The meeting was called to order by Chair Tom Lauth.

Approval of Minutes

The minutes from the January 11 meeting were approved.

Committee Reports

- Treasurer’s Report. The current balance is $15,068.91.

- Retiree Reception. Lindsay Copus gave a report on the upcoming Retiree Reception and several items related to the event were discussed:

  1. Invitation. Copus shared a copy of last year’s invitation and inquired if the Council wanted to stay with a similar design for this year’s invitation. Other than the date and a slight wording change, we will stay with the design. Invitations should go out by the first of April.

  2. Who Is Invited? Jennings requested that we take a look at who is invited to the event. Currently lifetime members of UGARA and new retirees are invited. There was a subsequent discussion if more retirees from more recent years should be included as well and a number of issues related to that such as (a) how many lifetime members have actually attended in the past; (b) how many years back should we go if we decide to invite additional past retirees; (c) should other groups (such as UGAREA) be invited; and (d) if this was the best mechanism to engage past retirees. Other things which need to be considered prior to increasing the invitation list include not only budget, but seating constraints. Concern was also expressed that being more inclusive might lead to some confusion when past retirees receive an invitation to an event that has been typically reserved for new retirees. This would likely require a separate or unique invitation for those individuals.

  3. Calling New Retirees. Once the list of names of the new retirees is available, the Council will divide the list among Council members and call new retirees to personally invite them to the reception. In the past, calling has increased our attendance.

  4. Display or Handouts at the Reception. Scott Giles suggested that a handout or bookmark of information about UGARA be available at the reception to distribute to new retirees. This might appear redundant since there will be an UGARA display table at the reception and most UGARA information is available via the Facebook page and that reference appears on the invitation as well as the PowerPoint presentation that runs continuously at the reception. On the other hand, a bookmark would be a low cost mechanism to provide a handout to retirees at the reception and Jennings will discuss a potential design with staff in the Alumni Office.

  5. Speaker Pat Allen. Lauth will be meeting soon with Pat Allen to discuss further the topic of his talk at the reception.

- Benefits. Mark Eason gave a report on benefits. Eason continues to monitor activities of both the Board of Regents as well as the Legislature. There was no news on the Board of Regents since the Board does not meet in February thus minutes from the January meeting will not be posted until March. This is an off year for introducing bills into the Legislature that have a fiscal impact on the retirement system as no fiscal bills would be forwarded for actuarial study in 2016. There has been no activity on non-fiscal bills that carried over and no new bills have been introduced in 2016 to date. Non-fiscal bills have to be
introduced during the first 20 days of the Legislature and that deadline is rapidly approaching as of the February 8 date of the UGARA meeting.

**Old Business: None**

**New Business**

1. **Update on UGA HR Retiree Health Enrollment Process and Retiree Insurance Information Center.** Lauth wrote a thank you letter to President Morehead for his support of the information center and a copy of that letter is included in the minutes. Travis Jackson was not at the meeting, but sent a report to Lauth.

2. **Retiree Information Center.** The Information Center was closed on January 29 and it was considered a tremendous success. There will be an evaluation on whether to open a similar operation in Fall 2016 that would serve new retirees and retirees who are considering making changes to the plans during open enrollment. Approximately 1,500 customers came to the Center while it was open.

3. **Non-Responders.** There are approximately 25 retirees who are considered non-responders. UGA Human Resources continues to work diligently to find and contact these retirees before the end of February.

4. **Aon Hewitt.** There are fewer issues and complaints with Aon Hewitt, although there have been some questions involving the HRA, but these are not widespread.

5. **Enrollment Deadline.** Jackson did not provide information as to whether there had been a change in the enrollment deadline policy for retirees who did not enroll during the first year of this change. In an earlier meeting, it was stated that retirees who did not originally enroll would have a second opportunity during Open Enrollment during the Fall of 2016, but discussion at the January meeting contradicted that. Lauth was going to follow up with Jackson on that question.

6. **President’s Report.** Lauth reported:

   - **Institute of Gerontology.** Lauth met with Mary Ann Johnson, Interim Director of the Institute of Gerontology, regarding interest in conducting a study about the transaction costs (not only in financial, but human costs) caused by the change in insurance, satisfaction with the change, etc. A series of emails between the two followed. The most recent email message from Johnson to Lauth was circulated to Council and discussed in which she laid out aims for a potential study and two possible surveys that the Institute might conduct: (1) Online survey through Qualtrix to about 1,000 retirees would cost approximately $2,500. (2) Phone survey to a sample size of about 100 would cost approximately $10,000. Assistance from UGA Human Resources would be required for the second survey since sensitive information on retirees would need to be obtained. There was some discussion previously about UGARA spending a small amount of money in support of a study and we will need to have further discussion about this. Before proceeding, however, Johnson suggested that Lauth write to President Morehead to gauge his reaction to a proposed academic survey along these lines. UGARA sees this as an opportunity for the Institute of Gerontology to learn more about how a public policy “shock” event such as this impacts people in the age range they serve and not in any way as a tool to reflect negatively on the University System. Lauth will be meeting with Dean Williams (College of Public Health) later in the week to discuss this further and to decide if a letter or a personal meeting with Morehead might be the better vehicle for moving this forward.

   - **UGA Representation on USG Retirees Council.** Lauth circulated a draft letter written to Provost Whitten regarding the UGARA Board proposing that the UGA representative to the USG Council be the immediate past President of the UGARA Council and that the alternate (substituting for the representative when necessary) be the sitting President. This procedure is intended to provide predictability in the selection process and continuity for UGA’s representation on the USG Retirees Council. Following a discussion, Lauth will forward the letter to the Provost later in the week.
• **Nominations Committee.** Tom Lauth, Sharron Hannon, and Freda Scott Giles are serving on a committee to nominate new members to the UGARA Board. The committee will hold a meeting in the near future and make their recommendations available at our next meeting on March 14. There will be three vacancies for the coming year.

• **Letter written to the Chancellor to follow up on our special meeting of October 12.** The letter was in response to UGARA’s meeting with a small group of UGA retirees who had questions regarding the change in health insurance that the Council could not answer. The letter was sent December 1 and a response was just received. A motion was made and approved to thank the Chancellor for his response and attach both letters as a permanent record to the minutes of this meeting. A follow-up thank you letter is also included.

• **Meeting was adjourned.**

**Next meeting: Monday, March 14, 2016 at 10:00 a.m.**

Respectfully submitted,

Sharron C. Thompson, Secretary
University of Georgia Retirees Association  
Wray-Nicholson House  
298 S. Hull St.  
Athens, GA 30602  

February 1, 2016

Jere W. Morehead  
President  
The University of Georgia  
Administration Building  
Athens, GA 30602

Dear President Morehead:

I am writing on behalf of the University of Georgia Retirees Association (UGARA) Council to express our appreciation for your support of University of Georgia retirees during the recent transition to the new University System of Georgia (USG) method for providing health insurance coverage to our faculty and staff retirees.

The retiree assistance center established by the University's Human Resources Division at a convenient off-campus location was of great benefit to retirees during this difficult transition period. Your strong and immediate support of this initiative is very much appreciated. During the period October, 2015 - January, 2016, 1,500 retirees and/or spouses were served. The UGARA Council appreciates the assistance retirees received from the University under the leadership of Juan Jarrett and Travis Jackson. Brahm Verma (then UGARA Council President) and I appreciate the time and attention you extended to us when we contacted you last April about this initiative.

The transition to the new method of obtaining USG health insurance coverage has had high physical, emotional and in some cases economic costs for our retirees. The University of Georgia's retiree assistance center no doubt eased some of those transactions costs. For that, we thank you.

Sincerely,

[Signature]

Thomas P. Lauth  
President, UGARA

cc: Juan Jarrett  
Travis P. Jackson
University of Georgia Retirees Association  
Wray-Nicholson House  
298 S. Hull St.  
Athens, GA 30602  

December 1, 2015

Henry M. Huckaby  
Chancellor  
The University System of Georgia  
270 Washington Street, S.W.  
Atlanta, GA 30334

Dear Chancellor Huckaby:

I am writing to you in my capacity as President of the University of Georgia Retirees Association (UGARA) Council and on behalf a group of University of Georgia retirees who made a presentation to our UGARA Council meeting on October 12, 2015. The spokesperson for the retiree group expressed appreciation for what the UGARA Council has done on behalf of University of Georgia (UGA) retirees as they prepare for transition to the new University System of Georgia (USG) policy for providing health insurance coverage for USG retirees, but posed to us several difficult questions.

The UGARA Council has consistently taken the position that although the USG rollout of the new retiree health insurance policy was, perhaps at the risk of understatement, not well handled, those events are now behind us and going forward UGARA Council energies should be focused on ensuring that UGA retirees are informed about and assisted in a successful transition to the new normal of obtaining market-based health insurance coverage brokered by Aon-Hewett. As you know, some of our retirees are experiencing the early stages of dementia hampering their decision-making, some are hard of hearing hampering their enrollment telephone conversations, some are computer technology challenged hampering their vital information data entry, and some are identified as addressee unknown hampering their very act of enrollment. The UGARA Council applauds the efforts of the Human Resources office at the University of Georgia to place a high priority on assisting these and other retired colleagues.

However, as the UGARA Council again learned on October 12, a deep reservoir of retiree anger, distrust, and fear persists. It is reflected in the several questions that were posed to us, which I now pose to you.
What is the length of the USG contract with Aon-Hewitt? Is it likely that Aon-Hewitt will be available to continue its support for USG retirees beyond the current transition year?

What is the USG commitment to retirees regarding the level of Health Retirement Account (HRA) financial support in future years?

How much money is being saved by the USG as the result of the new policy separating retirees from current employees in the health insurance pool? Will it be cost-beneficial?

What are the terms of the USG/Aon-Hewitt agreement with regard to the sources of financial compensation for each party?

The UGARA Council, of course, fully understands the fiscal vise in which the USG finds itself with annually increasing health care costs and a diminishing annual share of state appropriations. The transition to a market-based health insurance plan may well be sound long-term public policy, but the USG surely is aware that the short-term consequences of the transition are unhappy ones for retirees. As the UGARA Council seeks to be responsive to its local constituents, your candid responses to the above questions will be greatly appreciated. Thank you for your help.

Sincerely,

Thomas P. Lauth
President
University of Georgia Retirees Association Council

cc: Marion Fedrick
Vice Chancellor for Human Resources

Juan Jarrett
Associate Vice President Human Resources
The University of Georgia
January 29, 2016

Dr. Thomas P. Lauth
President, University System of Georgia
Retirees Association Council
Wray-Nicholson House
Athens, GA 30602

Dear Dr. Lauth:

Thank you for your letter dated December 1, 2015. I appreciate the Council’s focus and assistance as the University System transitions to the new retiree health coverage for 2016.

I am also pleased to hear that the UGARA Council has recognized the hard work of the UGA HR office in supporting this change. The UGA Retiree Support Center has been instrumental in making this transition a more positive experience for those retirees needing in-person help in preparing and enrolling in their new plans for 2016.

In regard to the questions posed by the UGARA Council, many of these questions were raised in the retiree meetings held across the state and I share these responses with you.

**Question:** What is the length of the USG contract with Aon-Hewitt? Is it likely that Aon-Hewitt will be available to continue its support for USG retirees beyond the current transition year?

➢ The length of the USG contract with Aon is one year, which is the maximum length of time allowed to contract with a vendor. We do have the authority to renew the contract each year on an on-going basis. It is expected that Aon will be available to continue its support for USG retirees beyond this initial transition year. Aon has been running its exchange for several years and is a financially strong company which is one of the many reasons Aon was chosen. Aon’s performance will be evaluated each year to determine whether the contract should be renewed.

**Question:** What is the USG commitment to retirees regarding the level of Health Reimbursement Account (HRA) financial support in future years?

➢ USG remains committed to providing a retiree health benefit. The amount of the benefit will be reviewed and determined by many of the same criteria used today to determine the USG contribution. Factors, such as available budget and overall healthcare spending are taken into consideration in determining the amount of the USG contribution. Because these factors change from year to year, the amount of the contribution must be determined on an annual basis.

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Question: How much money is being saved by the USG as the result of the new policy separating retirees from current employees in the health insurance pool? Will it be cost-beneficial?

- USG is saving the amount that retiree health care costs would have increased from 2015 to 2016, approximately $6.8 million or 15.7% increase over the prior year. Yes, this change is cost-beneficial. The private insurance marketplace is a more efficient way for USG to provide access to comparable health care coverage to retirees, while also offering retirees a broader range of options and price points than are available through our current plan. Coverage comparable to the current USG health care plan will be available at a lower cost through the Aon Retiree Health Exchange, which will yield savings for USG and the vast majority of retirees.

Question: What are the terms of the USG/Aon-Hewitt agreement with regard to the sources of financial compensation for each party?

- USG is not paying Aon to provide this exchange option. Aon receives commissions from the insurance carriers which supports the Benefits Advisor services and management of the exchange and the Health Reimbursement Account. The Benefits Advisors are salaried and do not receive commissions based on the retiree’s plan enrollment. USG does not receive any financial compensation from Aon.

I hope this provides the clarity and transparency that the UGARA Council is seeking. I realize that a change of this magnitude requires a period of adjustment. As we move forward in the new year, I also hope our retiree population becomes more comfortable with the change, the reasons for the change, and the positive value of the new coverage and services provided by Aon.

We are committed to ensure the communication channels are open and are responsive to the USG Retiree Advisory Council. The Council’s feedback and insights are helpful and valued.

If you have additional questions, please do not hesitate to contact me.

Sincerely,

Henry M. Huckaby
Chancellor

cc: Marion Fedrick
Vice Chancellor of Human Resources
University System of Georgia

Karin Elliott
Associate Vice Chancellor for Total Rewards
University System of Georgia

Juan Jarrett
Associate Vice President Human Resources
The University of Georgia

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February 12, 2016

Henry M. Huckaby  
Chancellor  
The University System of Georgia  
270 Washington Street, S.W.  
Atlanta, GA 30334

Dear Chancellor Huckaby:

I am writing on behalf of the University of Georgia Retirees Association (UGARA) Council to thank you for your letter of January 29, 2016 providing responses to several questions posed by the UGARA Council about the new University System method of providing health insurance coverage for System retirees. We very much appreciate the efforts of you and your staff in preparing this letter.

Sincerely,

[Signature]

Thomas P. Lauth  
President  
UGARA Council