

Memry Dahl

Chief Human Resources Officer
1815 Bragaw Street, Ste. 102
Anchorage, AK 99508
(907) 450-8255 | ua-chro@alaska.edu
www.alaska.edu/hr



Date: April 1, 2024

To: Jill Dumensil, JHCC Chair

From: Memry Dahl, CHRO *Memry Dahl*

CC: Jill Dumensil, UNAC Chair
Ronnie Houchin, Staff Alliance Chair
Charlie Silva, L6070 Chair
Nick Clark, Firefighters Association Chair
Heather Arana, Director of Benefits and Compensation

Re: Response to Joint Health Care Committee Recommendations

Thank you for your thoughtful and candid dialog regarding the FY25 healthcare plan. Please let this serve as my response to your March 8, 2024, memorandum regarding the recommendations voted on by the committee for the following recommendations:

- Adoption of bylaws for the JHCC
- Utilizing Google Drive
- Approval of the FY25 proposed rates without UA Wellness Rebate
- Elimination of monetary incentives and point structure for the UA Wellness plan, while retaining a UA Wellness plan on a voluntary basis

The JHCC recommends the adoption of their proposed bylaws for the committee.

As to the adoption of bylaws, the Joint Health Care Committee is an advisory committee and not a governance group. The committee is formulated based on the Collective Bargaining Agreements of the UNAC, L6070, and L1324 unions. I would therefore recommend the formulation of committee guidelines instead of bylaws, as previously discussed with the JHCC. I have attached a draft working document for our discussion.

The JHCC recommends the utilization of Google Drive to house all related documentation.

The utilization of Google Drive to hold documents relating to JHCC meetings was adopted and all members have access to the drive structure, with the committee chair having edit writes and all others having commenting privileges. The drive now holds agendas and all supporting documents for JHCC meetings and recommendations.

Memry Dahl

Chief Human Resources Officer
1815 Bragaw Street, Ste. 102
Anchorage, AK 99508
(907) 450-8255 | ua-chro@alaska.edu
www.alaska.edu/hr



The JHCC supports the rates without UA Wellness Rebate costs.

The rate limit approved by the JHCC is accepted. The finalized rates are less than the rates which the JHCC approved.

The JHCC recommends eliminating the monetary incentives and point structure of the UA Wellness plan, while retaining a UA Wellness plan on a voluntary basis.

Per studies published by the World Economic Forum, the Rand Corporation, and the Journal of Occupational and Environmental Medicine, there is a positive return on investment in wellness programs. There is variance among the studies as to the amount of savings, but these studies show anywhere from \$1.50 to \$2.53 in savings per dollar spent on wellness programs. Per data previously shared by Lockton, wellness plans that do not have an incentive have proven to have little to no participation and do not see the cost savings of those plans that monetarily incentivize participation.

Engaging wellness plans are a key component of a competitive employment marketplace. As of 2021, studies show that nearly 60% of 4-year colleges with at least 500 employees, and 93% of US and Canadian medical schools, provide a wellness program.

To ensure that we remain both competitive with our peers and ensure our fiduciarily responsible to the UA Choice plans, we believe the most effective plan design incorporates a wellness plan with a monetary incentive.

Per discussions during the JHCC meetings, the vote from JHCC that recommended the rebate be removed for the wellness plan, was driven from the continued increase to plan premiums and the punitive perception of the funding mechanism for the rebate post-cost sharing breakout. Additionally, the Employee Experience survey completed earlier this year provided overwhelming feedback that employee benefits, including the wellness plan, were of key importance to the employee base.

To accomplish the goal of retaining the effectiveness of the wellness plan and removing the perception of penalty for the incentive payout, UA will retain the rebate, but account for the rebate within the plan itself, incorporated within the 82/18 University-Employee cost sharing, along with the wellness plan administration costs. This reduces the over-recovery based on the collection of those funds from non-participation in the UA Wellness plan and UA takes on the burden of 82% of the wellness rebates paid out. Adjusting the cost sharing with employees on the wellness rebate provides a reduction in premiums for the majority of employees, up to 14.86%. This is both less than the rates approved by the JHCC and also affords employees the rebate that has had consistent meaningful participation for a significant portion of the adult plan population.