staff and conference attendees will be “tweeting” on Twitter from the conference. To follow along, visit search.twitter.com and type #cupahr09 into the search field. Or for more in-depth posts about conference programs and events, check out the CUPA-HR blog at www.cupahr.org/blog.

For hot topics in HR and higher ed news highlights, bookmark the Knowledge Center home page:

www.cupahr.org/knowledgecenter. Most visited pages this summer have been Important Compliance Dates, Position Description Questionnaires, Telecommuting Policies, and the Economic Resources Toolkit.

Looking for an opportunity to meet with other higher ed HR professionals in your state or region? Our upcoming events page is updated as soon as chapter and regional events are announced: www.cupahr.org/upcomingevents. Fall events are being planned now.

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A Word From the President and CEO

Healthcare Reform, Molotov Cocktails and Peace on Earth

By Andy Brantley, CUPA-HR President and Chief Executive Officer



In late May, I made the trek to Georgia for the annual Brantley/Davis family reunion. While drinking coffee on my parents' patio, we gravitated to the topic of my dad's prescription drug costs and the fact that he will reach the infamous Medicare donut hole during August. Seems the primary culprit is a prescription that costs almost \$700 for a 90-day supply! My parents had not really noticed the actual cost of the drug, only the required out-of-pocket copay. (By the way, when was the last time you actually looked at the cost of the drug beyond your required copay?) In addition, it shocked me to see just how many prescriptions both of my parents take on a daily basis. My parents do have some health issues, but nothing very different than most Americans in their late 60s.

My first thought was, "How the heck do you drive when you're on so much medication?" My second thought was, "How the heck does your doctor sleep at night knowing that the two of you (and probably the majority of his other age 60-something patients) are on so many medications?" Add up the cost of the prescriptions for a dozen or so of these patients and the actual cost is quickly a very significant sum. The issue is obviously not whether or not my parents need to remain healthy. The issue is whether or not all of these drugs are necessary.

To try to mitigate the overuse of high-cost drugs that have cheaper equivalents, some colleges and universities will no longer pay for some of the more "popular" drugs like Lipitor. It will be interesting to see if more institutions adopt similar strategies in the future. The bottom line is that some reform regarding how doctors prescribe drugs is necessary ... not to limit care but to curb the Molotov cocktail approach to prescribing drugs.

Healthcare reform is definitely the topic of much conversation these days in Washington, D.C. The flurry of healthcare reform bills proposed and committees engaged in some form of healthcare reform review is impressive (or mind numbing, depending on your opinion). Is reform necessary? You've probably already figured out that my bias is YES, but here are some interesting statistics from <http://www.healthreform.gov/>:

- The United States spent approximately \$2.2 trillion on healthcare in 2007, or \$7,421 per person – nearly twice the average of other developed nations.
- Americans spend more on healthcare than on housing or food.
- Employer-sponsored health insurance premiums have nearly doubled since 2000, a rate three times faster than wages.
- In 2008, the average premium for a family plan purchased through an employer was \$12,680, nearly the annual earnings of a full-time minimum wage job.

The need for some sort of reform is obviously long overdue. HR professionals are caught in the middle regarding healthcare issues. Employees want and deserve excellent healthcare coverage. Most college and university CEOs and CFOs are committed to providing excellent healthcare coverage, but put lots of pressure on HR to find the magic bullet that enables the institution to provide quality coverage at the lowest possible cost. Unfortunately, most of us found and used the few available magic bullets years ago and now must make difficult decisions regarding coverage options and the amount of additional cost that must be shifted to our employees.

My personal hopes for healthcare reform are as follows:

- Exceptional, reasonably priced healthcare is accessible for all Americans.
- Some of the funds that must now be dedicated to healthcare can be dedicated to things like the classroom experience of students.
- Healthcare reform that is implemented will result in less administrata for HR professionals instead of additional mandated, routine federal compliance.
- Peace on earth ... well, I know it's a stretch, but the probability of achieving my first three hopes is also a stretch. May as well add this to the list!



Andy Brantley | CUPA-HR President and CEO

Do You Have **Employee Guidelines** for **Social Media** Use?

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You may not give a “tweet” about social networking, but many of your institution’s employees are actively engaged in social media in either a personal or professional context. Are they clear in their communication when they speak for themselves and when they speak for the institution? Do they know which employer policies apply to their activities online?

The definition of “media” is increasingly broad, and interactions with media are no longer the exclusive domain of communications departments. For that reason,

more and more organizations are developing social media policies to inform their employees. The Mayo Clinic, for example, has a set of easy-to-understand guidelines that puts existing policies into context for social networking: <http://sharing.mayoclinic.org/guidelines/for-mayo-clinic-employees/>.

If you have a policy in place that you’d be willing to share with other CUPA-HR members, send a copy (or URL) to communications@cupahr.org.

HR Blogs to Watch

Blogs are an excellent source of innovative ideas, fresh perspectives and links to useful resources you may not have unearthed in a hundred Google searches. Here are a few popular HR blogs you may want to check out:

The HR Capitalist – www.hrcapitalist.com

YourHRGuy.com – www.yourhrguy.com

Steve Boese’s HR Technology (Steve works at RIT) – <http://steveboese.squarespace.com>

HR Bartender – www.hrbartender.com

The HR Maven (the HR maven works in HE HR) – www.thehrmaven.com



CUPA-HR is working on revitalizing its own blog. Visit the blog (or subscribe to the RSS feed) for highlights of the 2009 CUPA-HR Conference and Expo, as well as other emerging trends and breaking news relevant to the higher ed workplace: www.cupahr.org/blog

Twitter, Facebook and LinkedIn ... Oh My!

CUPA-HR’s Association Leadership Program this summer included a keynote about Web 2.0 and discussion about its role in HR. Since then, several of the association’s volunteer leaders have dabbled in **Twitter** – the microblogging site that lets you post thoughts and links in 140 characters or less. You’ll find an excellent tutorial for setting up and using Twitter at <http://www.redrecruiting.com/work-with-red/twitter-training/>. Or visit search.twitter.com and search AndyBrantley or kentag (Chief Learning Officer Ken Tagawa’s user name) to find out what they’re “tweeting” about.

The CUPA-HR **LinkedIn** group now boasts more than 400 members. If you’re not yet a member, we encourage you to join and take advantage of this growing network. Visit www.linkedin.com, create a free account, and then Search Groups for CUPA-HR.

The association’s **Facebook** fan page has 117 fans. Here you’ll find upcoming CUPA-HR events and other news. Just search for CUPA-HR at www.facebook.com.

If you haven’t already joined CUPA-HR’s Facebook fan page or LinkedIn group, we invite you to do so.

Apples to Apples *How Does Your HR Department Stack Up?*

For quite some time, you've been asking us to conduct a benchmarking survey focused on higher education human resources and workforce metrics. So we launched the HR Benchmarking & Workforce Planning Survey in July. Data collection will continue through the end of August. The survey is designed to gather information that will enable your HR department to compare its structure, size, responsibilities and performance to that of HR departments at other colleges and universities. As part of the survey, data are also being collected about each institution's workforce, including turnover rate, hiring rate, cost of searches and training.

Survey results will be available in mid September through DataOnDemand (DOD) and will be priced as follows: \$50 for CUPA-HR member participants; \$150 for nonmember

participants and \$300 for nonparticipants. If you don't have access and would like to complete the survey, send an e-mail to Suzi Bowen at sbowen@cupahr.org.

Special thanks to our colleagues at Sibson Consulting, a Division of Segal, for sponsoring the survey and helping us develop the survey instrument.



No Surprise Here *Healthcare Premiums Continue to Climb*

Results for CUPA-HR's 2009 Benefits Survey (sponsored by Aetna) indicate that the annual cost of healthcare plans continue to rise. For the 420 institutions completing this year's survey, total premium costs for the three most common plan types (PPO, HMO and POS) increased 3.7% for employee-only coverage and 5.7% for employee + family coverage. Median annual plan premiums increased to \$5,176 and \$13,996 respectively. POS plans had the smallest percentage increase for employee-only coverage, but the largest increase for employee + family coverage.

Percentage increases for employee and institutional portions of the premium were both greater than the total premium increase. Employee contributions to the premium increased 4.3% for employee-only and employee + family coverage. Institutional increases were slightly greater at 4.7% for employee-only coverage and 6% for employee + family coverage. In terms of employee premiums, PPO plans had the least increase for employee-only coverage, but the greatest increase for employee + family coverage; this was also the case for POS plans relative to institutional premiums.

2009 Median Annual Healthcare Premiums for Employee-Only and Employee + Family Coverage for PPO, HMO and POS Plans

CUPA-HR 2009 Benefits Survey

| | Employee-Only Coverage | | Employee + Family Coverage | |
|----------------------|------------------------|--------------------|----------------------------|--------------------|
| | 2009 Annual Premium | % Change Over 2008 | 2009 Annual Premium | % Change Over 2008 |
| Employee Portion | \$1,052 | + 4.3% | \$4,064 | + 4.3% |
| Institution Portion | \$4,432 | + 4.7% | \$9,852 | + 6.0% |
| Total Premium | \$5,176 | + 3.7% | \$13,996 | + 5.7% |

*Columns are not additive. For each cell, the median has been determined for each plan type and then the simple average median calculated. Percent change is based on a comparison of each participating institution's 2009 premium to its 2008 premium.



To purchase results for the 2009 Benefits Survey, visit www.cupahr.org/surveys/benefitssurvey2008-09.asp.



Attend Session 1D at the national conference to learn all about CUPA-HR's salary and benefits surveys. You'll learn about the data collection process and find out how to use survey results to benchmark your institution's salaries and benefits against those of your peers.

Kudos! *Cornell, New York University Recognized as Top Adoption-Friendly Workplaces in the Education Industry*

The Dave Thomas Foundation for Adoption recently released its third annual list of the 100 Best Adoption-Friendly Workplaces, and Cornell University and New York University tied for the number one spot in the education industry.

In addition to ranking number one in their industry, Cornell ranked #52 and NYU ranked #56 on the overall list. Both institutions provide financial assistance of \$6,000 and six weeks of paid leave to employees who adopt a child.



Rankings are based on the maximum amount of financial reimbursement and paid leave for employees who adopt. Honorees include the top 100, the top 10 by size and the top five in each industry. In the education industry, Cornell and NYU were followed by Harvard University (#3), The Ohio State University (#4) and Northwestern University (#5).

“Cornell University is honored to once again be named one of the nation’s most adoption-friendly employers by the Dave Thomas Foundation for Adoption,” says Cornell University President David J. Skorton. “This honor highlights the university’s ongoing efforts to create an inclusive workplace for all of its employees at all stages of their lives.”

“The attitude at NYU is very supportive of families, parenting and adoption,” says NYU Administrative Director Marcia Thomas, who recently adopted a child. “Everyone I came in contact with was extremely understanding and helpful. The process to take advantage of NYU’s adoption benefits and resources was seamless. I was appreciative of the way I was treated and given the same information just like any new mom.”

LAWROOM QUIZ

The Situation

After being hired, Tyson converts to a religion that forbids clothes on a one-day holiday. So, Tyson asks to work nude, or for an extra unpaid day off so he can celebrate at home. Under Title VII, must Tyson’s company accommodate his new beliefs?

Pick an Answer

- a) Yes, the company must accommodate Tyson’s new religious beliefs as long as it does not cause an undue hardship.
- b) No, because Tyson’s religious beliefs changed after he was hired.
- c) Only if Tyson is able to produce a certificate from his spiritual leader certifying the religious necessity of being nude.



For the answer to this quiz, see p. 43

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Supporting **Student Enrollment** Through **Student Employment**

A few years ago, Oklahoma City University (OCU) experienced a downturn in student enrollment. This downturn led to a reduction in force, which led to the need to utilize more student employees for the jobs that were left vacant. At the time, student employment was housed in the financial aid department. However, it was decided that the student employment function should be moved to the human resources department because HR better understood where the needs were on campus for

on nights and weekends; in order to be available on nights and weekends, they may have to cut back on their studying or frequently pull all-nighters. This can lead to falling grades, exhaustion, burnout and even time off from school. Our thinking was that if students can find meaningful jobs on campus, jobs related to their chosen professions or fields of study, the less likely they will be to seek employment elsewhere, which could possibly cause them to neglect their studies or drop out of school altogether.”

“Our thinking was that if students can find meaningful jobs on campus, jobs related to their chosen professions or fields of study, the less likely they will be to seek employment elsewhere, which could possibly cause them to neglect their studies or drop out of school altogether.”

employees. Once student employment came under the umbrella of HR, the department ran with it.

“When student employment was housed in the financial aid department, students didn’t have much say as to which jobs they were placed in because financial aid’s main responsibility in this area was simply to determine eligibility for federal work study funding and then send the work somewhere on campus,” says Liz Hedrick, associate vice president for administrative services at OCU. “When the student employment function was moved to HR, we thought, ‘You know, I bet we could really advance this function so that it becomes a win-win situation for everyone involved — the students, the institution, the campus community.’” According to Hedrick, HR also saw the restructuring of student employment as one way human resources could advance the university’s strategic initiative of growing student enrollment.

Says Hedrick, “Many of our full-time students find themselves in a familiar predicament related to employment and school — in order to afford tuition, books, food, etc., they have to work (often in off-campus, menial jobs); in order to work, they need to be available

To create the type of meaningful work to which Hedrick refers, HR created a student professional (StuPro) program in which faculty, staff and administrators apply for funding which would enable a student employee to work on a specific project or in a particular position under a mentor. This past spring, the college was able to fund



30 such positions through the program (and that's in addition to the 500+ other student jobs on campus).

StuPros are paid \$10 per hour ("much more than they'd make at McDonald's or the local bookstore or coffeehouse," points out Hedrick), and they leave school with a resume already including professional work experience in their chosen fields. StuPro jobs are especially important for the school's foreign students, as federal law prohibits them from working off campus and from receiving federal financial aid.

"In the four years this program has been in existence, the positions we've been able to fund have run the gamut from research to event management to English-as-Second Language tutoring to public relations to departmental website development," says Hedrick. "One StuPro even developed technology-based mini-courses administered by students to faculty, staff and other students. In addition to developing the courses, the StuPro was also charged with supervising the student trainers."

Of the 3,800 full-time students who are enrolled in OCU in any given year, the school will employ around 1,500, either in StuPro jobs or as regular student employees. "Some students may only work once or twice during the school year (for example, a performing arts major may be hired to sing or play an instrument for a specific campus event), but many get gigs that last an entire semester or a full school year," says Hedrick.


One such gig is that of "talent agent." "The student currently in this position is majoring in entertainment business," says Hedrick. "Her role is to field all the requests that come into the Bass School of Music — both from within the institution and from outside entities — for student performers. Last year alone, more than \$250,000 was paid to our performing arts majors through this service."

In the spirit of never resting on laurels, HR is busy developing additional student jobs for the coming year and finding creative ways to continue to fund its student employment efforts. In the next year or so, custodial services will be brought in-house, allowing for approximately 25 new student jobs. In the fall, the school will begin charging for event parking, with a student crew managing the lots and the valet parking. Also, a free internal website is being created where students can offer skills and services such as babysitting, yard work, singing

at a wedding, computer installation, teaching soccer, etc. to the campus community.

As for funding, the \$100,000 the school expects to raise from charging for event parking will be plowed back into student employment to help offset the costs of creating additional student jobs. And the student employment/HR unit sponsors and produces 11 internal campus events per year, some of which are revenue producers (with that revenue being put back into the program).

"We're very proud of what we've been able to accomplish through our student employment program," says Hedrick. "We want our students who must work while in school to be able to work in a productive, meaningful job that will help them further their studies and jumpstart their careers, and our program allows for just that."

In addition to benefiting its students, OCU's student employment program also benefits the university itself. "Some students who have had a difficult time deciding between OCU and another school have learned about our student employment program and that was what sealed the deal," concludes Hedrick. "The program is just one way we are enticing students to enroll at OCU, and once they are here, ensuring that they stay and flourish." 

For more information on OCU's student employment program, contact Liz Hedrick at lhedrick@okcu.edu.



Workforce Training ... the Cuyahoga Way

Many higher education institutions engage in some type of workforce training, with such training usually taking place on their campuses. A few years ago, Cuyahoga Community College (CCC), located in Cleveland, Ohio, was no different. However, as the college's training program began to grow and attract more people, it became clear to administration that CCC could better service its professional development clients if there was a campus strictly devoted to that mission. Out of this idea was born Corporate College[®], CCC's innovative approach to workforce training. The first Corporate College campus was opened in 2003, with a second following in 2005.

Thanks to this unique approach, the college has formed strong and lasting partnerships with northeast Ohio-area business and industry. Corporate College is closely aligned with the Cleveland Chamber of Commerce. In fact, the small business component of the Chamber has an office on one of the Corporate College campuses, allowing the college to work with this office to provide training to its membership.

Corporate College offers training to all types of industries – technology, construction, sales, healthcare, manufacturing, public service, education. Corporate College clients include General Motors, American Greetings Corporation, the Cleveland Indians, Kaiser Permanente, Eveready Battery Co. and UPS. Training encompasses everything from the Disney model of customer service to Lean Six Sigma to sustainability to law enforcement to LEEDS and much more.

“We feel that community colleges are in an excellent position to help local business and industry meet their training needs while at the same time furthering their own missions and goals,” says Cuyahoga Community College District President Dr. Jerry Thornton. “Colleges already have the talent, the classrooms, the resources to provide workforce training.” Finding the Corporate College model so successful at Cuyahoga, the college has engaged community colleges across the country to create a “global corporate college.”




Corporate College West

“The global corporate college is in essence a consortium of community colleges that offer the same types of workforce training and development,” says Thornton. Currently, at least one community college in nearly every state is part of this consortium. Here's how it works: Say CCC's Corporate College secures a contract for workforce training with a Cleveland-area business that also has operations in other states. CCC would contact the

members of the corporate college consortium in those states, who would then offer the same training for the employees located there. Through the global corporate college, companies can provide all of their employees with uniform training without having to pay for extensive travel to one central location. Dr. Thornton hopes to recruit more community colleges

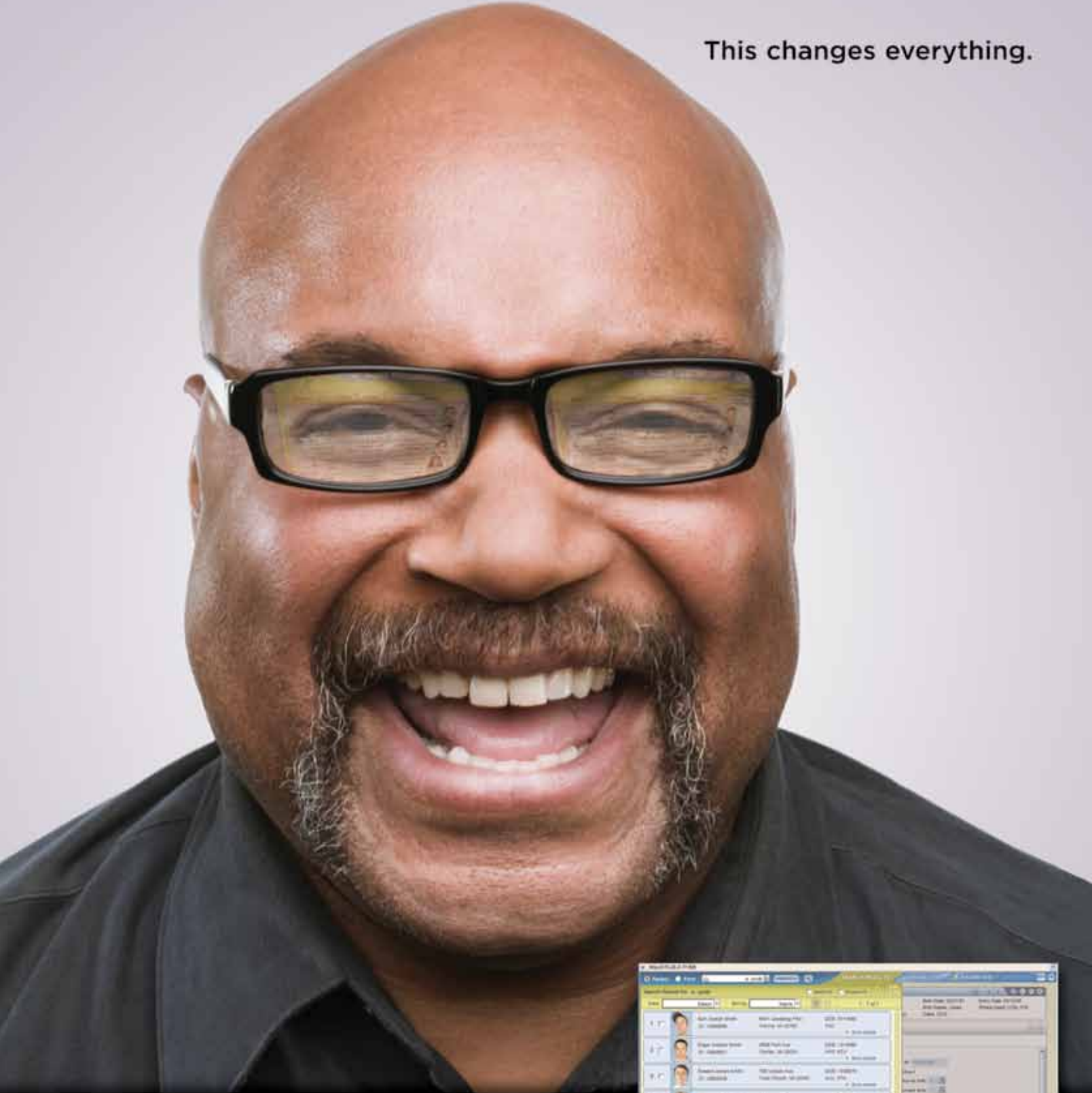
to join the consortium, so that “quality training is never more than a stone's throw away for any business.”

And although Corporate College is completely separate from and independent of the Cuyahoga Community College's three higher education campuses and therefore receives no state or federal funding, it has nonetheless been holding its own, even in the down economy.

“Companies are definitely cutting costs in certain areas, but from what we've seen, training and development is not one of them,” asserts Dr. Thornton. “Last year alone, more than 10,000 people came through CCC's two Corporate College campuses, and this year we are on track to meet or exceed those numbers.” Dr. Thornton's hope is that Cuyahoga's Corporate College becomes the number one resource for workforce training and professional development in northeast Ohio. Looks like it's well on its way. 

For more information on Cuyahoga Community College's Corporate College, visit www.corporatecollege.com.

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Ask the CHRO

Q: What are some techniques your institution is employing to make the strategic people decisions that are necessary to ensure continued productivity and efficiency in today's economic climate?



Gary Janikowski
System Director of Personnel
Minnesota State Colleges & Universities



Charlene Hayes
Vice President of Human Resources
Johns Hopkins University



Hosea Long
Associate Vice Chancellor for
Human Resources
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Gary Janikowski *Voluntary Early Separation*

The Minnesota State Colleges and Universities system is comprised of 32 institutions that offer degree programs ranging from technical training to doctoral degrees throughout the State of Minnesota. With such diverse programmatic offerings, we have a wide variety of faculty and staff with differing employee benefits needs. When it comes to retirement, many faculty and staff express a concern about the high cost of health insurance premiums. Conversely, there are also a good number of faculty and staff in defined contribution retirement programs who are more concerned about their dwindling retirement portfolios. Especially in light of the recent economic downturn, faculty and staff are more reluctant to retire.

In order to address these concerns, we partnered with one of our faculty unions to pass legislation that would allow presidents at each of our campuses to offer targeted separation incentives that could take the form of cash or a payment into a healthcare savings account (HSA). These targeted incentives are intended to avoid anticipated layoffs and encourage the voluntary early separation of selected employees. Incentives can be offered to entire departments/programs or to specific individuals, without regard to the language in the various collective bargaining agreements. Because of this flexibility, each campus will be able to more readily reduce salary and benefit obligations in anticipation of reduced funding and/or reallocate resources to departments and programs in response to changing needs or strategic objectives for its college/university.

Here's a summary of how the program works: After the president determines how much to offer in the form of an incentive, the HR office projects the cost of healthcare premiums for the employee until he/she becomes eligible for Medicare coverage. Since severance payments are made into the employee's HSA, the HR office determines if the severance pay will be sufficient to pay the employee's estimated health premiums until age 65. If so, the incentive is paid in cash. If not, the incentive is paid into the HSA in order to cover the needed premiums, with any balance being paid in cash. For anyone who is over age 65, the incentive is paid in cash.

Since this is a new program, we haven't yet had the opportunity to evaluate its effectiveness. However, discussions with presidents and employee groups indicate a good deal of interest in having this management tool available to help with downsizing efforts during this economic downturn.

Charlene Hayes *The SWATT Approach*

In times like these, some sympathetic leaders find it difficult to hold poor performers accountable for their performance. These leaders are reluctant to proceed with terminations for fear that these employees might be unable to find other work. To assist in this area, our HR department deploys strategic workforce analysis and transition teams (SWATTs) to help our leaders make strategic decisions. They identify opportunities for

efficiency, collapse multi-tiered organization structures and identify key talent. The teams also give leaders the tools they need to help displaced employees land on their feet.

Our SWATT approach is to conduct a gap analysis of the current state of the institution's workforce and business needs and the desired or future state of both. In that process, SWATT identifies positions to be eliminated or restructured and evaluates staff members to determine if they have the skills needed in the "new" organization. Displaced employees are evaluated for access to additional support through our central re-employment unit. This unit helps skilled employees find other opportunities within the university. It also gives them access to workshops focused on resume writing and interviewing skills and provides one-on-one counseling through the transition.

This SWATT approach helps us to ensure that we are making strategic people decisions as we implement budget cuts, and it helps us to retain skilled and talented employees despite the economy.


Hosea Long

It's Actually Not Bad Here

As I pen this response, I am convinced that UAMS has been fortunate in the current economic climate. Granted, we did endure a 2 percent cut in state funding at the start

of this past fiscal year and saw an increase in spending for salaries (due primarily to the opening in February of a new 540,000-square-foot, 437-bed hospital), but our workforce as a whole hasn't taken too big a hit. In addition to the new hospital, which employs 3,500 people, we opened a new psychiatric institute, extended our educational physical facilities, and continue construction on a 12-story, 300,000-square-foot expansion to our cancer research facility.

In fact, our new-employee orientation class numbered almost 100 for the first week of 2009. And it may seem to be strange timing, but on July 1 the state of Arkansas implemented a long overdue, updated compensation plan for all classified employees. Out of UAMS's 10,400 employees, 1,700 are considered "classified" and will benefit from this initiative.

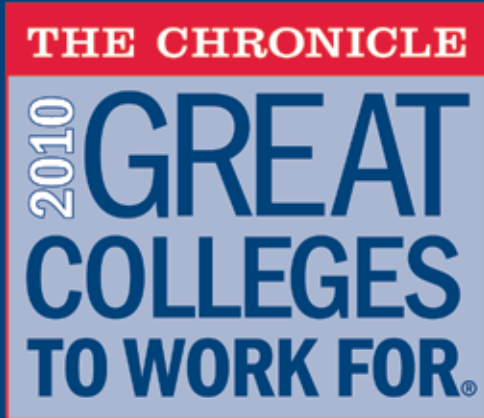
Although it seems to be business as usual at UAMS, experience has shown that we nonetheless need to exercise some fiscal prudence. Effective February 17, 2009, we implemented a delayed hiring process (90 days) for all position vacancies except direct patient care and some others funded by outside funding sources. We project this will result in approximately 10 million dollars over a 12-month period, which will be used to fund salary increases. Even in challenging economic times, we take to heart the old adage, "Our employees are our most valuable resources." 

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If you're the chief human resource officer for your institution, we invite you to register for CUPA-HR's first-ever CHRO Summit! The Summit, which brings together key HR leaders in higher education for presentations and roundtable discussions of the critical issues facing our institutions, will take place at this year's national conference, to be held October 19-21 in Las Vegas. For more information on the CHRO Summit, visit the conference website at www.cupahr.org/conference2009/chrosummit.asp.

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Dates and timelines for 2010:

- October 2009 - February 2010** Registration period
- March - April 2010** Institution questionnaire
- April 2010** Survey live
- Summer 2010** Publication date

Community Colleges to Receive Much Needed Funding Thanks to Two New Initiatives

Boost in Enrollment Also Expected

Bill and Melinda Gates Foundation's Developmental Education Initiative

Research has shown that only about 25 percent of low-income Americans earn a college degree. But the Bill & Melinda Gates Foundation has launched an initiative it hopes will help improve that number.

The Gates Foundation, which has long been known for its generous funding of K-12 education, announced in late June it was partnering with MDC Inc. and Lumina Foundation for Education to provide \$16.5 million in grants to 15 community colleges and five states to help improve remedial education at the college level. According to a recent report from Jobs for the Future, nearly 60 percent of all community college students need remedial education courses before they are ready for college-level work; for low-income students and students of color, the figure tops 90 percent at some colleges.

These remedial classes cost taxpayers more than \$2 billion a year, with few students even completing the classes, let alone continuing on to graduate. With the newly awarded grants, the foundation hopes to help double the number of low-income adults who by age 26 earn a postsecondary degree or credential with genuine value in the marketplace.

The colleges receiving some portion of the grants are Housatonic Community College and Norwalk Community College (Connecticut); Valencia Community College (Florida); Guilford Technical Community College (North Carolina); Cuyahoga Community College, Jefferson Community College, North Central State College, Sinclair Community College and Zane State College (Ohio); Coastal Bend College, El Paso Community College, Houston Community College and South Texas College (Texas); Danville Community College and Patrick Henry Community College (Virginia). More than 133,000 students take remedial education classes in the community colleges selected for these grants.


"Too many institutions have not developed powerful and effective ways to accelerate academic progress for students who start college underprepared," says Hilary

Pennington, director of Education, Postsecondary Success and Special Initiatives at the Bill & Melinda Gates Foundation. "By working together, states, community colleges and local school districts can design programs to accelerate high-quality learning and shorten the amount of time it takes to earn a degree."

Obama's Unemployment Overhaul

Consider this situation: Having recently been laid off from her job at the local food processing plant and unable to find work, Jan decides to pursue her life-long dream of becoming a nurse. She'd like to enroll in the nursing program in the local community college, but learns that she will have to give up her monthly unemployment benefits (most states usually require that anyone receiving financial assistance be actively looking for work; and from the government's standpoint, if you're in school, you're not actively looking for work). And because eligibility for federal financial aid for school is often based on the previous year's income, she does not qualify for such aid.

This same scenario plays out daily as untold numbers of Americans try to get back on their feet after losing jobs. However, if the Obama administration has its way, people like Jan would find it easier to go back to school to get the training they need to re-enter the workforce. The administration has proposed rule changes to unemployment that allow states to make exceptions during economic downturns so that the unemployed can keep their benefits even if they enroll in a community college or pursue other training or education. Additionally, the maximum amount of the Pell Grant, which helps low-income students afford college, has been increased to \$5,350 (up \$500 from the previous maximum amount).

In outlining his plan, President Obama stated, "[My hope is that this plan will allow] many [unemployed Americans] to take advantage of one of our underappreciated assets – our community colleges. These schools offer practical education and technical training, and they're increasingly important centers of learning where Americans can prepare for the jobs of the future." 

HEALTHCARE COSTS LOOM LARGE

How Institutions Are Finding Creative Ways to Drive Them Down



As institutions find themselves designating a larger and larger chunk of their annual budgets for employee health plans, many colleges and universities are coming up with innovative strategies and techniques to keep costs down.

A Wellness Intervention

Lynchburg College's Story

By Missy Kline

Share and Share Alike

North Idaho College's CDHP

By Wade Larson

The Healthcare Debate in Washington

By Josh Ulman and Christi Layman

Wellness Warriors

Encouraging Healthier Employees





A Wellness Intervention *By Missy Kline* Loom Large

The term “intervention” for most of us conjures up images of friends and family sitting around a troubled loved one stating the sad facts of a stark reality — that he or she is broken, falling deeper into an abyss, needs help, and needs help now.

“That’s actually pretty accurate,” says Shirley Bates, director of human resources at Lynchburg College, describing the “wellness intervention” that is currently taking place at the school, a small, independent liberal arts and sciences college situated in the foothills of the Blue Ridge Mountains in Lynchburg, Virginia. “The problem was there, it was getting more and more out of control with each passing year, it was creating a hardship for the campus community and the college itself, and it had to be dealt with in a proactive manner.”

Why Wellness?

The problem of which Bates speaks is the escalating cost of healthcare for Lynchburg College employees. After tightening the budgetary belt year after year in order to continue to afford to offer valuable benefits to its 175 faculty and 360 staff members, top administration put out a mandate to find a way — any way — to corral

healthcare spending. Enter the college’s benefits committee, made up of faculty members, staff members and administrators, each representing a different part of the institution.

The committee decided that, since utilization of services was the main cause of skyrocketing rates, the best (and perhaps only feasible) way to control rising costs was to develop a wellness program for employees. The thinking was “healthier employees = fewer doctor visits/hospital stays/prescription medication = lower costs.” After identifying some basic goals for the proposed wellness initiative, the committee crafted a Wellness Philosophy, which reads:

Lynchburg College values its faculty and staff and wants to take a proactive approach to promote healthy lifestyles for its employees. A meaningful wellness program at Lynchburg College will

Healthcare Costs Loom Large

assist our employees to lead healthier lifestyles by providing education and support, and thereby help control volatile costs for healthcare for employees and the college.

With this philosophy guiding its efforts, the committee sent out a request for proposals for wellness program

Participation was voluntary and was available to both employees and their spouses; however, to nudge employees in the right direction, the college opted to reward participants with a wellness incentive discount on their health insurance premium. In the first year, an impressive 74 percent of the college's health insurance enrollees participated in the program.

Since utilization of services was the main cause of skyrocketing rates, the best way to control rising costs was to develop a wellness program for employees.

services. After reviewing the handful of proposals submitted, the committee chose LivingWell Health Solutions as the college's vendor (LivingWell has extensive experience in providing such services to a number of other employers in the Lynchburg area). The program was rolled out in January 2008, and human resources took the lead in communicating information about the program's services to the college's employees.



Program Basics

According to Bates, the wellness program is designed to help identify emerging health risks, increase the understanding of actions that can be taken to minimize risks before they reach acute levels, and provide ongoing educational support that will aid participants in proactively addressing their

health issues. Here's how it works: Health professional representatives from LivingWell Health Solutions come to campus once per year to perform one-on-one health risk appraisals with participants.

Included in the session is collection/review of a health risk appraisal survey and confidential demographic information; blood pressure check; height/weight measurement; hip and waist measurements; and a blood draw to check cholesterol, blood glucose levels and PSA for men age 45 and older. Results of each individual's tests are mailed to his or her home address. Bates stresses that only the individual and the vendor know the results of the tests. The college receives data only in the aggregate.

Along with test results, the individual also receives a "health report card," highlighting in easy-to-understand

Weight Watchers at Work

After finding that the most prevalent risk condition for participants in Lynchburg College's wellness program was Body Mass Index (BMI), a Weight Watchers at Work program was begun at the school. Forty-three participants signed up to meet weekly on campus during their lunch break. In just 17 weeks, the group lost a total of 626 pounds, and participants have seen quantifiable results including a decrease in blood pressure and cholesterol levels and a reduction in BMI.

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Healthcare Costs Loom Large

Share and Share Alike By Wade Larson

Through a consumer-driven health plan, North Idaho College and its employees are sharing responsibility and accountability for healthcare costs, and in doing so are reaping huge rewards.

As employers are well aware, the state of healthcare is at a critical tipping point. The inflation of healthcare costs over the past 20 years has been staggering, and American employers are at a point where their very solvency is threatened by the increased cost of employee benefits. Coupled with the economic challenges of the past year, employers are at their wits' ends about how to provide affordable healthcare to employees without breaking the bank.

Academia is no exception. Though traditional expectations of college employees are founded upon entitlement to the institution taking care of their needs, most campuses have felt the two-decade, double-

digit inflationary trend and realize that traditional expectations are unsustainable. More and more colleges are sharing the burden of premiums with employees, increasing co-pays, raising deductibles, and making other changes that place more responsibility on employees. Still, a tipping point of affordability and sustainability has been reached by both employees and institutions.

Many blame the healthcare system for all the woes of today's predicament, thinking that if doctors didn't charge \$5 for a bandage or \$5,000 for a CT scan, maybe we wouldn't be in the situation we are in now. But those who work with health insurance understand one basic

Healthcare Costs Loom Large

truth: the number one factor in premium cost for an organization is utilization. As employees use more services, the costs go up. It's that simple.

Given the current focus by federal and state governments to solve the healthcare crisis, many are asking for the creation of social programs and government solutions to mitigate the rising costs. But if employers are looking for a realistic and immediate answer to their healthcare concerns, they must look inward to find their own solutions. If the number one factor of rising healthcare costs is utilization, then it would stand to reason that if we can control use, we can control the direct costs for our institutions and employees alike. Whereas most large claims center around highly preventable factors such as heart disease, cancer, diabetes and obesity, as organizations find ways to promote wellness and reduce the propensity of these factors, logic dictates that utilization will decline.

NIC's Approach

While North Idaho College (NIC) has not found a cure-all for healthcare troubles, we are on our way to making the right changes and adjustments necessary to get there. This is not a process that has happened overnight; however, we knew that the sooner we began the process of change, the sooner we would start to see the dividends of our investments.

The college has established four goals related to its health insurance and wellness program: (1) provide for the wellbeing of its employees and their families; (2) reward greater employee responsibility and good behavior; (3) save employees money; and (4) save the college money. NIC follows a three-step process to achieve these goals.

The first step is to educate and inform employees about their responsibility as it pertains to healthcare utilization and costs. Before the college's efforts to educate

employees in this arena, most expected an annual increase in cost to their insurance plans and tended to complain about it, yet paid little attention to the factors that influenced the cost increase.

As part of the education process, we posed the following question to our employees: What if we treated health insurance like car insurance? With car insurance, we pay our premiums, hoping not to need it. But when we do

need it, we expect our rates to go up. Over time, if we are careful drivers, our rates should stabilize or even drop.

The attitude toward health insurance, however, seems to be "use it if you have it and get as much out of the services as possible." While insurance should absolutely be used when needed, we must understand that there is a cost associated with this

utilization. If we want to drive costs down, we must be smarter, healthier and use fewer of the services (at least fewer of the expensive services).

NIC educates employees in three ways — internal publications, workshops and events. Internal publications include monthly newsletters with themes of health and wellbeing. These are generated by third-party vendors and include articles focused on nutrition, fitness and consumer awareness. Publications also include a comprehensive booklet outlining the insurance plan design and the wellness program (including accompanying incentives) and other internal notifications designed to enhance understanding of how to maximize the benefits of the program.

Workshops are offered monthly. Local healthcare vendors, NIC instructors, fitness trainers from local gyms, social psychologists and others are brought in to present on topics of health and wellness. In addition, several workshops outlining the college's benefits program and wellness incentives are offered both prior to and during open enrollment, as well as in the fall when employees return for the fall semester.



Healthcare Costs Loom Large

Finally, on-campus events offer employees an opportunity to interact with each other as well as vendors and healthcare providers. A benefits fair in the spring and a wellness fair in the fall with over 40 vendors offer employees a fun, collegial environment where they can learn more about ways to improve their health and wellbeing. Our Weight Watchers at Work program has an enrollment of about 30 employees. Organized walks are a way to build friendships and commitments to health. We've also planned several other activities for the coming year, including team competitions and a weight loss challenge, to engage employees and promote participation in the wellness program.

The second step — increasing responsibility and accountability — is tied to putting education into practice. More responsibility for first-dollar costs are placed on employees through higher deductibles with the intent that they pay more attention to where their healthcare dollars go. At the same time, however, money can be earned to offset these first-dollar costs as employees take responsibility for their own health

CDHC patients are twice as likely as patients in traditional plans to ask about cost and three times as likely to choose a less expensive treatment option, and chronic patients are 20 percent more likely to follow treatment regimens carefully.

-John Goodman of the National Center for Policy Analysis

and participate in designated healthy behaviors. As employees take responsibility for their own health and wellbeing, they receive direct benefits for doing so. Those who do not wish to participate are not penalized; they just are not rewarded in the same way as are those who work toward becoming healthier.

The third step is tied to tangibly rewarding good behavior. In the case of performance, we know that behavior that gets rewarded gets done. The same goes with healthy habits. If a healthy behavior is rewarded,

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employees are more likely to engage in said behavior. As NIC employees engage in healthy behavior, they can earn credit toward monetary contributions to a health reimbursement account or a reduction in premium costs. Because of the legal challenges and questions

Tier 1: Complete the college's online health risk assessment and sign a tobacco use affidavit (stating that the participant does not use tobacco). Individuals wishing to quit using tobacco products were offered up to \$300 reimbursement for successful completion of a

Since utilization of services was the main cause of skyrocketing rates, the best way to control rising costs was to develop a wellness program for employees.

surrounding results-based programs, we decided to focus on behaviorally-based outcomes. As employees take steps toward greater wellness through education offerings, fitness activities, preventative healthcare checkups and self assessments, they can earn enough money to completely offset their deductibles.

Foundations of the Wellness Program

North Idaho College's wellness program did not come to fruition overnight. The wellness committee had been around for several years, but lacked the teeth that the program needed, which can only come from the support of top administration. In 2007, with a new president and a new HR director who were committed to the health and wellbeing of employees, the wellness efforts gained momentum.

That first year, we introduced a wellness program designed to provide incentives and motivate employees to begin to engage in healthy behaviors. This program had three tiers. As employees completed each tier, the accompanying monetary reward was deposited into the employee's flexible spending account (FSA). (This meant that to be eligible to receive the rewards, the employee was required to have an active FSA.) The three tiers and their rewards were as follows:

bona fide tobacco cessation program. Completion of Tier 1 earned the employee \$50 for his/her FSA.

Tier 2: Complete an annual wellness examination with a registered healthcare provider. Once completed, this earned the employee an additional \$50 for his/her FSA.

Tier 3: Participate in fitness activities. Employees were required to log exercise or fitness activities at least twice per week over the course of six months. Once the sheet was submitted, an additional \$150 was placed into the employee's FSA.

By the time an employee had completed all three tiers of the wellness program, he or she had earned a total of \$250. The first year's participation was good. Whereas perhaps 20 employees would have completed the health risk assessment in the past, more than 130 employees completed it under the wellness program (which goes back to the "what gets rewarded gets done" adage). Feedback was good, results were great and employees indicated high satisfaction with the program and its rewards. This set the foundation for the next year.



Healthcare Costs Loom Large

Taking Wellness to the Next Level With Consumer-Directed Healthcare

Having learned many lessons from the first year's experiences, the concept of wellness was expanded in 2008. The HR director introduced consumer-directed healthcare to the insurance committee and outlined the benefits of such a program. It was understood that while it was not a cure-all that would provide immediate returns, the college should begin to see the benefits within a three- to five-year period. Up to this point, wellness was a program separate from health insurance or any other program. This was the first year the college was willing to take steps to integrate wellness into the benefits program.

NIC did not have money set aside to fund a large investment. Therefore, the program had to be able to fund itself. In addition, while the rewards that were placed previously into employees' flexible spending accounts were tax free and in support of health and wellness, those funds expired at the end of each year. A different funding approach was needed. We knew that if we wanted to generate the kinds of changes to employee



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behavior that were required to lower utilization, we would need to offer rewards that were substantive enough to motivate performance.

The previous benefits offering already shared the responsibility of insurance premiums between the employer (71 percent) and the employee (29 percent). The college provided rich benefit plans, which included a \$200 deductible (\$400 for EE+) and were offered by both Blue Cross of Idaho and Group Health Cooperative out of Washington. Premium quotes were introduced in late January and reflected an 8 percent increase in cost. The college did not choose to adjust the plan design itself during the first year other than to modify the deductible

year to year so employees would have more incentive to spend wisely and save their money. (All fund balances in excess of \$2,000 would be deposited each year into an HRA/VEBA account for additional savings.)

- This “program cost” would fund the actual premium costs with \$1,000 deductible, and the remaining amount would fund contributions to an HRA.
- Rewards would be made available to all employees and their primary dependent (with a maximum of two rewards per household). The committee understood that success begins at home, that dependents utilize just as many services as do the

Administration knew that a single catastrophic event due to an undiagnosed medical condition would cost far more than ongoing care and prevention.

to \$1,000 (\$2,000 for EE+). The plan remained fully funded with no changes to prescriptions, copays or out-of-pocket maximums.

To create a self-funding mechanism that would ultimately pay for itself and drive costs down, the insurance committee designed the wellness program funding as follows:

- The committee agreed to use the renewal rates offered at the \$200 deductible (which reflected an 8 percent cost increase for the next year) as the “program costs.” This would be the cost shared by both the employer (71 percent) and the employee (29 percent).
- The rewards would be paid through a health reimbursement account (HRA) designed to roll over from

employees, and that motivating good behavior on their part is also important to driving down costs.

This program structure allowed approximately \$531 per participant (including an incentive for both employee and dependent) per year. Knowing that not everyone would participate at 100 percent (but not knowing how much of that \$531 per participant would be used), the committee designed the new incentives as follows:

Tier 1: Employee completes the online health risk assessment and the tobacco use affidavit. Tier 1 earns

an HRA contribution of \$300. (Tobacco cessation opportunities are provided through the medical insurance programs and the employee assistance program at no cost to the employee.)



Healthcare Costs Loom Large

Tier 2: Annual wellness examination. This earns an HRA contribution of \$200.

Tier 3: Fitness and education. Employees who showed an exercise log that included fitness activities at least twice per week and who attended at least two educational sessions per semester were eligible for a \$100 contribution per semester to the HRA.

In the end, an employee could earn up to \$700 and his/her primary dependent could earn up to an additional \$700 per year as a contribution to the employee's HRA (all funds, including for dependents, are paid to the employee's HRA). First-year participation was promising. Of the 720 individuals who were eligible to participate, 495 completed the first tier, 350 the second tier, and just fewer than 200 the third tier. The program paid for itself, and after the first year the college retained almost \$100,000 excess in the HRA pool to be used for increases to the incentives, reduction in premium costs or other related expenditures in future years.

Where Do We Go From Here?

After the first year of integrating consumer-directed healthcare and wellness through the incentive program, we learned a few things. First, by not allowing smokers to participate, we may have saved money on HRA contributions, but we did not generate the change in behavior we needed (after all, a smoker who exercises is still healthier than a smoker who doesn't). Second, we left out dental health which is tied to heart disease, diabetes and other factors. Third, while the educational sessions were great, by requiring attendance, it was an administrative nightmare to track by both employees and the college. We still need to educate, but perhaps not require such tedium recordkeeping.

For the coming year we also face (as do most other colleges) significant budget constraints. We looked for partnerships with our carriers to assist with our dilemma. In the end, the cost differential between the

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The Healthcare Debate in Washington

By Christi Layman, manager of government relations, and Josh Ulman, chief government relations officer, both of CUPA-HR

Should we implement a government-run insurance program? Should we maintain employer-provided benefits? Should we move toward a member-owned co-op system? The proposals coming out of Washington for healthcare reform are as varied as the voices on Capitol Hill. We all know it's time for an overhaul, but will budgetary constraints keep the healthcare system in limbo?

Reform of our nation's \$2.5 trillion healthcare system is the top domestic priority for President Obama and Democratic leaders in the House and Senate. Early on, the Obama administration had hoped to sign by Labor Day legislation overhauling our healthcare system. However, reality quickly set in as lawmakers tried to balance quality, coverage and cost, and the target date has already slipped to December.

While there is nearly universal agreement that the American healthcare system needs reform, consensus on how to do it has proven elusive. But one thing is for certain — health insurance is an important part of compensation, and any changes to the U.S. healthcare system will impact

how human resource professionals manage benefits and the employer's bottom line.

Why Reform, Why Now?

The two most common reasons cited in support of reform are the current system's cost, which continues to increase at a rate well above inflation and is already greater than that of other industrialized nations, and the fact that nearly 46 million Americans (around 15 percent of the population) are without coverage. Both of these issues impact HR professionals and their employers.

With respect to the uninsured, a closer review of the data reveals some explanation for the rather large number.

Healthcare Costs Loom Large

According to the U.S. Chamber of Commerce, 8 million to 10 million American citizens cannot afford insurance, yet do not qualify for government assistance. Others included in the 46 million appear to have the funds but choose not to purchase insurance or are already eligible for government programs but have not taken advantage of those options. Policymakers have expressed an interest in reducing the number of uninsured persons for a variety of reasons — some of them humanitarian and others financial.

One of the primary financial justifications is that the uninsured utilize healthcare services but do not pay for those services. The resulting costs are borne by taxpayers in the form of higher taxes and by the insured in the form of higher premiums. The Cato Institute reports that estimates generally place the cost of uncompensated care at between 1.7 and 5 percent of overall healthcare expenditures, which could amount to over \$100 billion.

As HR professionals, you have no doubt experienced firsthand the dramatic cost increases in health benefits over the last few decades. A closer look reveals the gravity of the situation. Expenditures attributed to healthcare are approximately \$2.4 trillion (17 percent of U.S. GDP), and the government already accounts for almost one-half of all healthcare spending. According to the National Coalition on Health Care, that number is projected to grow to 20 percent in 2020.

Employers already bear a significant portion of those costs, with the Chamber reporting that, “employers currently spend over \$500 billion on health benefits each year” and “provide benefits to over 178 million Americans,” — well over half the U.S. population. A recent study by the Kauffman-RAND Institute for Entrepreneurship Public Policy found that from 2000-05 the economic burden of providing insurance increased for employers, and especially so for the smallest firms.

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Healthcare Costs Loom Large

While the overall cost of healthcare can appear staggering, the rates/premiums can also fluctuate wildly. According to Hewitt, in 2008, the average healthcare costs for employers increased 6 percent and is projected to increase an average of 6.4 percent in 2009. Rate increases can be particularly acute for those with individual coverage or who participate in small-group plans, where high-cost usage by one member (e.g., an expensive treatment or surgery) can increase the risk for the group.

Reform Proposals and Business Views

While there is broad agreement for maintaining employer-provided healthcare, the largest outstanding issue is whether or not to include a government-run insurance plan as part of reform (described euphemistically by proponents as the “public option”).

employer-provided insurance). As one critic has argued, “it’s like being a player and a referee in the same game.” The argument has been bolstered by a major study from the Robert Wood Johnson Foundation, which found that the shift from private to public insurance in such instances “seems inevitable.”

Advocates, including President Obama, however, say the public option is the only way to keep private insurance premiums down. They argue that the public option could be designed so that it leaves private insurance viable, while still adding a choice for people in parts of the country with limited private options. Congress has discussed several iterations of a public option it may want to include in the exchange, such as a Medicare-based plan, a plan run by a government-appointed panel or a plan backed by entitlement funding.

The U.S. Chamber report[s] that employers are currently spending over \$500 billion on health benefits each year and voluntarily provide health benefits to over 178 million Americans.

The government plan, advocates say, would compete with private insurers in a proposed insurance exchange. The exchange would essentially act as an informational clearinghouse assisting employers and individuals in comparing benefits and prices among various plans in the individual and small-group markets. The hope is that the exchange would increase transparency for quality, cost and coverage, which in turn would decrease the transaction cost of changing plans and reduce the impact of actuarial fluctuation for individuals and small firms.

Many Republicans and much of the business community believe that offering a public option as part of the exchange will drive private insurers out of business and inevitably lead to a single government-run healthcare system, as is seen in Canada and many European countries. Because a public option would be subsidized by taxpayers and able to dictate terms to its competitors, some fear the public option would be able to offer terms more favorable than private insurers, resulting in many individuals dropping their private insurance (including

The public option debate and costly Congressional Budget Office (CBO) estimates of the Senate and House healthcare proposals have spurred discussion for an alternative to a government-run plan with a member-owned cooperative system proposed by Sen. Kent Conrad (D-ND). The co-op proposal would create nonprofit health insurance cooperatives as competitors to private insurers. The Conrad co-op option would reportedly be budget neutral because federal spending would only come in the form of one-time discretionary start-up funding that does not fall under mandatory, long-term spending. While the business community has been fairly quiet on the co-op system, it has voiced concerns relating to proposed governance.

Other contentious issues in the healthcare reform debate include mandates requiring employers to provide insurance to employees or pay a fee (pay-or-play mandates), requiring individuals to purchase insurance, the creation of a “Medical Advisory Council” to establish rules for health insurance benefits, and how a new system would be financed. The business community has

Healthcare Costs Loom Large

been particularly vocal in its opposition to pay-or-play mandates, which would require employers to provide a government-set level of health insurance or pay a fee to a government system.

Concerns over the cost to expand healthcare coverage has grown throughout the debate and received considerable attention after Congressional Budget Office Director Douglas Elmendorf testified on July 16 that the current proposals would increase federal healthcare costs significantly and would require new sources of revenue in order to keep from increasing the deficit. Many groups have raised serious objections to the price tags of the current proposals, and the Senate Finance and House Ways and Means committees are actively looking into various ways to fully fund a healthcare overhaul.

One of the more controversial proposals Congress has considered to pay for a healthcare overhaul is a cap

on the tax exclusion of employer-provided healthcare coverage valued at more than 110 percent of the Federal Employee Health Benefit Plan that would raise \$306 billion. However, the president and Democratic leaders have not been supportive since individuals earning less than \$200,000 and families earning \$250,000 or less could potentially be taxed, breaking the president's campaign promise not to raise taxes for those individuals.

In addition, a key Democratic constituent — organized labor — has been extremely vocal in its opposition to taxation of benefits, as many union members could be affected. Most recently, a compromise proposal from Sen. John Kerry (D-MA) is being considered that would protect employees who are currently exempt from being taxed on health benefits and would instead tax insurance companies and employers who offer expensive,

continued on page 42

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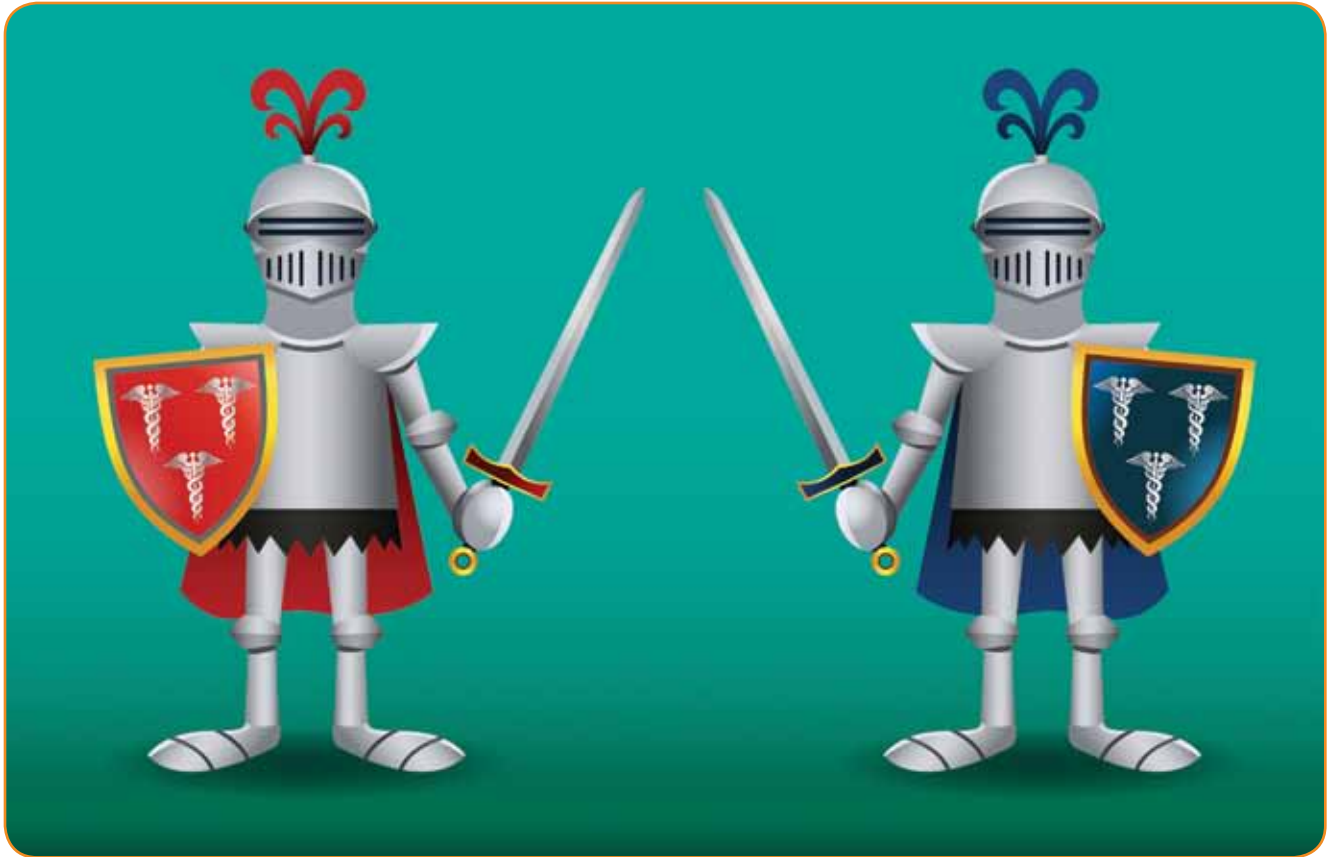
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Wellness Warriors – Fighting the Good Fight

As it becomes more and more obvious that we can't depend solely on the healthcare industry or the government to rein in the cost of healthcare, many institutions are tackling the issue themselves. These wellness warriors have donned their armor, readied their weapons and are engaged in battle with the larger-than-life monster that is today's healthcare costs.

Heart Smart



CUPA-HR national office employees are rewarded for cardiovascular activity. This can include brisk walking, biking, swimming, running, tennis, hiking, soccer, cross training, martial arts ... the list goes on and on. Participants track their weekly physical activity and turn it in at the end of each month. Participants earn \$10 per month for completing 30 minutes of physical activity three times per week; \$15 per month for completing 30 minutes of physical activity five times per week; and \$20 per month for engaging in one hour of physical activity five times per week. Additionally, participants who earn a reward for six straight months are entered into a drawing to win \$100 cash.

QuickClinic



Ball State University has established a clinic on campus to provide medical care for common illnesses and minor injuries to university employees, their spouses, their dependents older than two and retirees. The QuickClinic treats everything from ankle sprains to ear infections. In addition, health professionals are available to draw blood for laboratory services and assist patients with questions about chronic diseases such as diabetes, asthma or high cholesterol or blood pressure. The QuickClinic is staffed by certified family nurse practitioners who can diagnose and treat most common illnesses and prescribe any required medications.

Healthcare Costs Loom Large

Additionally, no coinsurance or deductible is required for employees, their families or retirees under 65 who use the clinic and have the Ball State University low-deductible or high-deductible wellness option PPO as their primary health plan.

Gain-Sharing



Through the implementation of a unique gain-sharing incentive program, whereby at the end of each year employees and the university share any surplus balance in the self-funded medical and prescription drug plans,

Central Michigan University has decreased healthcare premiums by 4.8 percent over the past three years and has experienced only a slight increase (2.6 percent) in healthcare costs over the previous year's costs. CMU's program focuses on exercise, screenings and early detection, which has resulted in a utilization shift from the more expensive inpatient services to the less costly outpatient services.

Health Quest



Lee University's Health Quest initiative, which was rolled out just last year to a focus group of about 10 percent of the university's employees, offers incentives to employees who complete an annual self assessment of their health and an annual physical examination by a medical professional; who participate in healthy lifestyle education; and who engage on a regular basis in cardiovascular and/or strength training exercise. The university supports these wellness efforts in many ways — from the establishment of an exercise program with different activity levels and specific goals to the opening of an employee health clinic on campus to the creation of several different healthy lifestyle classes and online resources.

MHealthy



University of Michigan President Mary Sue Coleman established MHealthy in 2005 to encourage a pervasive culture of health that would improve the lives of university employees and help to curb the rate of growth of healthcare costs. MHealthy is currently working to establish the following: free, confidential wellness assessments for U-M faculty and staff, including a health questionnaire and wellness screening, as well as wellness assessment participation incentives; post-wellness screening referrals to helpful programs and health coaching (including group-based, telephonic, online and mail-based approaches); wellness programs related to healthy eating, ergonomics and mental and emotional health; healthy vending, dining and catering options; smoking cessation programs; outreach to university leadership to support faculty and staff participation in health and wellness programs; alignment and integration of MHealthy programs with U-M healthcare benefits; and much more.

Nursing Mother's Room



The University of North Carolina at Greensboro has created a Nursing Mother's Room on campus. The room is outfitted with a hospital-grade pump and a gliding rocker and ottoman, so women can comfortably pump breast milk or breastfeed their babies.

How Is HR Coping?

In the last issue of *The Higher Education Workplace*, we featured a section on the economic downturn and highlighted some resources and strategies institutions could utilize to weather the storm. At the same time, we were conducting a survey of member institutions on the measures they were already taking to cope with the recession.

During April and May, 205 institutions responded to CUPA-HR's HR and Institutional Measures Survey, which asked for responses on items ranging from information regarding budget cuts, the reasons for those reductions, programs that the institution had implemented, the services and programs provided by HR, those services that were most effective, and what services/programs were changed/modified or newly initiated. In addition, information was gathered on the impact on morale, the strategic involvement of HR, and the long-term relationship with institutional leadership. Additionally information was collected on salary increases, voluntary retirements, employee retention, the level of budget reductions in HR, and measures taken to support HR staff.

Over a third of the responding institutions indicated they had implemented a budget reduction, with the largest institutional budget cut being 27.5%, and the largest budget cut incurred by an HR unit being 40%. Twenty-nine institutions indicated a budget cut of 10% or greater, 19 institutions reported a budget cut of between 5% and 9.9%, and nine institutions indicated a budget reduction of up to 4.9%. Even though the survey was administered in May, a period when most institutions were usually engaged in determining the upcoming fiscal year's budget, 146 institutions were not able to report the magnitude of budget cuts, perhaps a reflection of the difficult decisions that had to be made.

Remarkably, even in the face of budget reductions, a few institutions reported that they were providing salary increases for their employees. Sixty-four institutions reported giving increases of up to 4.9%; two reported 5% and one reported 10%. However, the vast majority of institutions (129) reported giving no increases.


In terms of HR strategies used to cope with the recession and the resulting budget cuts, the following were reported:

- 26 institutions utilized layoffs
- 36 institutions utilized various forms of pay reductions (furloughs, reduced workweek, changes in number of months of appointment)

- 60 institutions implemented salary freezes
- 46 institutions implemented hiring freezes
- 36 institutions implemented reduction in benefits
- 17 institutions implemented retirement incentives

Responding institutions reported using the following HR services to keep employees informed and engaged: employee assistance programs, communication meetings/town hall meetings, financial education (benefits counseling, retirement counseling, investment counseling), wellness programs, telecommuting and flex scheduling, outplacement, training for managers, expanded employee relations/career services and planning.

In the face of a greater workload, the survey gathered responses from institutions regarding the steps they were taking to support HR professionals who were being called on in extraordinary ways to assist their colleagues and institutions through the economic downturn. Responses ranged from recognition to increased communication to departmental reorganization to team building and coaching.

For many institutions, the past fiscal year has been a difficult one. While it was apparent that budget cuts would result in layoffs, it was noteworthy that the survey indicated that a number of institutions implemented programs that would not result in the loss of jobs, and/or to the extent possible, mitigated the adverse financial and emotional impact on employees. 



To read the full summary of the HR and Institutional Measures Survey and to see complete survey results, visit www.cupahr.org/hrim. And remember, we're still regularly adding items to our online Economic Downturn Resources toolkit. You can find the toolkit in the Knowledge Center at www.cupahr.org/knowledgecenter.

CUPA-HR's 2009-10 Webinars

CUPA-HR's 2009-10 webinars were designed with the economy in mind — the topics are timely and the price can't be beat! At just \$85 for CUPA-HR members, our webinars will enable you to keep track of the latest trends and issues affecting your institution, and you won't even have to leave your desk.

Rethinking Retirement and Health Benefits Plans

Date TBD

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Retirement and healthcare programs are two fundamentals of any employer's benefit plan. However, the current period of economic uncertainty is prompting consideration of numerous changes in retirement and healthcare in Congress as well as within the industry. This program will examine the impact of the economic downturn and the possible/proposed changes in retirement and healthcare, explore what employers can do to address these changes, and discuss how employees can plan and manage their retirement income and healthcare. *Presenters: Bernadette Davis, regional vice president, TIAA-CREF; Teresa M. Gotimer, group retiree sales and strategy lead, Aetna Retiree Solutions*

A Toolkit for the Times: Workforce Initiatives That Contribute to the Bottom Line

October 29

This program will focus on specific HR initiatives and approaches designed to address the need to meet budgetary targets while maintaining high employee morale and sustaining desired organizational capabilities. The session will draw upon best practices in providing concrete and tested approaches to addressing budget cuts without resorting to layoffs. A toolkit of models for organizational change will be shared that will help HR professionals attain credibility as institutional activists and innovative strategy architects.

Presenter: Edna Chun, vice president of human resources and equity, Broward College

Contingent Workforce Management: Issues and Approaches for Higher Education

October 1

Sponsored by:



The growth of contingent workers and other non-standard employees and their roles and contributions in higher ed present a unique set of challenges, risks and opportunities. This webinar will describe the key issues of managing a contingent workforce, including government compliance, visibility, costs, process efficiency, diversity suppliers and making the business case. A case study of the University of Southern California's contingent labor program will illustrate how to take contingent workforce management from strategy to execution. *Presenters: Mary K. Campbell, assistant vice president of career services, and Kerry L. Etheridge, senior manager for strategic and sustainable sourcing, both of University of Southern California; Christopher J. Dwyer, research editor in the Global Supply Management Practice, Aberdeen Group; Dana Shaw, executive director, Strategic Solutions*

Refocusing HR Services to Attract and Retain Experienced Employees: A Four-Time AARP Award-Winning Program

November 20

Just a few months ago we were struggling to cover the gaps left by retiring Baby Boomers, and now many Boomers have chosen not to retire because they simply can't afford it. Is your institution providing the right services to keep the Boomers engaged and productive while they rebuild portfolios for retirement? What about services for the other generations you are employing? Learn how Virginia Commonwealth University developed new and existing programs in the face of budget cuts and downsizing, and in the process won national recognition from the AARP for four straight years as one of the "Best Employers for Workers Over 50."

Presenter: Cindy Andrews, executive director of human resources, Virginia Commonwealth University



Keep an eye out for our just-in-time webinars, which will be added throughout the year to provide you with the latest information on emerging issues. For more information on our webinars, visit www.cupahr.org/webinars.



Community

Overheard in the Forums

Here are some of the queries that recently generated discussion in CUPA-HR's online forums (including the CompSIG listserv):

Do you require pre-employment psychological testing on any employees? If so, which positions require this type of testing and who administers it?

If your school specifically prohibits bullying behavior in its policies about workplace conduct, would you mind sharing the language you use?

As a rule, are your administrative assistants to your vice presidents exempt or non-exempt?

Do you allow your employees to purchase additional vacation time?

Do you start FMLA right away or wait until the employee's paid time off is exhausted before FMLA begins? Does your FMLA policy require all paid time (sick, vacation, personal days, etc.) to be used before starting unpaid FMLA leave?

If an employee is out of work and receiving PTO, do you continue to contribute the college or university remittance to the employee's retirement plan? What if the employee exhausts all PTO, do you still pay into their retirement?

Do any of you have a formal "onboarding" process for new hires? Anyone out there employing creative and successful onboarding strategies?

In light of these challenging economic times, we are interested in knowing whether any institutions have modified their retirement plan employer matching contribution schedules?

CUPA-HR's forums have several focus areas, including benefits, compensation, employee relations, organizational development, wellness, recruitment, selection and retention, and more. To access the forums, log in to the Knowledge Center at www.cupahr.org/knowledgecenter, click on the "Forums" menu tab, click on "All Forums" and then subscribe to the forums in which you'd like to participate.



Community

Movers and Shakers

CUPA-HR Regional Awards

Pam Beemer, associate vice president for HR at Northwestern University, received the Midwest Region's Outstanding Service Award.

Alan Chesney, executive director of HR at the University of Tennessee, received the Southern Region's Distinguished Service Award.

Richard Coladarci, director of HR at St. Francis College, received the Eastern Region's Member of the Year Award.

Jane Federowicz, director of HR at Rosemont College, received the Eastern Region's Diedrich K. Willers Award.

Theresa Feldmeier, HR director at Capital University, received the Ohio Chapter Distinguished Service Award.

Karen Goodlett, assistant director of HR at Florida State University, received the Southern Region's Distinguished Service Award.

Angie Hernandez, manager of employee and labor relations at California State Polytechnic University, received the Western Region's Hugh Avery Award of Distinction.

Kim Howard, director of HR at the University of Massachusetts-Boston, received the Eastern Region's Emerging Leader Award.

Gary Johnson, associate director of HR at Drake University, received the Midwest Region's Excellence in HR Management Practices Award.

Mike Lyons, employee services representative at the University of Texas System, received the Western Region's Roadrunner Award.

Jackie R. McClain, recently retired from California State University System, was awarded Regional Lifetime Membership in the Western Region.

Oklahoma City Community College received the Southern Region's Excellence in HR Practices Award.

Rochester Institute of Technology's Benefits Team received the Eastern Region's Excellence in HR Practices Award.

San Jose State University's Workforce Planning Team received the Western Region's Excellence in HR Practices Award.

Chuck Standfuss, director of employment services at Macalester College, received the Minnesota Chapter Distinguished Service Award.

University of Iowa Human Resources received the Midwest Region's Successful Practices Award.

Moves

Vivian Fernandez recently joined Rutgers University as vice president for faculty and staff resources. Fernandez came to Rutgers from The College of New Jersey, where she served as associate vice president for human resources.

Mary Greenwood was recently hired as assistant vice president for human resources and employee development and labor and employment counsel at Roger Williams University.

Promotions

W. Rand Horsman was promoted to the position of vice president for human resources at University of North Texas Health Science Center.

Recognition

Brenda Lohry, senior workforce planning analyst at San José State University, has been named a 2009 Salzburg Fellow to the Salzburg Global Seminar.

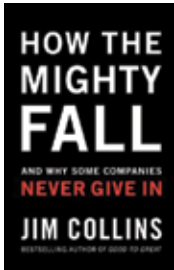
Retirement

Jackie McClain, former CUPA-HR national board chair, retired in June from the California State University System.

Lawrence Nichols retired in June from his position as chief human resource officer at Clemson University.

**Been promoted? Retiring? Moving to another institution? Received an award?
Send your announcements to communications@cupahr.org.**

Recommended Reading

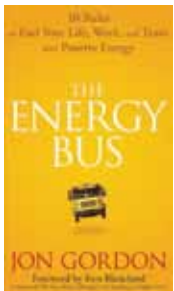


***How the Mighty Fall* (by Jim Collins)**
A great discussion on how teams and leaders should manage, especially in times of crisis, and how critical it is to get the right people into the right seats.

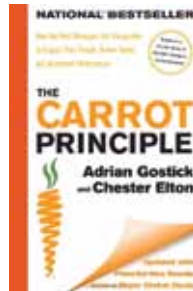


***Bridging the Diversity Divide: Globalization and Reciprocal Empowerment in Higher Education* (by Edna Chun and Alvin Evans)**

A how-to guide designed to assist campus leaders and educators in the oftentimes difficult process of cultural transformation in support of diversity and inclusion.

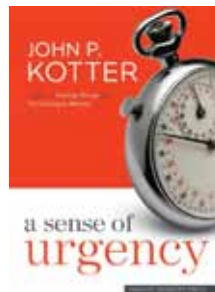


***The Energy Bus* (by Jon Gordon)**
An enlightening and inspiring ride that reveals 10 secrets for approaching life and work with the kind of positive, forward thinking that leads to true accomplishment.



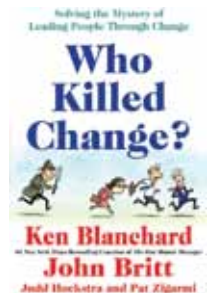
***The Carrot Principle* (by Adrian Gostick and Chester Elton)**

An examination of the remarkably simple but powerful methods great managers use to provide their employees with effective recognition.



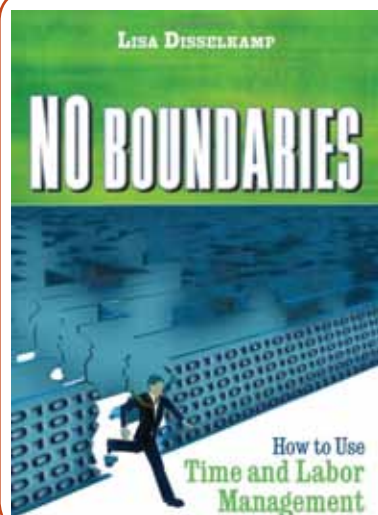
***A Sense of Urgency* (by John Kotter)**

An engaging look at how organizations can overcome a lack of urgency – or a surfeit of complacency – with a proactive agenda.



***Who Killed Change?* (by Ken Blanchard)**

A mystery tale of the murder of change.



Featured Book

***NO Boundaries: How to Use Time and Labor Management Technology to Win the Race for Profit and Productivity* (by Lisa Disselkamp)**

Endorsed by CUPA-HR President and CEO Andy Brantley, this book explains how to take your business from reactive to proactive and improve performance by utilizing various workforce management technology. Says Brantley, “In our current economic climate, every employer should seriously evaluate what workforce management tools are necessary to ensure that the business is managed effectively and efficiently. This book was not written to sell the next latest and greatest tech tools to manage time and attendance. Instead, Disselkamp very effectively provides guidance regarding what workforce management tools should be in place and how you as an employer can ensure that the use of these tools positively impacts your organization’s bottom line.”

A Wellness Intervention

continued from page 20

terms and graphics any emerging health issues indicated by test results or the questionnaire. Each individual also receives a “healthy life plan,” which provides action steps that the participant may take to reduce the risk of chronic disease or other health problems found to be of concern for that particular individual. Throughout the year, a qualified health educator from LivingWell conducts monthly visits to the college to meet with those individuals who are interested in addressing their health issues.

Outcomes

Says Bates, “It was self reported to us by multiple individuals that they had learned through the health assessment of high blood pressure or high cholesterol, thus requiring medication. One participant learned he had an unusually high PSA level, which can be an indicator of prostate cancer, and sought immediate care. A spouse of an employee learned that he was diabetic.”

Bates admits that after receiving such information, administration became concerned that instead of helping to drive down costs, the new program could in actuality cause premiums to rise due to the treatment sought by employees who found out about their hidden health issues. On the other hand, administration knew

that a single catastrophic event due to an undiagnosed medical condition would cost far more than ongoing care and prevention. It was quickly agreed upon that no matter what the outcome related to cost, the wellness program was the right thing to do socially.

And employees agreed. The second year of the program enjoyed an even stronger number of participants than the first year, with 78 percent of the college’s health insurance enrollees participating. Participation by spouses also increased in the second year.

All in all, Lynchburg College’s approach to supporting the health and wellness of its employees has been successful. Although it’s still too early to see on paper what the return on investment is, key indicators from aggregate test results for the second year of the program show that the percentage of employees at risk has been reduced from the first year (which should ultimately lead to less utilization and therefore lower costs). Bates calls this trend “very encouraging” and says it can only mean one thing – the intervention is working. ^(cupahr)

If you’d like to learn more about Lynchburg College’s approach to wellness, contact Shirley Bates at bates@lynchburg.edu.

Several concurrent sessions at this year’s national conference address healthcare and wellness issues:

Session 1J – Putting Your Money Where Your Mouth Is With CDHC

Session 3B – Rethinking Your URx Program: A New Strategic Approach

Session 3C – Successfully Walking the Compensation Tightrope Between Higher Education and Healthcare

Session 3E – Keeping Employees Healthy and Productive

Session 3H – Traditional Corporate Wellness Programming Vs. University Wellness Programming

Session 4B – Restructuring the Rewards Equation — Revamping the Compensation/Benefit Structure to Meet a Changing University Environment

Session 4E – Benefits in “Jeopardy”

Session 6A – Building a Successful Wellness and Prevention Program: What Works, What Doesn’t

Session 6C – The Benefits Edge: The Competitive Value of Employee Benefits in an Era of Sustainability

All concurrent sessions sponsored by TIAA-CREF

Visit the conference website at www.cupahr.org/conference2009 for more information.

Share and Share Alike

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two health insurance plans offered to employees was significant. The decision was made for the college to still cover 71 percent of the program cost, but for the lower-priced plan. This move alone saved the college \$500,000 (\$200,000 in unrealized premium increases and \$300,000 in real dollars).

Rather than absorb the entire cost savings, the college split the savings with employees. The college saved \$200,000 in premiums and kept \$100,000 of the real dollars, while setting aside the remaining \$200,000 for greater employee incentives for the coming year. Knowing that employees would not see a pay increase for FY10, the college saw this as a way to reduce the financial burden on employees and maintain morale.

Of the money allotted to employees, the first \$100,000 was set aside as a "subsidy" for insurance premiums that would be applied to the employee portion of the

premiums. This effectively reduces the cost of insurance by \$20 per month per employee. The second \$100,000 was set aside to increase the wellness program's rewards and incentives. This allowed the college to offer incentives of up to \$2,000 in HRA contributions, which completely offsets any deductible.

For this year, changes to the activities required for the incentives are nominal, but are provided a la carte to include tobacco users. This year's incentives are as follows:

- Complete online health risk assessment (\$50).
- Provide baseline biometrics through the health risk assessment, which includes BMI and blood pressure (\$50).
- Complete an annual dental examination (\$50).
- Complete annual wellness examination (\$100).
- Complete tobacco affidavit (indicating non-use)

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or successful completion of a bona fide cessation program) (\$250).

- Complete fitness requirements of exercising twice per week (\$100 per semester for a total of \$200).
- A “package incentive” is also offered whereby employees are provided an additional \$300 incentive at the end of the year for having successfully accomplished all requirements.


popular for those individuals insured by (and loyal to) Blue Cross, it is anticipated that the college will continue to save hundreds of thousands per year on premiums, generate positive wellness behavior by employees, and ultimately have a positive impact on utilization.

North Idaho College’s wellness committee is committed to another full year of engaging activities, workshops, educational opportunities and events that will encourage additional participation by all employees. While we still

Employees [and their dependents] can engage in as many or as few wellness activities as they like and still reap the rewards ... [but] the greatest rewards come to those who participate at all levels.

This way, employees can engage in as many or as few activities as they like and still reap the rewards. However, the greatest rewards come to those who participate at all levels. Again, these rewards and incentives are offered to not only the employee, but also to his/her primary dependent.

While the change in funding to cover 71 percent of the lower cost insurance (Group Health in this case) was not

expect to have to wait for the ultimate positive impact on utilization, we believe we are saving significant money already, setting the appropriate direction for employees, and creating a culture of sustainable wellness. 

Wade Larson is director of human resources at North Idaho College. He can be reached at wmlarson@nic.edu.

The Healthcare Debate in Washington

continued from page 31

or “Cadillac,” plans to their employees. This option is estimated to raise \$100 billion or more. The committees are also considering Medicare and Medicaid cuts as well as a graduated surtax on high income earners.

According to a poll conducted in mid June by *The Wall Street Journal*/NBC News, the public favors proposals to pay for healthcare reform by requiring all Americans to get insurance, to raise taxes on the rich and, to a lesser extent, to require all but the smallest businesses to offer insurance or pay into a fund.


Outlook

While the public appears to support healthcare reform, budget concerns may limit options. A July 21 *USA Today*/Gallup poll shows more Americans now disapprove (50%) than approve (44%) of how the president is handling

healthcare policy. In addition, while there is significant disagreement as to what reforms are appropriate, most stakeholders, including the Heritage Foundation and the U.S. Chamber of Commerce, agree that the federal government needs to make some changes to our healthcare system.

At the same time, however, growing concerns over the federal government’s budget deficit may hamper the reform effort, with some of the reform proposals estimated to cost the government well over \$1 trillion over the next 10 years. In fact, some recent polls indicate that Americans are more concerned right now with fixing the budget than reforming healthcare. The high cost of reform and other controversial aspects of the proposed policies present significant obstacles to action, leaving many close to the issue less than optimistic about enactment. For example, former Senate Majority Leader

(and President Obama's first nominee to be the secretary of Health and Human Services) Tom Daschle (D-SD), has said publicly throughout the summer and as late as July 20 that healthcare reform has a 50-50 chance at best, and most political observers believe those odds are unlikely to improve with time.

That said, healthcare reform is far from dead and budgetary and other obstacles have yet to be declared insurmountable by pundits, polls, the president or Congress. We will be watching the issues closely and will keep you posted on any new happenings. 

Answer to LawRoom Quiz

from page 6

A: Yes, the company must accommodate Tyson's new religious beliefs as long as it does not cause an undue hardship.



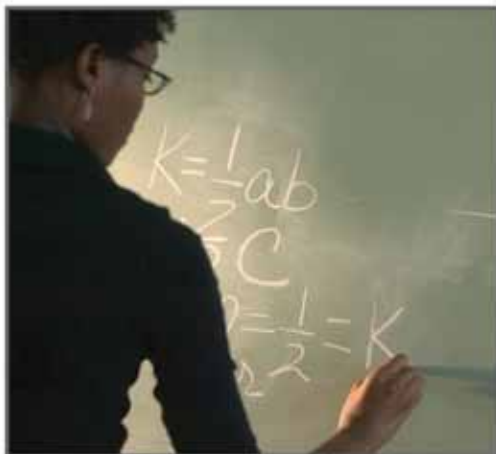
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CUPA-HR Featured Events

September 2009

Chapter Meetings

September 1: Indiana Chapter Meeting – Indianapolis, IN

September 9-11: Kentucky Chapter Meeting –
Prestonsburg, KY

September 21: South Carolina Chapter Meeting –
Columbia, SC

September 24: Oklahoma Chapter Meeting –
Weatherford, OK

September 25: Upstate New York Chapter Meeting –
East Syracuse, NY

September 30-October 1: Tennessee Chapter Meeting –
Chapel Hill, TN

October 2009

Webinars

October 1: Contingent Workforce Management: Issues and Approaches for Higher Education (*sponsored by Guidant Group*)

October 29: A Toolkit for the Times: Workforce Initiatives That Contribute to the Bottom Line

Chapter Meetings

October 1-2: Michigan Chapter Meeting – Ann Arbor, MI

National Conference

October 19-21: National Conference and Expo 2009 – Las Vegas, NV

November 2009

Chapter Meetings

November 5-6: Missouri Chapter Meeting – Lake Ozark, MO

November 5-6: Illinois Chapter Meeting – Springfield, IL

November 6: Southern California Chapter Meeting –
Location TBD

Webinars

November 20: Refocusing HR Services to Attract and Retain Experienced Employees: A Four-Time AARP Award-Winning Program



We're constantly adding to our calendar of events -- chapter meetings, region conferences, just-in-time webinars and more. Visit www.cupahr.org/conferences/upcomingevents.asp for a full listing.



Each summer, CUPA-HR's volunteer leaders gather in Tempe, Arizona, to discuss the association's strategic priorities and identify emerging issues in higher education human resources. Pictured here is the 2009 group.

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