

Northeast Ohio
Universities
Collaboration &
Innovation Study
Commission

Cleveland State University
Kent State University
Northeastern Ohio Universities
College of Medicine
The University of Akron
Youngstown State University

Minutes from November 8, 2007 session of the
Administrative Workgroup of the
Northeast Ohio Universities Collaboration & Innovation Study Commission
Held at the offices of the GAR Foundation, Fairlawn, Ohio

Attendees: Phil Kaufmann, Rob Briggs, Dr. William Demas, Char Reed (for Lester Lefton), Ted Boyd, John Pogue, Jim Trakas

Staff: Amy Sabath, Allen Proctor, Lynne Woodman, Monica Turoczy

Guests: David Creamer, John Case, Debbie Staats, Jack Boyle, Bill Wilson, Ed Mahon, Maria Schimer, Sandy McNight, Lillian Welch, David Cummins, Pat Myers, Carolyn Pizzuto, Tom Maraffa, Kirstin Toth, Rich Lewis, Eileen Greaf

Unable to attend: James Hambrick, Brad Whitehead, Dr. Michael Schwartz

Comments of Committee Chair Phil Kaufmann:

- Mr. Kaufmann welcomed everyone. Mr. Proctor reviewed the timeline and the status of the recommendations.

Presentation from Jon Sinclair of Mercer Health & Benefits:

Note: Copy of summary handout was distributed at the meeting.

- Mr. Sinclair reviewed the information provided in the summary that was distributed to members. The analysis is based on five universities and four community and technical colleges.
- He noted there are definitely some possible savings in pooling benefits. There are some differences in cost of care or demographics.
- Five approaches were taken to determine cost savings, effort, disruption, and geographic considerations; the approaches were (1) information sharing, (2) best practices, (3) common procurement, (4) common design, procurement and management, and (5) combined risk sharing.
- Mr. Sinclair noted that if need be, we can go to another carrier to have savings and discounts for employees that live out of the area.

- The findings of the cost savings and analysis include 17% of current enrollment is in fully-insured products; switching enrollment to a more cost competitive plan design is expected to save 3.3% of medical spending while still offering a benefit competitive with other employers; there are potential savings through combined stop loss coverage pooling; and there are savings through a larger scale on administrative fees / retention for each product line that is close to 2% overall.
- He also added that eliminating broker commissions is a low-hanging fruit.
- Dr. Creamer noted that the CFOs were at a 3.5 or 3.75 on a 5.0 scale with these recommendations. They were supportive of some common procurement, common management and some common design. They did not like the idea of common design for all health plans. He also noted there may be problems at the bargaining table once this begins.
- Ms. Pizzuto noted there is no reason to limit this to these nine institutions; this could be implemented statewide. This also needs to be clearer on achievements.
- Mr. Proctor asked which include one-time savings and which have an impact on the percentage of growth year to year. Mr. Sinclair noted with the exception of plan design, all include one-time savings.
- Dr. Staats asked how these plans affect NEOUCOM when they have the lowest cost and are the smallest institution. NEOUCOM would not want to go to a richer plan. Mr. Sinclair noted that NEOUCOM would most likely not change and would not be asked to go to a richer plan.
- Dr. Reed asked how we are doing compared to others nationally and are others using more cost effective means. Mr. Sinclair said that there is not really a comparison based on the data he was able to collect from the schools. He does have data around the country but it is at a different level than what has been provided.
- Mr. Proctor noted if the Commission recommends common procurement then the way to extend this is to move to common design. There is a consensus to move to common design for dental, long-term disability and life insurance. Short-term disability would involve cost increase and should be left out.

Discussion of Tactical Recommendations:

NOTE: Gantt Chart handout is attached below.

- *Central hosting and shared data center*
- *Common application for admissions*
- *Ongoing structure for administrative collaboration*
- *Common procurement function with common e-procurement software*
- *Eliminate multiple prime contracting requirements*
- *Eliminate restrictions in ORC that limit operational flexibility*
 - *Construction bidding (purchasing)*
 - *No recommendations*

- *Ohio Arts Council*
- *Leasing Property process*
- *Accounting for construction and capital purchases*
- *Open meetings and public records*
- *Mandatory direct deposit*
- *Legal – small claims limits*
- *Sequenced phased migration to common IT platform specifications and common fundamental applications*
- *Legal Counsel:*
 - *Collaborative Evaluation System for General Counsel*
 - *Pre-appoint Special Counsel in Specialized Areas*
 - *Appointments of Intellectual Property Counsel Continue for Duration of Intellectual Property Issue*
- *Move to print management approach to consolidate printing, copying, and faxing hardware.*
- *Collaborative healthcare benefits purchasing*
 - *Elimination of Indemnity, Fully Insured Healthcare Plans*
 - *Common procurement of medical coverage by 9 NEO 2- and 4-year institutions*
 - *Common design of dental, long-term disability, and life insurance benefits; migration toward combine design of general medical benefits*
- *Tactical steps toward transparency/simplification of tuition and fees*
- Dr. Creamer suggested some of these need to happen in the next six months. Mr. Kaufmann agreed and noted some might even need to start now. Dr. Case added that in order for anything to begin, the Presidents must all be committed to these recommendations and seeing them through.
- There were concerns regarding multiple prime. It was noted that Bruce Johnson was introduced to the recommendation earlier in the day. The CFOs will confirm that Inter-University Council of Ohio will be the lead on this.
- Mr. Proctor noted many of these recommendations would be beneficial if adopted statewide. Changes will be made to the recommendations of the legal counsel.

Adjourn

