

University of Maine System  
Board of Trustees Meeting

at the University of Maine System  
Rudman Conference Room, 253, Estabrooke Hall, Orono

October 28, 2019

**Human Resources & Labor Relations Committee Meeting**

**Present:** **Committee Members:** Betsey Timm; Chair (at USM), Patricia Riley (at USM), Sam Collins (at UMPI), Trevor Hustus (at USM), James Erwin, Michael Michaud, Kelly Martin (by phone), and Sven Bartholomew. **Student Representative:** Abby Despres. **Staff:** Ellen Doughty, Ryan Low (at UMA), David Demers (at UMA), Tracy Elliott, and Chris Lindstrom.

**Absent:** None.

Trustee Timm, Chair, called the meeting to order and welcomed everyone.

**Collective Bargaining Update.** UM Vice President of Campus Human Resources and UMS Interim Co-Chief Human Resources Officer, Mr. Chris Lindstrom provided a brief summary regarding the status of recent collective bargaining negotiations. Mr. Lindstrom announced that concluding with the approvals at the September 15-16, 2019 Board of Trustees meeting, all UMS collective bargaining contracts have been ratified. All of the pay actions indicated in the contracts have been activated and they are in the process of updating the written contracts to reflect the agreed upon changes. Mr. Lindstrom explained that during the negotiation cycle of the current contracts, there were some outstanding items that did not get resolved that are still of interest and that several collaborative labor unit/management working groups have been formed as a result to try to mitigate these issues prior to the next round of negotiations.

**Review of UMS Health Plan for Active Employees.** Mr. Lindstrom provided an overview of the changes to the UMS Health Plan for active employees. In recent history prior to 2019, on average UMS healthcare plan cost escalation has tracked closely to national norms. However, the UMS plan has experienced a significant spike in claims in 2019 driven largely by an increase in high dollar claims, which are claims in excess of \$25,000. UMS has a total of 27 claims over \$200 thousand, of which 21 still remain active. Of these 27 high dollar claims, 14 of the claimants are employees and 13 are dependents. This increase in high dollar claims led to projected 2020 total plan claims and expenses of \$93.2 million, which in the absence of any plan design changes would result in an overall plan premium rate increase of 11%. Per collective bargaining agreements, if the plan renewal percentage is 4.5% or less, UMS will pay 90% of the increase for participants who qualify for the wellness incentive and 80% for those who do not qualify. When the renewal percentage exceeds 4.5%, the increase in excess of 4.5% is shared 50/50 between UMS and plan participants.

The Employee Health Plan Task Force (EHPTF), is a joint labor/management committee that actively works to identify opportunities to effectively manage both the cost and quality of the UMS health plan. EHPTF met regularly over the last several months to monitor the healthcare plan and to consider what plan design changes, if any, would be implemented in response to the cost escalation. As a result plan design decisions and rate setting has been completed and open health plan enrollment begins on November 1, 2019. The Service & Maintenance unit decided not to make any plan changes and are therefore going to have the highest increase in plan premiums. All other bargaining units and

non-represented employees are implementing a health plan deductible for the first time of \$250 per individual and \$500 per family. Non-represented employees are also modifying prescription copays to further mitigate employee premium increases. Even with these design changes and premium increases, UMS remains highly competitive with industry norms.

Additional information about the meeting can be found on the Board of Trustees website:  
<http://staticweb.maine.edu/wp-content/uploads/2019/10/MtgMat-HR-102819-rev-102519.pdf?0fa197>

Adjournment

Heather A. Massey for  
Ellen N. Doughty, Clerk