

# Inter Faculty Organization

BEMIDJI - MANKATO - METROPOLITAN - MOORHEAD - SOUTHWEST - ST. CLOUD - WINONA

## Faculty Update

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### NOTES FROM THE PRESIDENT

by [Nancy J. Black](#), IFO President

Dear Colleagues:

#### MnSCU 2007 Budget Request

During this past summer the Inter Faculty Organization met with MnSCU in the Biennial Budget Workgroups to develop an appropriation request for the legislature in 2007. In anticipation of this budget development process, last spring the IFO Board of Directors had adopted budget recommendations. I gave a presentation to the MnSCU Board of Trustees and Chancellor McCormick at Public Hearings for the FY 2008-2009 Biennial Budget at Ridgewater College on September 27, 2006, that expressed our views. In my remarks to the Trustees I emphasized that the state has not recognized the cost of inflation for over four years. This resulted in a shifting of the cost of inflation to students in the form of skyrocketing tuition. In addition, faculty salaries have become less competitive, making it more difficult to recruit and retain faculty. As you well know, our technological infrastructure has not kept up with demand. The Board responded with many questions, and the sentiment in the room reflected a reluctance to continue high tuition raises. Click [here](#) for a copy of my remarks.

#### The 2006-07 IFO Board

The IFO Board held its first meeting on September 14 and 15. It is gratifying to see many new as well as returning members on the Board. You can find a list of your representatives on the IFO Board by clicking [here](#). Please contact these individuals with your union concerns--you elected them to represent you. The IFO elected new officers at this meeting. Cindy Phillips was elected Vice-Chair, Cathy Summa was elected Treasurer, and Elizabeth Dunn was elected Secretary.

### OPEN ENROLLMENT FOR HEALTH, DENTAL AND PRETAX ACCOUNTS STARTS NOVEMBER 1<sup>ST</sup>

by [Russ Stanton](#), IFO Director of Government Relations

Open enrollment for calendar year 2007 health, dental and disability insurance and for participation in

various employee pre-tax benefits begins November 1<sup>st</sup> and ends on November 14<sup>th</sup>. During open enrollment you can change carriers, add or drop coverages, increase life insurance, and enroll in pre-tax spending accounts. All employees should be receiving information in the mail. There were few changes to the state insurance plans this year, so the state is expecting the process to go smoothly. Employees with questions about open enrollment should visit the Department of Employee Relations (DOER) web page, [www.doer.state.mn.us](http://www.doer.state.mn.us), or call the State Employee Group Insurance Program service center at 651-335-0100. DOER has also scheduled dozens of informational meetings around the state starting October 30<sup>th</sup> and continuing through November 9<sup>th</sup>. For a list of meeting times and locations, click [here](#).

The state health plans offer \$5 reduction in co-pays for employees who take a voluntary health assessment during open enrollment. Only the employee has to take the health assessment, but for employees with dependent coverage, the \$5 break in co-pays applies to all members of the family. The purpose of the survey is to identify employees with health risks and to encourage them to get appropriate treatment. It is the belief of health care officials that identifying health risks early and encouraging treatment will reduce health care costs for everyone (the state plan is self insured). **Participation in the health assessment is voluntary**—if you are uncomfortable participating, just don't take the survey. **You must take the health care survey every year in order to continue the \$5 reduction in co-pays. If you took the survey last year, you will have to take it again this year to continue the reduced co-pay.**

## NEW SERVICE TO HELP EMPLOYEES GET THE MOST OUT OF THE STATE HEALTH PLANS

by [Russ Stanton](#), IFO Director of Government Relations

Are you having trouble understanding your benefits and options under the state health plans? Do you have questions on appropriate treatments for certain conditions? Do you have coverage or billing questions? Now there is a free service to provide you with one-on-one coaching to help you understand and get the most out of your state health plan coverage.

The new service that just took effect is called Advantage Health Advisors (AHA). It is a joint labor/management project to help members of the state health plans understand and navigate our complex health care system. A team of nurse advisors will help you work through questions about treatment options, provider selection, and health benefits. They can help you:

- Walk through medical decisions step by step.
- Know your treatment and care choices.
- Find an appropriate specialist.
- Find the right provider based on your preferences and values.
- Coordinate care between providers and facilities.
- Answer drug related questions.
- Consult with physicians and pharmacists on your behalf.
- Resolve billing and benefit issues.

To use this free service, just call 877-242-0111. For more information you can visit the online web page at: [www.advantagehealthadvisors.com](http://www.advantagehealthadvisors.com).

## DON'T OVERLOOK MDEA TAX BREAK

by [Russ Stanton](#), IFO Director of Government Relations

During open enrollment, faculty members will have an option to sign up for the Medical Dental Expense Account (MDEA) through which they can voluntarily reduce their salary by a certain amount each paycheck and use the money to pay for unreimbursed medical and dental expense (such as deductibles and co-pays) on a pre-tax basis. The MDEA is the State of Minnesota's version of a Flexible Spending Account (FSA). While the tax savings of these type of accounts are considerable, an important drawback is that if you don't use all of the money set aside in your account by the end of the year, you will forfeit it at the end of the year (the "use it or lose it" rule).

Two years ago, IFO negotiated a new type of healthcare expense reimbursement account called a Healthcare Reimbursement Account (HRA). The employer deposits \$600 per year into an account for every health insurance eligible faculty member. The money can be used in essentially the same way as the MDEA money (to pay deductibles, co-pays, etc.) but the HRA has a distinct advantage—the unused balance at the end of each year rolls forward and can be used for expenses in the next year.

If a faculty member has a balance in his/her HRA of more than \$500 at the end of a calendar year, the balance will roll forward for use in the subsequent year, but the \$600 for the subsequent year will be put into the post-retirement Health Care Savings Plan. Money in a faculty member's HCSP account earns interest and is available on a tax-free basis to cover the health care expenses of the faculty member and his or her dependents following separation from MnSCU service.

The MDEA is still available to faculty members. Participation is voluntary. If a faculty member participates in the MDEA, the MDEA pays for expenses first, and when the MDEA is exhausted, the remaining expenses for the year are taken out of the HRA. Thus, by using the MDEA, a faculty member can increase the amount of their HRA that will roll forward and increase the amount of money that will be set aside tax-free in their HCSP for use after separation.

Here is my advice for using the MDEA: Use the MDEA, but estimate your on-going unreimbursed medical expenses conservatively so you don't end up forfeiting money at the end of the year. If you estimate too conservatively on the amount you set aside in the MDEA, you always have the HRA as a back-up. Using the MDEA will increase the amount of your HRA that will roll forward and will eventually increase the amount that you will have set aside in your HCSP for health care following separation from employment.

## STATE HEALTH INSURANCE RATES CONTINUE THEIR UPWARD RISE IN 2007

by [Russ Stanton](#), IFO Director of Government Relations

After a year of no increases in premiums, the cost of state health insurance will increase 9.9% next year. The cost of employee health coverage will rise from \$368.68 to \$405.18 per month. The cost of dependent coverage increased from \$715.48 to \$786.32 per month. Under the IFO/MnSCU contract, the employer pays 100% of employee health coverage and 85% of dependent coverage; IFO members do not pay anything for employee coverage, but pay 15% of the dependent premium. Faculty members with dependent coverage will see their employee portion of dependent premiums increase from \$107.32 to \$117.94 per month—a \$10.62 per month increase.

Dental premiums will decrease 3.2% for Blue Plus Dental, but will increase 4% for the State Dental Plan (Delta) and 5% for Health Partners Dental.

Retiree health plan premiums actually dropped a little for next year—premiums under the state coordinated plan dropped 2.2%; and HP Freedom premiums dropped 6.9%. However, UCare premiums went up 6.7%.

For a chart of premium changes, click [here](#).

The increases in health care costs can be traced to a very important trend—as the baby boom grows older the average age of the state work force is rising and with that comes a rise in age related diseases and health problems. The state health plan is trying to counteract the rising costs of health care by better managing the care of plan participants with high impact conditions—depression, heart conditions, asthma, and diabetes. Persons with these diseases account for 74.9% of the health care costs. The state health plan hopes that by identifying these conditions early and by directing affected participants to the best treatment, it will result in healthier participants and smaller cost increases for everyone in the plan.

## STATUS OF THE 2006 SALARY REVIEW STUDY

by [Cathy Summa](#), Chair Salary Review Committee

In addition to the annual review process, the [joint MnSCU-IFO Salary Review Committee \(SRC\)](#) is also in the planning process for the 2006 salary study. According to our contract, this study will take place every four (4) years, and the salaries of all faculty members will be reviewed. MnSCU has issued a Request for Proposals (RFP) to conduct the 2006 study as recommended by the SRC. The SRC will be interviewing a subset of the responding firms before making a recommendation on a firm to conduct the study. The SRC expects that MnSCU will have the consultant selected and a contract for services executed by mid-November. The selected vendor will conduct the study during spring 2007 after further consultation with the SRC. The SRC anticipates that the consultants will present the results of the study to campuses in September 2007. The Salary Equity Committee (SEC – the IFO membership of the SRC) anticipates working with the IFO Negotiating Team to develop a strategy for implementing the results of the study.

Finally, the SEC would like to express its sincere appreciation and gratitude to Mandy Wick (Bemidji), who is stepping down from the SEC/SRC after eight years of dedicated service.

## CONTACT US

The IFO *Faculty Update* is published and distributed by the [Inter Faculty Organization](#). If you need to contact the Inter Faculty Organization, our address is 165 Western Avenue North, Suite 8, Saint Paul, MN 55102, or you can reach us by phone at 800/325-9644 or 651/227-8442. You can send us an email by clicking [here](#).