

USG Retiree Council Spring Meeting
On-Line Meeting using Zoom
*April 5, 2024 – Revised

- 9:00 - 9:05 Chair Calls the meeting to order - Ed Rondeau
- 9:05 - 9:20 Secretary calls the role of institutions - Debbie Durden
Institutions will be called in alphabetical order
- 9:20 - 9:50 Briefing from: Teresa MacCartney, USG Chief Operating Officer, COO – Operations - What she does, the state of the University System from her perspective, USG strategic planning, and what is the strategic plan for the University System to educate long-term thinkers?

Committee Reports:

- 9:50 - 10:00 Committee Report-- USG Communications Committee and USG Open Enrollment Communications Committee - Dennis Marks
- 10:00 - 10:05 Retirement Advisory and Investment Committee - Dorothy Zinsmeister
- 10:05 - 10:10 USG Well-Being Funding Review Committee – Kathryn Grams
- 10:10 - 10:20 USG Faculty Council Report - Michelle Brattain Georgia State University.
- 10:20 - 10:30 USG Staff Council Report – Scott Taylor, Georgia Southern University

USG:

- 10:30 -10:50 USG Faculty Handbook changes relating to Emeritus status, status of Albany State with USGRC, and representation status of USG staff retirees to share with USGRC members - Dr. Dana Nichols, Vice Chancellor for Academic Affairs
- 10:50 - 11:00 10-minute break
- 11:00 - 12:20pm Alight Retiree Health Insurance Exchange Benefits - Mat Burkley and Steven Cox.
Align responses to current USGRC concerns:
- Discuss account reimbursement passcode security issues.
 - How are carriers selected?
 - Why, in some cases, are policies offered through Alight more expensive than equivalent policies offered to the general public by the same carrier?
 - Does Alight receive fees outside of the USG System from carriers?
 - Discuss apparent drug pricing reductions that some USGRC members are experiencing in early 2024.

*12:20-12:45pm USG response to the USGRC e-mail dated October 1, 2023 (see attachment) to Karin Elliott on the USG changes to the HRA, and Health Insurance Updates and Report from the Total Rewards Steering Committee (TRSC) - Karin Elliott, Interim Vice Chancellor, Human Resources

12:45 - 1:00pm HRA proposal — Dennis Marks. *Proposal that the USGRC advocate with the USG to set up a pooling mechanism, whereby retirees can donate from their HRA to an HRA pool for use by retirees who have exhausted their HRA.* Discussion and follow-up with presentation and vote at the Fall 2024 meeting. Question: What about surviving spouses donating from their HRA to an HRA pool?

1:00 -1:15pm Old/New Business—Ed Rondeau

- Proposed change to the Bylaws and vote by the USGRC voting members: To provide a wider range of officer candidates, we are proposing to allow USGRC university alternates to be eligible for nomination to the Chair-Elect or Secretary positions with a recommended change to Bylaw VI.1 as underlined below:

“Article VI.1. Officers...Only those who have served as USGRC voting members or alternates within the previous three years shall be eligible to serve as Officers.”

- Report of the Nominations Committee — Nancy McDuff, Chair, and Election of Chair-Elect, Tom Jackson, University of Georgia, and Secretary, Ted Wadley, Georgia State University for the 2024 – 2025 term. Vote by the USGRC voting members to accept this slate of officers.
- Recommendation of Martha Wicker, Clayton State University was approved by Karin Elliott for the USGRC Communications Committee Member/Rep. to replace Dennis Marks effective 1 July 2024.

Information:

- *1. USGRC 2024 – 2025 Chair: Michael Hazelkorn, College of Costal Georgia, effective July 1, 2024.
- *2 The Georgia Association of Higher Education Retiree Organization (GA-HERO) is planning a Yearly Meet-Up: face-to-face at Valdosta State University on June 7, 2024. GA-HERO is asking that you let your Retiree Organization members and guests know about this Yearly Meet-Up. Further information to follow.

1:15pm Adjournment—Ed Rondeau

Committee Reports (Please see appendices for details)

Please note that the USGRC Fall 2023 meeting minutes were approved via votes cast on email

*04/04/2024

University System of Georgia Retiree Council (USGRC) Meeting

April 5, 2024

Held on Zoom

9:00 am – 1:30 pm

MEETING NOTES

Present:

Clayton State University (Martha Wicker, Voting Member; Debbie Durden, Secretary, USGRC); College of Coastal Georgia (Andrea Wallace, Voting Member; Rebecca Farrow, alternate); East Georgia State College (John Derden, Voting Member); Fort Valley State University (Gwendolyn Reeve, voting member); Georgia College and State University (David Muschell, Voting Member; Paul Jahr, Alternate); Georgia Gwinnett University (Roger Ozaki, Voting Member), Georgia Tech (Ed Rondeau, Voting Member, and current Chair, USGRC; Ron Bohlander, former chair, USGRC; Wayne Book, Alternate); Georgia Southern (Barbara Mitchell, Voting Member); Georgia Southwestern (Richard Barringer, Voting Member); Georgia State University (Ted Wadley, Voting Member; Harry Dangel, former chair, USGRC; Missy Cody, former chair, USGRC) ; Kennesaw State University (Dorothy Zinsmeister, Voting Member, Chuck Aust, Alternate); Middle Georgia College (Mike Womack, Alternate – Voting Member today); South Georgia State College (Jim Cottingham, Voting Member); University of Georgia (Douglas Fisher, Voting Member, Tom Jackson, Alternate) and Nancy McDuff (former chair, USGRC); University of West Georgia (Anne Richards, Voting Member; Meg Cooper, Alternate; Mitch Clifton, former chair, USGRC; Kathryn Grams, member USG Wellbeing Funding Review Committee); Valdosta State University (Dennis Marks, Voting Member – last meeting after 10 years of service; Bob DeLong to become voting Member July 1, 2024).

Not represented: Abraham Baldwin Agricultural College, Albany State University, Atlanta Metropolitan State College, Augusta University, Columbus State University, Dalton State College, Georgia Highlands College, Gordon State College, Savannah State University, University of North Georgia.

USG Central Office Representatives

Karin Elliott – Interim Vice Chancellor for Human Resources

Dr. Teresa MacCartney, USG Chief Operating Officer (COO – Operations)

Dr. Dana Nichols – Vice Chancellor for Academic affairs

USG Staff Council Representative – Scott Taylor, Georgia Southern University

Alight

Mat Burkley, Implementation Client Manager

Steve Cox, Client Delivery Officer, Benefits Administration

John Grosso, Actuary Group

Debbie Durden reported that the minutes had been approved via e-mail.

1. Teresa MacCartney

Thank you for your service to the USG I can retire in 5 years so I understand how important this group is. I was asked to provide an update on the USG and strategic planning and then want to talk about the state health plan. The Chancellor has a saying: “Good Better Best, But Never Let it Rest until you Get to the Best.” [I MISSED PART OF THIS QUOTE.]

As a System, we can always improve. How do we ensure that we continue to be relevant and provide a quality education? We collect a ton of data about the System. But how do we use it to make improvements? The Chancellor has accelerated this. Go to our website and you can see the Strategic Plan there, with metrics on how to track progress regarding it. What you see today regarding metrics (internal dashboards) will continue to grow. We want to ensure it’s 100% accurate first before posting things.

Other initiative we worked on: Georgia Degrees Pay. A new website. Can look at all 26 institutions and find data on the cost of attending them, percentage of students enrolled with the Hope scholarship, and what graduate salaries are. So parents and students can make better-informed decisions about where to enroll.

Another initiative – letters sent out late Fall for GEORGIA MATCH. Working with the Governor’s office, Georgia Student Finance Commission and the Technical College System in Georgia. Directing more attention to high school students. The Finance Commission collects data on high school students regarding Hope. They know the GPA students earn and send a letter that lists, in the state of Georgia, all the institutions in Georgia where you qualify for admission. High School counselors are often overwhelmed and can’t do 1:1 counseling with college-bound students. This letter shows students options with links to provide information. GA Match letters go out from all institutions except UGA, Georgia Tech and Georgia College & State University.

The state of Georgia had extra money this year, but resources are typically limited. So, we’re working on partnering with the National Institute for Student Success (at Georgia State University). Thirteen of our institutions will provide resources regarding student success and retention once students have been recruited. We want students to graduate in a timely manner. The BOR and Chancellor have set aside money for this. We’re also looking at Shared Services. Some of our smaller institutions are sharing government relations positions or chief business officer positions (especially where it’s hard to recruit or retain persons in a given community). Shared Services for cybersecurity is also being looked into to provide the right resources needed.

Another big thing, which will take a tremendous amount of time, . . . we are starting a process to implement ERP (Enterprise Retirement Planning). The goal is to have one unified system across the state. \$88 million came from the State of Georgia. RFI – to pick vendors. We are closely watching what other states are doing and

looking at best practices. This will be a heavy lift. We will be working to fix any bumps in the road.

Next Thursday, Regents Cup Debate Series will be launched on the University of Georgia campus. How to grow this is a focus. Six institutions will compete at this first event. Academic Freedom, Freedom of Expression, etc. will be topics addressed. We have some great judges, including Nathan Deal. The goal is for the trophy to move back and forth. Wood from the State Capitol, UGA, Georgia Southern has been used in making the trophy. That has some history to it.

Our enrollment is rebounding. It's up 4.8% from Last Spring. We are excited about the budget for the USG. We got the money to fund health insurance and a tremendous amount of support for renovations. And we also got \$66 million cut restored for FY 2025.

Recent legislation included a legal caption – to work with the Department of Community Health to **look into combining the health insurance plans Of the University System and the Merit System so Georgia will have one combined health plan.** We will work with various groups. Where can we have some potential buying power wins around this? 6500-7000 lives are covered. We did some initiative with DCH years ago to drive down costs. A lot of work needs to be done to determine how we move forward. With regard to what this means for local state agencies and school systems – more on this will come. Karin - feel free to pipe up if you think I got something wrong.

Karin Elliott: You got it all right. We've been in an environment that has involved a graduation cliff. Things are much more competitive now than when you were working. That's why we have the GA Match program, etc. – to deal with new competition.

Teresa MacCartney: Reinstatement of ACT, SAT Our Board will revisit this in April. We'll be looking at the data on each test to see if it will be optional or required again.

Dennis Marks: I'm on the USG **Open Enrollment** Communications Committee and have picked up a little expertise on healthcare insurance. I suggest, in addition to what you're considering, the possibility of a real blue-sky approach. Have as the pool in the insurance – not just Merit System employees/retirees and USG employees/retirees - but everyone in the State of Georgia. I think there is a real advantage in having an enormous pool of insured from everyone in the State of Georgia. It would take the burden of providing health care insurance off all employers. It would save a ton of money to have a public option that covers everybody. The benefits of getting everybody in the insurance pool is enormous, so at least this should be explored. Dorothy and I are among the founders of this organization. It was the issue of healthcare that motivated us to organize!

David Muschell: I'd appreciate it if you would explain a little more about the combined plan with DCH.

Teresa MacCartney: The Legislature just put the caption in the budget. We're not saying if it will or won't happen. The Legislature has asked us to explore this: (1) looking at active employees. What does our plan offer active employees across the state in DCH? DCH has healthier benefits than we provide to our active employees. It includes K-12 teachers. When SHP goes out to bid – how can we piggy-back on this and have leverage? How we provide healthcare to retirees is different from what the state of Georgia (which forces retirees into Medicare Advantage) provides. The Legislative session just ended. We'll have to have many conversations. (Aside from Dennis Marks: The "obvious cost-saver" is a shotgun marriage of the worst of both plans – force USG retirees into Medicare Advantage and force all active employees into the same plan by throttling the co-pays for the two groups differently in the name of equal treatment – to the detriment of both groups!)

Karin Elliott: That's all correct.

Dennis Marks: Even though my wife and I are taking positions in New York, I'm willing to share ideas through Zoom.

David Muschell: I am suspicious of what the Legislature wants. Seeing as how we had a cut to our insurance, this concerns me. The Board of Regents has a sort of contract with retirees. I'm a little scared about decisions like this which could be very affecting to our lives. I'm still in the dark about what this might mean.

Teresa MacCartney: I get your question and concern, but this is a process in which we'll have to work with all stakeholders to see if it's feasible to combine plans. Their health benefits are richer for active employees. For retirees, we have a richer plan than what the state has. There can be cost escalation or savings but it's too soon to know. I can't give you a definitive idea now where all this will go.

Ed Rondeau: We're coming up on ten years since the shift for retiree healthcare and we're just starting to get a handle on our program for retirees. Hopefully, lessons learned won't require retirees to go through a lot as they did from day one.

Teresa MacCartney: My goal is to retire from the USG. We use our benefits, including those in retirement, as a recruiting tool – to recruit and retain talent. We need to look through all of that to ensure no adverse consequences ensue.

Ron Bohlander: The reactions portion of Zoom can be used to raise or lower a hand – to call attention to a question you might want to talk about. It's better to do that

than what people are now doing [which is just speaking up when they are moved to do so]. If you don't see the raised hand, click on the "more..." button.

Dennis Marks: If we use this feature of Zoom, Ed can see the persons who want to speak in the order in which they raised their hand.

Ed Rondeau: Teresa. We appreciate your taking the time to share all this with us.

Teresa MacCartney: If you think of only one system, cybersecurity vs. disjointed systems, this would also give us the opportunity for real time data and more. Feel free to reach out if you have questions.

2. Voting Issues – [see page 2 of the agenda]

Nancy McDuff, Chair of the Nominations Committee proposed the following change to USGRC Bylaws.

"To provide a wider range of officer candidates, we are proposing to allow USGRC alternates to be eligible for nomination to the Chair-elect or Secretary positions with a recommended change to Bylaw V1.1 as underlined below:

"Article V1.1 Officers. ... Only those who have served as USGRC Voting Representatives or as Alternates within the previous three years shall be eligible to serve as Officers."

Nancy explained that the committee had found it would be advantageous to have Alternates considered for officers, so it recommended a change in the Bylaws. The committee wanted to open the pool to have more come on board. Since we don't meet personally, it's harder to get to know potential candidates.

Nancy put this forward for a vote. Dennis Marks said that motions from committee don't require a second and endorsed it wholeheartedly. He thought it important that we can draw on the expertise of all who have served on the Retiree Council. Anne Richards, for example, provided invaluable contributions but has not been a voting representative in the last three years. We have cut off expertise. I remember one institutional person who was nominated. This person was about to become Chair of a national nursing association, and so was not available to us for three years as the Chairship of that organization came with a three year commitment. This knocked her out of eligibility for ever becoming USGRC chair. This proposed amendment provides us with a much better pool of USGRC members.

Dorothy Zinsmeister: I'd like to encourage people to seriously consider serving in some way or another on our Council. I really benefited. You learn a lot about what retirees are doing, about retiree healthcare and you can share this with others in your campus association. It's worthwhile to do that. You're not volunteering to spend hours and hours and hours. There are only two meetings a year. And you get

a lot of help from others who are plenty willing to pitch in and help. So we'd like for you to say yes if asked. I've been here from day one (before Dennis!).

Dennis Marks: Remember, it was Dorothy who established a friendship with then Chancellor Hank Huckaby and convinced him of the wisdom of having a Retiree Council like the Faculty Council and the Staff Council. So, thank you, Dorothy.

Dorothy Zinsmeister: He was keen to support us. And Karin Elliott is now stuck with us.

Dennis Marks moved to approve this change by acclamation. Anne Richards seconded. The motion passed with no nay votes.

Reporting for the Nominations Committee Nancy McDuff said the committee was pleased to put forth Tom Jackson as Chair-elect. Jackson, she said, was a person who had great connections doing special projects at the USG.

And Ted Wadley was announced as the next secretary. Ted has great skills, Nancy noted, as a retiree from the English Department.

It was also announced that Martha Wicker was nominated to replace Dennis Marks on the USG Open Enrollment Communications Committee. Dennis explained that he had provided Martha with his full archive of email and files from his work on this committee in the past, and he had offered to be available for consultation as well.

Motion (Dennis Marks/Dorothy Zinsmeister): to approve Martha Wicker as our nominee to serve as the USG retiree representative on the USG OE Communications Committee. Passed on a voice vote with no nay votes.

3. Committee Reports

a. USG Communications Committee and USG Open Enrollment Communications Committee – Dennis Marks

Dennis Marks noted that we had already completed the first part of his report, which was recommending Martha Wicker replace him. He also said he hoped that Karin would share the recording of what he was about to say. It's A Tale of Two Provosts. And it illustrates where the USG has gone astray. It is a tale shaped by my 53 years of involvement in the USG.

The first Provost I had was Louis Levy. He has moved to Brookhaven, GA into a retirement facility, to be near his daughter. None of us is getting any younger. His health is declining and he has had some falls. When he came back to Valdosta a few years ago, a number of us went out to lunch with him. He was clearly a well-respected administrator.

My wife, Patricia, is a Professor Emerita and professionally active. She has won many awards and written many articles and seven books. My wife is just as active a

researcher as many active employees. And I've had the good fortune of solving a problem that stumped Albert Einstein!

Patricia remembers when Louis was promoted from a Department Head to the VP for Academic Affairs. That department was a handful! One professor of Anthropology actually had published a peer-reviewed paper "The Tribe Down the Hall." Louis visited every office on campus – faculty and staff. "How are you doing?" he asked. "What could VSU be doing better? How can I make your job easier?"

We were coming up on year 28 at VSU. 28 divided by 7 is 4. So we should have been coming up on our 4th sabbaticals. Ha! You know no one in the USG gets a sabbatical every 7 years. And, we had announced we would retire at 30 years. Any administrator can do the math. And it would be an easy NO. You won't be here long enough. But Louis said "YES." Sure enough, I went to Georgia Tech and studied with the late David Finkelstein (who had been nominated for a Nobel prize). He was not a good department head. He didn't have the administrative temperament. He was also a risky person to sign on with. He was a cutting-edge thinker. If you were one of his graduate students you might have success and launch a great career as a researcher, or you might get involved in something really nifty that doesn't work out and wind up without a job, or with a teaching job, often without tenure.

I could take the risk of studying with him. He introduced me to a way of doing high school geometry that had been overlooked. It turned out to be not only the best way of doing high school geometry but also the way to solve the big problem in physics that had stumped not only Einstein, but heretofore, everyone else. That nifty new way I was able to find out was not only periodic in metric signature, but also recursive in the total number of dimensions, space and time - so I could make bigger universes out of smaller universes. What possible use can that be to anyone? Turns out that the recursion formula I worked out has led to my being nominated for the Abel prize. (There is no Nobel prize in Mathematics because Alfred Nobel didn't think Math could find anything new. Now, there's a proposal to rename the Abel Prize the Abel-Nobel Prize in Mathematics.) That enables me to calculate all of physics and chemistry, including biologically active molecules. So now I have proposed a protocol that could keep cancers from getting big. That's why the University System has to cut people loose to do blue sky stuff.

Louis said YES to my sabbatical request and that has paid off. But I promised you A Tale of Two Provosts. The second one I will not name. Same position, different generation. One of the great accomplishments of this Retiree Council has been in figuring out how those who wish to remain professionally active can do so. A USGRC committee consisting of Ron Bohlander, Kathy Tomajko, Dorothy Zinsmeister, and myself (LASR) worked with Lucy Harrison, Chair of the Regents Academic Committee on Libraries (RACL). The four of us and Lucy hammered out a policy recommendation and had to make some hard decisions. It would be nice if all retirees could have everything but this is too expensive. The **compromise was**

that Emeriti faculty would have the same library access as active faculty and other retirees would have the same library access as students and alumni.

We were happy to have hammered out this compromise. RACL and USGRC jointly recommended it to the USG and Dana Nichols (Vice Chancellor for Academic Affairs at the USG) embraced it and took it to Provosts and it became policy on January 9, 2020. As we started implementing it, we have had some hiccups. There were initial problems with interlibrary loans. But it turned out that the hardest problem is open access research articles. Instead of a journal having a pay wall, authors now prepay for everyone an article processing charge (APC). It allows everyone with access to read your article. So, the presentation I made to the Georgia Academy of Science was accessed more than 95% of the articles posted to Research Gate in 2022. I've gone viral.

Turns out that you can't have access to an open access article unless you're on Microsoft's list of approved people at your institution. The Provost at VSU had called together a meeting for other administrators for "an initial meeting to discuss the access for emeriti." She didn't want to cost the university money. And there was an active faculty member who had just retired and had a blog site. Someone in administration told him to take his blog site down. Sunday morning he calls me. I told him, "Just ask IT to freeze the blog site, because there's no written policy regarding blogs for either active faculty or retirees."

I heard rumors that a meeting was coming up to discuss Emeriti library access. I let the Provost know that I had been on the committee that drafted the policy on emeriti access and I invited myself to the meeting. The nameless Provost threw a hissy fit, claimed the meeting was only an initial exploration of alternatives and said emphatically that I was not invited. I reminded her of Georgia's Open Meeting Act. She said she would allow five minutes of public comment at the end.

At the beginning of the meeting, I asked for a moment of personal privilege to thank the Provost's Office. I proceeded to thank the Provost, Louis Levy, who had granted me my pre-retirement sabbatical. The provost was furious. She shut me down – twice. So I sat and listened, and learned some interesting things being reported to the Provost: What they can and can't do. Part way through the meeting, I wrote on one of my VSU business cards that, since I knew what was going on elsewhere in the University System, I would be happy to share. She ignored me. I listened carefully to the report from a Chief Information officer. There are 5 levels of Microsoft active license: A1, A2, A3, A4, and A5. Students get A1, active faculty A3, higher levels are by request, subject to approval. Higher numbered levels are more expensive. It turns out that the problem is with open access articles, several of which I wanted access to on the day after Christmas. If you find an open-access article of interest, you can read the abstract online, but when you go to download the full text as a pdf you have to look for your institution in a drop-down menu. You then put in your

institutional email address. What happens behind the scenes is that the source of the article establishes a link with Microsoft. And it asks: Have they paid for a level A-3 or better? If so, you get the article. If not, you don't get it.

So, in order to provide Emeritus/a faculty full library access (the same as active faculty), including remote access to electronic resources (<https://about.galileo.usg.edu/governance/policies#retirees>), the provost will have to provide an active A-3 license for each and every Emeritus/a faculty member.

The Provost said: "That cannot possibly be University System policy." I said, "Check it out." She said she would call the System Office.

I walked to my car, speed dialed Karin Elliott and asked her to tell Dana Nichols to expect a call from the VSU Provost seeking clarification on Emeriti library access being the "same" as for active faculty. I announced this at a VSU retiree association meeting the next month. Provosts will have to pay for an active A3 license for each emeritus/a faculty member.

A second implication: It is also VITAL that all of your faculty getting ready to retire know that, if they are eligible, they should apply for emeriti status. Because it makes a real dollar difference. It gets you a Microsoft A-3 access as long as your provost meets the obligation of paying the annual license fee. It includes a full copy of Microsoft Desk Top and if you are arichard@westga.edu you are entitled to that by Regents Policy and we need to let every retiring faculty know that you need to get emeritus/a status – even if they think they want nothing to do with the university after retirement.

There's limited time to get emeritus/a status. We're going to have to help those on campus to develop a transitional policy for those who retired 5-10 years ago. We had to restore earlier the list of those who had been given emeritus/a.

What I'm urging on your campus

- (a) Let emeriti faculty know what they are entitled to by University System policy.
- (b) Let retiring faculty know how important it is to be among the emeriti.
- (c) It is critically important that, if you have any possibility of using this at any stage, you get emeritus/a status when first eligible.
- (d) Work with your administration to help people get access who retired earlier, because most of us didn't realize how important it is to have emeritus/a status.

b. Retirement Advisory and Investment Committee – Dorothy Zinsmeister

Dorothy Zinsmeister reported on her experience of this committee in "broad strokes." [See Appendix A for entire report.] People don't have access to this report. This committee meets 4 times a year to talk about retirement policies such as 401B, 401C available in the university system. There are three vendors: TIAA, Fidelity Corebridge (formerly AIG).

Meetings focus on what these organizations are doing and give demographic data.

Next meeting will be on Fidelity. This one was on TIAA.

There are some industry trends in the marketplace. Specific acts and trends in the USG. Demographic data. Secure Act 2.0 (Federal Govt act which says these investment companies have to do mandatory and voluntary things.)

A cybersecurity update is given. CAPTRUST ends the meeting. They review what vendors are doing, provide data about tailwinds facing the market, and headwinds, what makes markets more viable, including unemployment. Read the document you will get. If you have any questions, I'll be glad to answer them. Karin can comment also.

If you have a policy or investment plan and are interested in talking to someone else, CAPTRUST is available for advisory services and investment coaching.

Dennis Marks: I have two items.

In addition to one of the three options in the ORP

- (a) TIAA also serves as the administrator for the ORP plan.
- (b) CAPTRUST – I have found them to be really good on whether you go into TRS or the ORP. This is the biggest decision faculty make in the first month of their employment. CAPTRUST is really good at laying out your options. It is NOT so good in laying out your options regarding accumulated funds. If you ask “How can I maximize the money I’ve accumulated?” they are not so good at that. You won’t get more money.

In mountaineering, you go up the mountain and then come down. In mountaineering, most accidents take place on the downhill side. Most retirees make their mistakes with attempts at maximizing their accumulated monies as well.

c. USG Well-being Funding Review Committee – Kathryn Grams

Kathryn Grams explained that the mission of this committee was to create a comprehensive approach to well-being in the USG community. Retirees are neither included or excluded. The committee reviews proposals monthly if there are proposals. They had three meetings since the last time the USGRC met. In that time they had one proposal, from Ga Tech, and it did not include retirees. Currently the committee is reviewing new program guidelines.

Dorothy Zinsmeister: Of the proposals you reviewed, how many include or exclude retirees?

Kathryn Grams: About 50:50.

Karin Elliott: We’ve seen proposals drop way off. We are committing to making it easier for them to submit proposals through standard templates – to build this back up.

Kathryn Grams: That would work.

4. **USG Faculty Council Report – MICHELLE BRATTAIN** (Georgia State University)
Ed Rondeau announced that Michelle would send us a report and he will distribute it.

5. **USG Staff Council Report - SCOTT TAYLOR** (Georgia Southern University)

Scott mentioned that the USG Staff Council meets on the same schedule as the Board of Regents. It aims to identify and communicate best practices and send these on to the system level. They also Let Karin know how benefits can be improved. During this year, the USGFC has

- a. Aligned its meetings with those of the BOR. They formerly met 4 times a year. Now things are better as they meet on the same calendar as the BOR.
- b. Worked to ensure participation at every institution in the USG. Had 26, but there has been turnover and they now need a representative for Atlanta Metropolitan College.
- c. Worked to standardize our election cycle. Two institutions have to line up so terms start July 1.
- d. Made sure each staff Council person has an executive advisor so there is good access for pushing ideas forward to their administration.
- e. Changed the way their foundation account was handled. It formerly was transferred from institution to institution for years as leadership changed on the Council. It will soon move to the USG System office so whoever is Treasurer doesn't have to handle the change.
- f. USG Executive Committee put forth a proposal to appoint a parliamentarian to make the organization more reflective of others. The next meeting of this council will be in person and online at Dahlonga.
- g. To make sure our bylaws are reflective of best practices a new committee has responsibility for a USG Staff Council Annual Professional Development conference. This one will be in October at KSU. It will be a two-day professional conference where people share expertise and best practices. It seems promising.

Dennis Marks: I have two suggestions:

- a. Find someone at Atlanta Metropolitan and appoint them the Parliamentarian. They can't vote, so will find someone else to vote.
- b. At the next meeting, charge each member to go back to their campus and talk to the head of the faculty governance organization or find a friendly faculty member and help us get representation on the USGRC from that institution.

Dorothy Zinsmeister: Scott, every person on your campus who attends a staff council event will be a retiree at some point. We say the same thing to the Faculty Council. If there

are people who want to collaborate with us on some project, if the Staff Council has an issue, we would be pleased to work with you.

Dennis Marks: I call active employees “pre-retirees.” Please remind them that we would be very happy to work with them.

Martha Wicker: We at Clayton have a retiree on the Faculty and Staff Council. Can I get that information from you?

For those institutions without a retiree association, can we have the names of the Staff Council person?

Scott Taylor: Yes. Contact me at: ttaylor@georgiasouthern.edu

6. USG System Office Report – Dana Nichols, Vice Chancellor for Academic Affairs

DANA NICHOLS: We did a final update with the USG Faculty Handbook to update perks re: emeriti.

Regarding the possibility of establishing a retiree association at Albany State University (ASU), I am sorry to report that, although there was some momentum at some point, when we reached out that momentum ceased. Sorry to report.

Denise Caldwell will be the point of contact on the staff side for the Retiree Council. I'd like to reach out to her and emphasize the importance of being a pre-retiree representative as Dennis said.

Dennis Marks: Missy and I are working actively on this. There are sometimes issues. Partly this is because Missy and I do not have a lot of melanin. So we are sometimes perceived as interfering in their business. So it really has to come from Albany State. GA-HERO will be hosting a meet-up on June 7 at VSU. My hope is that, being close to ASU, folks might come. Perhaps they can send a carload over and see what retirees working with retirees can do. Please suggest this to them and send that info via email.

Dana Nichols: President Marion Fedrick is leaving Albany. She will have a joint appointment as GA State Chief of Staff and Advisor to the Chancellor on HBCU's. They have an interim president now at Albany State. It's on my radar. I'm happy to work with you on this.

Dennis Marks: Marion Fedrick is a major reason why the USGRC was established. She was intimately involved in that when the healthcare situation shifted for retirees.

News from Academic Affairs

Dana Nichols reported that

1. A new CORE redesign of the core curriculum (referred to as Core IMPACTS framework) now gives more meaning to what we ask our undergraduates to take. We have contextualized this for them. For the first time ever there are system-wide learning objectives and career competencies in the undergraduate core. We were learning a lot from employees about the lack of soft skills among our graduates.
2. New Reading Rule. Professional Standard Reading Rule HB 538 has a science of reading focus. K-3 and throughout teacher preparation program to teach the science of reading. October 2023, assessment plans had to be submitted. They will report October 2024.

Ed Rondeau: How do retirees from the USG get the information we share here? How do they know we have a retiree council?

Dana Nichols: It comes out of HR. I can do a better job through a quarterly newsletter of providing this information. Would that be helpful?

Karin Elliott: Going back to ASU. The Chief Human Resources Officer reached out to me. The Provost handed it to her. I gave her some suggestions. Talked to some of you about how you got started, etc. I said the first thing was to send an email to retirees to find out if there was interest on your campus in having a retiree organization. She is in an interim capacity right now. Maybe someone could have a conversation with her.

Dennis Marks: We have had difficulties reaching out to HBCU's. I think we're going to have to give some intentional thought to how to do this. The USG when it integrated did so reluctantly. And we still have remnants of these issues. Those wounds are not fully healed. So the USG has to be very intentional about reaching out to HBCU schools and make the experience so rich that some white folks want to go to HBCU's. Until we do something state-wide, we'll have these issues.

With regard to Dana Nichols' report about meeting the needs of employers. We also have to educate the legislature – not only to tell us what they want of us but also what they should want for the long-term intellectual and economic future of Georgia. The bill at the legislature suggests the only way to teach reading is through phonetics. But we have people in the USG who know a lot about the science of reading. We're going to have to take a look at what is effective for teaching reading. One thing I know – different students learn differently. We have to plug this with the legislature. Our responsibility as a USG is to teach in the College of Education and not get stuck on one way of doing it since different students learn differently. I didn't hear that in the discussion of HB 538. This is not only an opportunity for hearing what they want but what they SHOULD want.

Dana Nichols: It's not just about phonetics. It's about morphology, syntax, semantics, etc. And legislators didn't dictate what it should look like. Each institution will come up with their own implementation plan. At a minimum, there has to be evidence of some factors. There is evidence that, for a majority of readers, this is the best approach. I have linguistic training. I have read the implementation plans, and see that they vary.

Martha Wicker: At Clayton State, we have a very diverse staff and faculty and student population. We invited ASU to one of our meetings. They cancelled at the last minute, but we will persist.

Dennis Marks: There was a burst of enthusiasm in Marion's office, and then nothing happened.

Dana Nichols: Feel free to reach out in between meetings.

BREAK

**7. Presentation from ALIGHT – Retiree Health Exchange Benefits.
SEE APPENDIX B and APPENDIX C.**

Mat Burkley: It's always our pleasure to meet with the Council. All here today with Alight have attended before and we are looking forward to this meeting. Our agenda today is to go over enrollment behavior. We also have some standard updates and other information.

See Appendix B, p. 5

How we looked going into 2024. October 15-December 7. In that time period we completed 6,312 applications, 99.8% of them on time. Calling retirees in the appointment window promised.

Had 307 same day appointments. We accommodated retirees more than in years past. We have model of appointments. This year we had more opportunities for those just calling in. 89% customer satisfaction score with Licensed Benefits agents. This came in above our target of 85%.

Customer Service with non-licensed persons also takes place. Rarely is there a long hold time to get to speak with someone.

Disruption Activity – we monitor when carriers make a plan change. This year no plan was eliminated for USG employees.

We're seeing a trend of prescription drug premiums going up. 757 met the threshold we defined. We offered help for a new plan. So good to see retirees were shopping for a better deal.

See Appendix B, p. 6

3,385 retirees chose a different plan
3,538 retirees kept the plan they had.

We reached out to have a conversation with retirees about whether their plan was still a good one for them. 541 switched during the year as a result. We wanted to utilize the power of the market – this effort new this year to push that to USG retirees. We pushed people this year to speak to our agents so fewer looked to the web for info.

See Appendix B, p. 7

In the USG, 73% are in a Medigap plan and 27% are in a Medicare Advantage plan.

In our book of business, 57% are in a Medigap plan and 43% are in Medicare Advantage plan.

Our book of business is a continuous mix. A large base is enrolled in gap plans.

See Appendix B, p. 8

Medicare Advantage Plans

78% enrolled in PPO. Can still get benefits to go out of network.

Medicare Supplement – almost 15,000 enrolled, 58% in Plan F. This is now a closed plan. New people have to enroll in G or N.

Prescription Drug – Almost 14,000 enrolled in a drug plan.

See Appendix B, p. 9

Premium changes

Generally speaking, prices remain somewhat stable and we tend to see decreases. But we see an increase in prescription drug plans – of \$5.10. Some plans are bundled – including dental, vision, and hearing.

If you add a prescription drug plan – improvement in these plans is mandated by the Inflation Reduction Act to include an out-of-pocket maximum. So increased cost comes with improved service.

See Appendix B, p. 10

John Grosso

2023 Ongoing Education

We set up monthly webinars, 3 months prior to a person's 65th birthday. Had 12/year. Good attendance. Covered how to enroll and what our services are. Also attended virtual planning for retirement meetings on 10/4 and 10/5. HRA webinars are very popular. We

send out a quarterly monthly newsletter – you have to OPT IN to get these. Interactive newsletters, sometimes videos to watch.

See Appendix B, p. 12

HRA Utilization

Detailed account rollover balances. How many switched to another plan?

Nancy McDuff: Right now we really don't know how many are using their funds. Are people dipping into their savings to be reimbursed?

John Grosso: Some might want to build balances for later in life, so they roll over funds.

Steve Cox: You can submit for Part B Medicare premium if you wish to do so.

Dennis Marks: Mat and John. I'm sorry I missed the beginning of your presentation because I had to take a call. I came on late. We're moving to New York. Had a wonderful person help us (named Denise) – especially how to request a change of address through Social Security. Also looked at our options in our New York zip code. We can continue our current Plan F with Mutual of Omaha. But the premium in NYC is 2x what it was in South Georgia. Could switch to a Humana Plan F, G or N. Have decided provisionally not to switch. Our approach is: If it ain't broke, don't fix it. My wife and I have received endowed professorships at Fordham. So, this is my final report to you. I want to take this opportunity to express my appreciation for the things you've done. I appreciate your responsiveness. I've expressed concerns about a number of things and enjoyed a great relationship with you correcting some programming issues. I want to thank the three of you.

Mat: Thank you, Dennis, for your great feedback. Congratulations on your achievements. Hope you have a great time there.

Tom Jackson: What's your assessment about why people do not spend their account every year. Any advice to the user?

Mat Burkley: It's kinda personal to the person. Some say maybe I have the means not to use it this year, knowing I might have extra costs down the road. If some have a Medicare Advantage plan and are healthy, they just go for an annual physical and don't have expenses in a given year. We've put together an HRA webinar to make sure people realize there is an opportunity to utilize this money.

Anne Richards: Our HR liaison recently informed us that she had become aware of 6-7 persons who mistakenly signed up for a "better deal" for their medical insurance coverage outside of the Alight organization. Is it possible that some people are rolling money over because they have done this?

Mat Burkley: They certainly can be in the rollovers group. The person still has access to the funds they have left. But what they did removes them from future eligibility for new money. They usually come through this time of year. The system has a process to appeal. Then in partnership with Alight, we restore their benefit. They should connect with us or OneUSG to appeal the benefit discontinuance.

Dennis Marks: Karin, it's been good working with you. Such individuals can be absolved of their sins, once. Otherwise, that's it. We need to do a better job of communicating to retirees that they have to do their enrollment through Alight.

Mat Burkley: In an effort to help with that, our communications emphasize staying in Alight.

Dennis Marks: Some think I may have lost one but I will be ok because I have one other.

Martha Wicker: This year we've pushed for retirees to make claims for their Medicare Part B deductible. We have handouts that say this. A lot of retirees want to set a monthly reimbursement. But in January, if they have unpaid claims, they are reimbursed at once. This ignores the monthly set amounts. That really frightens some retirees.

Mat Burkley: In the system and plan rules, that only occurs if someone had a denied claim the previous year due to exhausted funds. The first thing the account does is look back and see what was denied the previous year. The intent of that is to be positive. It only happens if someone exhausted funds in the prior year.

Dennis Marks: You need to re-educate your retirees. The sooner they get the money, the happier they should be.

See Appendix B, p. 14

Key Healthcare Components – Inflation Reduction Act (IRA)

Steve Cox

John Grosso: In 2026, the Government begins trying to drive down drug costs. We will likely have an update for you next year – which should permeate all drug plans.

See Appendix C, p. 15

John Grosso – Medicare Part D update

2006 Medicare paid 33% of drug costs. Improvements have taken place over time. Clearly the market has improved through additional Federal funding, pharmaceutical discounts, etc.

2025 – 75% coinsurance – as good as the benefit has ever been. 83% claims used to be 63%

No meaningful growth in price.

Generally good news. Optimism – negotiation may further reduce costs.

Dennis Marks: USG should be doing all it can to take responsibility for healthcare out of the hands of the employer.

John Grosso: Kaiser Family Foundation conducts an excellent analysis.

See Appendix C, p. 16

How are retirees getting their Part D benefit? Growth in individual Medicare Part D plans has expanded over time. Getting the most in combination with medical.

See Appendix C, p. 17

Medicare Advantage update – Key 2024 Carrier/Provider Themes

We are not seeing meaningful disruption of access to providers because of Medicare Advantage Plans closing.

See Appendix C, p. 18

Medicare Advantage: There needs to be a prior authorization process. Push back is occurring where initial claims are denied. Congress is working on shortening the delay.

32 million are in Medicare Advantage Plans. This is about ½ the Medicare population. Most retirees are insulated from Medicare Advantage problems.

Overall, we feel reasonably comfortable with providers in Medicare Advantage. We want to hear from you if you see evidence of problems with Medicare Advantage. There are many reasons why Medigap Coverage is good for retirees.

Martha Wicker. My concern for our retirees in Medicare Advantage Plans. These plans are not meeting the needs of older retirees with more health needs. It seems there has been a push to join Medicare Advantage Plans. Then in 10 years, they can't switch and are stuck paying high out-of-pocket costs. Medicare Advantage plans won't cover this or that. We didn't steer them to Medicare Advantage Plans. But once they are there, there is no plan.

Dennis Marks: In a liberal state like New York, underwriting is prohibited. Healthcare is politicized because we all need it. At this point it's primarily employer based. We are gradually moving to government-based, What will happen in 10 years (I hope) is that we should realize we shouldn't be burdening employers with this cost. This is why a single payer makes a lot of sense. We have to realize that everybody gets sick at some point.

John: One thing we like about the Exchange is the variety of options available. We want to keep you abreast of developments.

There is a one-year free look – if you want to switch from a Medigap to a Medicare Advantage Plan. You can go into Medicare Advantage for 10 years and if you want to go back there are underwriting rules.

Martha Wicker: The Federal rule is that you can switch back within one year.

Dennis Marks: The turnover between the lower premium of a Medicare Advantage plan and the higher coverage of a medigap plan takes about 10 years to work out. Wham! That's when it hits them. This may look sweet now, but . . .remember how strongly we advocated for Plan F? The disadvantage is the premium is high and likely to be higher. But the answer is you get what you pay for. In the long term, you will be way happier with the Medigap plan.

See Appendix C, p. 20
Looking Ahead to Offerings from Alight

See Appendix CB, p. 21
Multifactor authentication is mandatory now to ensure security in your communications with Alight.

See Appendix C, p. 24
Medicare Market updates.

You can use your HRA to pay Part A deductible. Educate your retirees to do this.

See Appendix C, p. 25
Medicare part D costs. Medicare Advantage costs.

\$8500 – is the out-of-pocket threshold/maximum for Medicare Advantage Plans in 2024.

Dennis Marks: I've urged you to recommend others get a comparable plan F. Find one with a lower premium. Buy the cheapest Medigap plan you can and stick with it. On Part D – be as fickle as Hell. At every enrollment period, update drugs and providers. Take a look at what Alight recommends. I have changed my drug plan 5 times in 8 years. The last time I went from a payment of \$32.40 to 50 cents. I would be an idiot not to switch. So, look at your prescription drug plan. You can't tell what you will have to pay next year.

The reason you see so many ads on TV is the government subsidizes Medicare Advantage plans. Insurance companies make more money now if you sign up for a Medicare Advantage plan. But remember, . . . as far as I'm concerned, Medicare Advantage plans are made of Krypton. So don't go there.

Rest of Alight's slides (see Appendix C, pp. 26-30) were labeled as "informational."

Dennis Marks: We formed ourselves in response to a crisis in how healthcare would be provided to retirees. Now, it's more important for us to convey good information to retirees, because no matter what the University System tells them, they trust us because we're their colleagues. So, it behooves us to give good advice to our fellow retirees.

Ron Bohlander: Will we have copies of these slides we can distribute to our members?

Karin Elliott: I'll be sure to give them to Debbie. I will get them out after this meeting.

8. HRA PROPOSAL – Dennis Marks
(Proposal on agenda):

....that the USGRC advocate with the USG to set up a pooling mechanism whereby retirees can donate from their HRA to an HRA Pool for use by retirees who have exhausted their HRA. Discussion and follow-up with presentation and vote at the Fall, 2024 meeting.

Question: What about surviving spouses donating from their HRA to an HRA Pool?

Karin Elliott: Before the folks from Alight leave, what about Dennis' proposal? There may be tax consequences. \$2033.05 is the average accumulated roll over. As far as the BOR is concerned, the money is already out the door, potentially. This money is in a Trust which we can't spend. It's denominated to reach retiree until 6 months after their death.

Dennis Marks: What about at the end of each year – here's a spouse who has \$2334.25 – what can they do if they don't spend it within 6 months after a death. A lot of retirees are used to dealing with sick leave – you can put it in sick leave pool for those who need it.

My proposal – at end of each year, you make a choice between spending it until you die or tossing it into an HRA pool. You make this choice. Once the money is in the pool, Alight can reach in. We need to think through how to use it. You have a decision to make at the end of the year.

John Grosso: This is a very creative idea that deserves attention. Have to think through guardrails. Could theoretically work. Would have to put some rules of the road around it. First come, first serve. How do you determine pecking order? We want to do more footwork on the compliance issues. A program would determine the pecking order. There's a less elegant indirect way to do this, though. Someone with balance could file to reimburse themselves for part B premium and give the money to a friend. The person would have more control over who gets the money.

We have a lot in medigap plans. They have high premiums. Everyone maxes out their allotment in these plans. The only ones with cash are those with Medicare Advantage Plans. That may leave them vulnerable to cost sharing the next year they have cash left over.

Dennis Marks: I'm concerned about helping those who are slammed with costs because they got a Medicare Advantage plan. Now there are elderly without adequate insurance. They have confusion issues. These are the people our hearts cry out for. The USG says you made a bad decision. I want to say there is a pool from colleagues who made the right decision. They have money left over.

John Grosso: Let us take this away and put more thought into it and talk about the Art of the Possible.

Matha Wicker: How much money has gone back to the USG? And is it after 6 months?

Karin Elliott: We put that amount in a Retiree Trust. Can't use what's in there for anything else but retiree healthcare. I have concerns about the administration of this. You can have individuals who would learn how to game the system. Hopefully they wouldn't do that – we'd have to see you are in financial need to get the money. What about those who contribute and then have a financial need and now want their money back?

We have those who unknowingly disenroll from Alight – and that is traumatic. We understand the complexities.

\$2,736 has gone to \$2,640. This has put a wrench in things as we consider what the legislature may be thinking about healthcare for all employees. Our state retirees' only choice now are Medicare Advantage plans. You have more of a choice.

We will advocate for our retirees. I hope changes the Federal government is making will help retirees with high drug costs.

Dennis Marks: The governing idea should be on having the largest possible pool imaginable. Take healthcare entirely out of the hands of employers. Maybe all should have a Medicare supplement plan. This is so vital to the citizenry of the state of GA. We have to start with that. If it is not possible, talk about state employees.

Martha Wicker: Before Aon, we had to pay the full cost for the premium. I think retirees are now better off.

Dennis Marks: I'm not better off. I exhaust my plan in March.

Karin Elliott: Last year there was, on average, a 7-10% increase in cost for active employees. We had to cut benefits and up deductibles. I'm concerned about our lower-level employees seeing doctors. We removed several programs that were costing employees. Those with Medicare Supplement plans are not seeing that.

Dennis Marks: This is why the higher education committee is looking into the future 10, 20, 30 years down. Not just us.

Ron Bohlander: You touched on tax implications. I think this is not significant as long as it is handled as a reimbursement for medical expenses.

Dorothy Zinsmeister: Maybe we need to talk about this outside of the Council.

9. David Muschell: I wanted to hear from Karin about her response to why the allotment for retirees was reduced.

Karin Elliott: I will make this story short as possible. It really has to do with a significant increase in the cost of medical care for employees and changes in the Medicare market. We had to go through a decision-making process. All our groups of employees were impacted last year. We weigh all of those with our funding request to the state. We are anticipating a much better year this year. We are very hopeful, plus the state budget is looking very good. There have been years where the state has not funded our healthcare request. They have the expectation that we will make changes or cuts and consider many different factors.

Also, there was a mindset that we have done enough compared to the state healthcare benefit plan. We have made a lot of cuts so the sense is we have done enough. We'll see how it all goes. There's just lots of concern about escalation of costs for our active employees. Just refer, as Dennis says, to retirees and pre-retirees.

David Muschell: Costs are not going down so we may face this going forward.

Karin Elliott: I don't anticipate changes this year.

Dennis Marks: The only way this will stop going up is if we make a more responsible set of choices about the overall pool.

Thanks to Karin and Alight.

Meeting adjourned at 1:30 pm.

Respectfully submitted,

Anne C. Richards

USG (University System of Georgia) Retirement Advisory Committee Report

December 8, 2023

TIAA PLAN REVIEW AND UPDATE

Administrative review

Tim O'Donnell (TIAA) started the meeting by thanking USG for their business. he then focused his comments on industry wide trends they are seeing in the marketplace including:

- Continued majority of plan contributions going to target date funds.
- Participants are increasingly looking for more education and advice on investing.
- Continued interest in group institutionally owned contracts.
- Investment tiering of the menu
- Vendor consolidation
- Plan sponsors are looking to streamline administration through outsourcing as much as possible and preparing for Secure 2.0 provisions.
- Custom target date solutions.

Specific to USG, Tim provided a re-cap of some of the activities and trends over the past year:

- 35 benefit fairs at 26 campuses
- 10 Money Monday webinars with >2,000 attendees
- Over 2,300 individual meetings
- 100 practitioners educated and trained on compliance matters.
- Redesign of executive compensation materials and enrollment.
- redesign of enrollment materials in English and Spanish including new fee resource guide and, overall, Retirement@Work materials
- vendor trends by age band, contributions by vendor, participation by plan, and average deferral rate

John Lima (TIAA) then discussed specific TIAA demographic data:

- Combined assets of \$4.6 billion as of 9/30/2023 (\$2.3 billion in group contracts and \$2.3 billion in frozen, legacy assets)
 - o \$658 million in TIAA Traditional (\$293mm in group contracts and \$365mm in legacy assets)
 - o \$15 million of legacy annuities transferred to group contracts in 2023.
 - o Breakdown of assets by fund
 - Number of individual advice sessions
 - o Over 2,700 in 2022 and over 2,400 so far in 2023 with most meeting with a financial consultant.
- Average survey results were all above 91%

- Digital engagement continues to increase with over 11,500 participants communicating digitally.
- \$136.3 million in contributions and (\$186.9 million in distributions)
- \$7 million in net transfers into the plans.
- 23,872 participants with balances (11,556 participants actively deferring)

Secure Act 2.0

Regina Kemp (TIAA) discussed the Secure Act 2.0 with particular emphasis on mandatory vs. Voluntary provisions. USG has complied with all mandatory provisions and are considering several voluntary provisions although they have time to consider as several provisions either need additional guidance from the regulators or the recordkeeping community is not ready to implement.

Cyber Security update

Ron Barthel (TIAA) provided the Committee with TIAA's current protocols and capabilities in this space. Ron focused his comments on:

- Understanding the threat landscape and how wide net it encompasses including potential customer impact.
- The Department of Labor guidelines and how TIAA incorporates them into their procedures including the 12 best practices followed and what individual participants can do to protect themselves.
- 24/7 TIAA protection with a global footprint.
- Various ways TIAA engages the community through collaboration, events, and support.
- Resources available
- TIAA's 100% guarantee to make participants whole in the event their assets are compromised though no fault of their own.

MARKET UPDATE/OVERVIEW (CAPTRUST)

Fed Chairman Jerome Powell has repeatedly stated that monetary policy will remain restrictive for an extended period to combat inflation. The result is a rare bear-steepening yield curve, when long-term interest rates rise faster than short-term rates. In the third quarter, this surge in longer maturity yields put pressure on nearly all asset classes, creating a reiteration of 2022.

- Large-cap U.S. equity markets were pinched this quarter. As in 2022, the energy sector took top honors, accompanied by communication services as the only two sectors in positive territory. The interest-rate-sensitive utilities sector felt the most pressure from the rise in yields. The broad large-cap benchmark is up double digits year-to-date.
- Bond investors, especially those holding longer-maturity instruments, felt the impact of rising rates. Bonds are now in negative territory for the year.

- Outside the U.S., equity markets across Europe and the Pacific were mixed; however, a strengthening U.S. dollar pulled dollar-based returns across those regions down for the quarter.
- Real estate markets ended the quarter deeply in the red while commodities were the standout (like 2022), supported by rising oil prices.

Tailwinds Facing the Market

- The economy seems to be withstanding the Fed's aggressive rate-hike cycle, largely due to a robust labor market and steady wage growth.
- Despite rising debt levels, employed consumers benefit from strong employment and wage growth and retired consumers benefit from higher interest income and continue to confidently spend.
- Workforce productivity has been trending below average due to labor shortages and misaligned skillsets. The introduction of artificial intelligence (AI) promises a boost. Corporations are investing heavily, supporting economic growth even before AI technology reaches its full potential.

Headwinds Facing the Market

- Some indicators, such as gross domestic product (GDP) and low unemployment, point to economic strength. Others, such as gross domestic income (GDI), suggest underlying weakness.
- Most consumers have depleted excess stimulus-related savings and are increasingly relying on credit cards to pay bills. As credit card debt and loans mount for borrowers, consumer spending may come under pressure.
- The federal deficit continues to grow as a percentage of GDP, with government officials at odds about how to curb spending. New and refinanced debt is now being issued at peak interest rates, adding to the government's growing interest burden.

Investment Review

The committee and its advisors reviewed the investments in a manner consistent with the standards and approach defined in the Investment Policy Statement.

All plan investments are currently meeting the objectives established by the Investment Policy Statement with the exception of two funds that are Marked for Review.

FINANCIAL COACHING AND ADVISORY SERVICES PRESENTATION

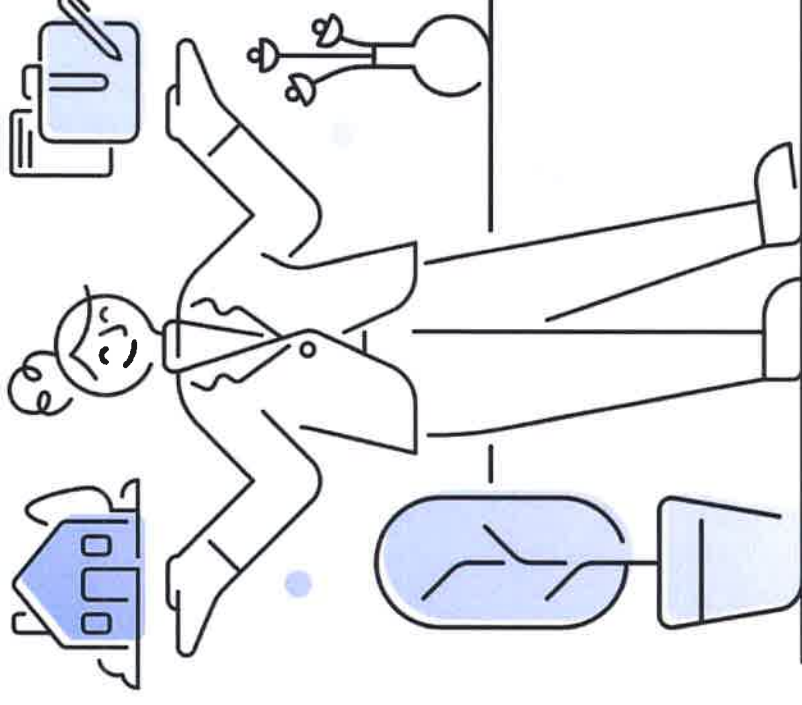
CAPTRUST briefly discussed the recent results of their financial coaching and advisory services with increased activity across the board.

Submitted by Dorothy Zinsmeister, April 5, 2024

University System of Georgia

Retiree Advisory Council

April 5, 2024



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Attendees

Alight

- Steve Cox
- John Grosso
- Mat Burkley

Agenda

- Enrollment Behavior and Executive Summary
- Your Spending Account Results
- CMS Medicare Market Updates
- Looking Ahead

Enrollment Behavior and Executive Summary

alight

Enrollment Period Overview



Retiree Experience

- 6,312 appointments completed, 99.8% on time
 - Expected Service Level 95%
 - 307 same day appointments
- 89% satisfaction rating with Benefits Advisor
 - Expected Service Level 85%

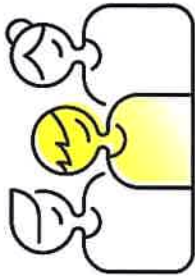
Customer Service

- 899 customer service calls received
- 90% calls answered within 30 seconds
 - Expected Service Level 70%
- 92% satisfaction rating with Customer Service
 - Expected Service Level 85%

Disruption Activity

- Crosswalk (auto coverage assignment)
 - 607 impacted. 483 remained in auto assigned plan
- Plan elimination:
 - 0 impacted
- Rx Premium Increase:
 - 757 impacted. 210 enrolled in a new plan

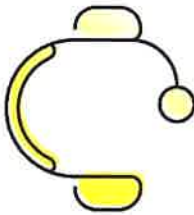
Enrollment Executive Summary



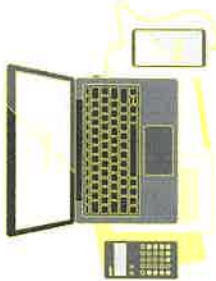
- ✓ 3,385 retirees chose a different plan
- ✓ 3,538 retirees “Keep Plan”



- ✓ 1,246 switched Medical
- ✓ 2,402 switched PDP
- ✓ 16 switched Dental
- ✓ 6 switched Vision



- ✓ 68% enrolled via an Agent (12% more than last year)

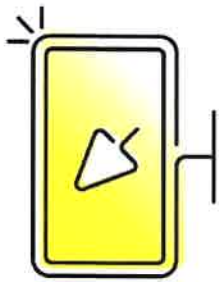


Customer Value

- ✓ 12,130 preset appointments
- ✓ 4,644 appointment confirmed (38%)
- ✓ 3,863 confirmed appointments completed (83%)
- ✓ 541 retirees switched medical (4.5%)

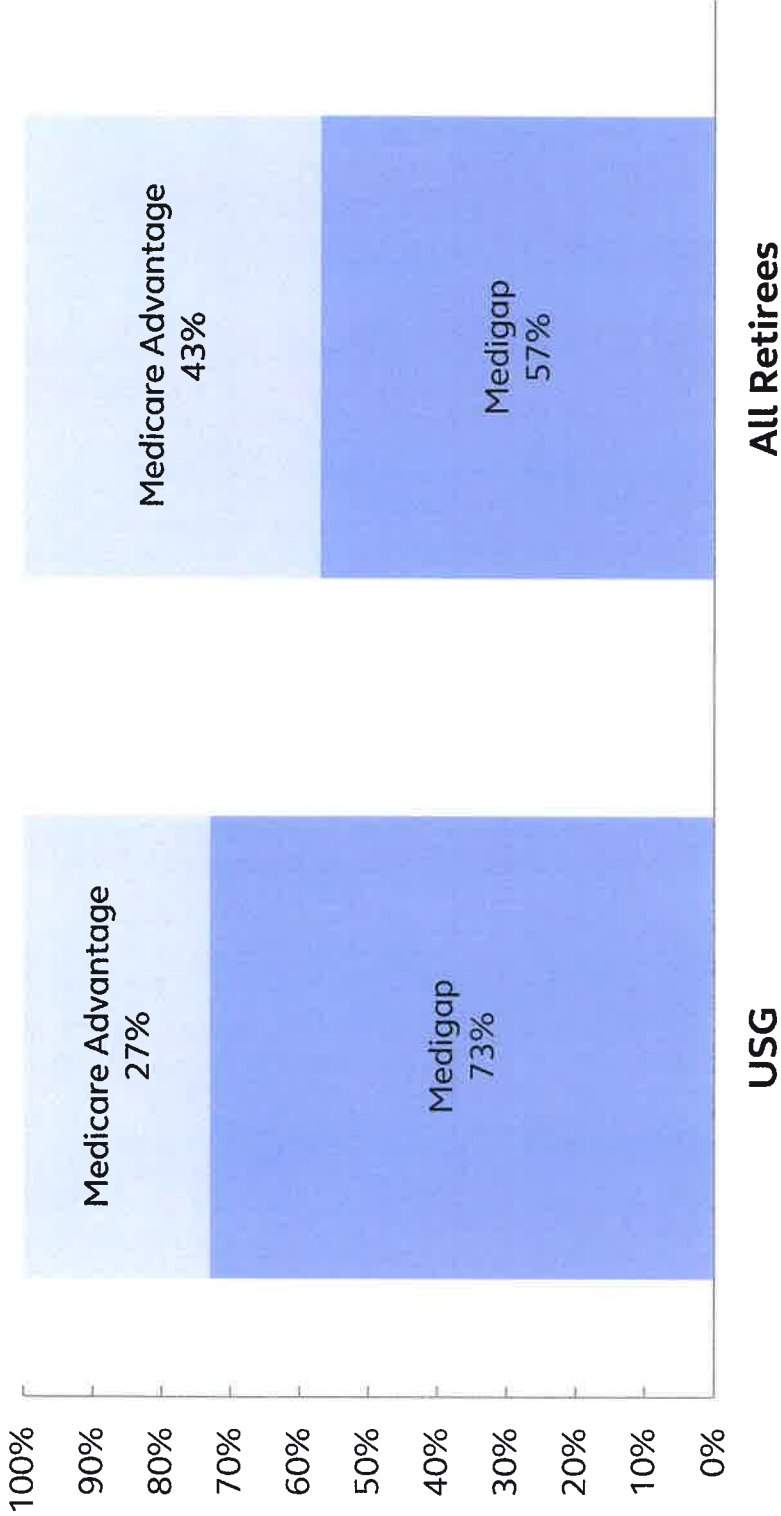


- ✓ OEP total enrollments 2024: 4,355
- ✓ OEP total enrollments 2023: 3,100



- ✓ 32% enrolled via the Web (12% less than last year)

Enrollment by Type USG vs All Clients



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Medicare and Prescription Drug Plans

Medicare Advantage

- 5,589 retirees enrolled in a Medicare Advantage plan, 27% of all medical enrollments
- Top 3 Carriers: Humana, Aetna, United Healthcare representing 69% of enrollments
 - Total carriers with enrollments: 27
- Plan design distribution
 - 19% enrolled in HMO
 - 78% enrolled in PPO
 - 3% enrolled in POS
- Average premium: \$13.60

Medicare Supplement

- 14,906 retirees enrolled in a Medicare Supplement plan, 73% of all medical enrollments
- Top 3 Carriers: Wellpoint, Mutual of Omaha, United Healthcare representing 82% of enrollments
 - Total carriers with enrollments : 30
- Top 3 Letter Plans
 - 58% enrolled in Plan F
 - 33% enrolled in Plan G
 - 7% enrolled in Plan N
- Average premium: \$198.90

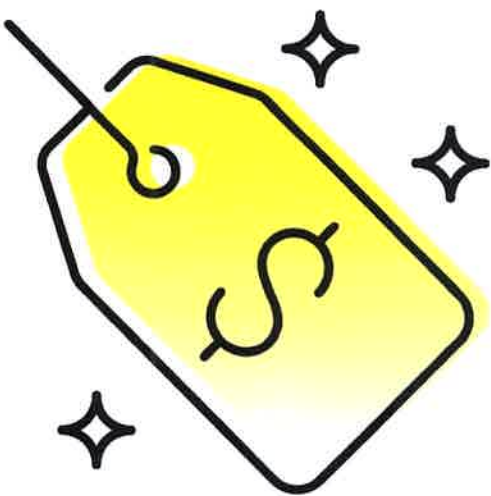
Prescription Drug Plans

- 13,996 retirees enrolled in a PDP
- Top 3 Carriers: Wellcare, Aetna, Humana representing 86% of enrollments
 - Total carriers with enrollments : 14
- Average premium: \$39.60

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Premium Changes

• Medicare Advantage:	Average Premium: \$13.60	\$1.60 decrease
• Medicare Supplement:	Average Premium: \$198.90	\$2.40 decrease
• Prescription Drug:	Average Premium: \$39.60	\$5.10 increase
• Dental:	Average Premium: \$42.60	\$3.00 decrease
• Vision:	Average Premium: \$18.30	\$1.40 decrease
• Bundled Plans:	Average Premium: \$54.60	\$2.80 decrease



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2023 Ongoing Education

- **Age in webinars**
 - Ongoing each month
 - 12 webinars in 2023
- **Virtual Planning for Retirement meetings**
 - Partnership with USG
 - Social Security, Medicare and retiree exchange
 - 2 Meetings in 2023
 - 10/ and 10/5
- **HRA webinars**
 - 4 total sessions (1,666 total RSVP)
 - May 3; 267 RSVP
 - September 12; 421 RSVP
 - December 13; 478 RSVP
 - January 9 (2024); 500 RSVP
- **2023 Quarterly educational newsletters / monthly Digital Know How emails**
 - Maximize your benefits
 - Medicare Education
 - Prepare for Open Enrollment
 - Open Enrollment

Your Spending Account Results

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HRA Utilization

	2020	2021	2022	2023
Total number of accounts	15,607	16,195	16,698	17,180
Accounts exhausting HRA	7,147 accounts / 45.80%	7,461 accounts / 46.06%	7,818 accounts / 46.82%	8,131 accounts / 47.32%
Accounts rolling over HRA	8,460 accounts / 54.20%	8,734 accounts / 53.94%	8,880 accounts / 53.18%	9,049 accounts / 52.68%
Average balance 12/31-1/1	\$1,841.70	\$2,001.61	\$2,176.66	\$2,334.05
Accounts without a claim	865 / 5.55%	803 / 4.96%	839 / 5.03%	890 / 5.18%
USG HRA Contribution	\$2,736	\$2,736	\$2,736	Varies
Retirees requesting Medicare Part B reimbursement	1,252	1,439	1,807	1,418
% of retirees who utilize direct deposit	65%	73%	73%	73.48%
Average of total claims paid per account	\$3,350.39	\$3,089.32	\$3,447.92	\$3,453.81
Reimburse Me App claims submitted (Live 10/2022)	N/A	N/A	119	334 new users 2,734 sessions 52,933 page views
Retirees requesting Catastrophic HRA	71	58	54	54
Average Catastrophic HRA amount paid	\$2,392.36	\$2,428.73	\$2,420.71	\$2,942.79

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Medicare/CMS Updates

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Key Healthcare Components of the Inflation Reduction Act (IRA)

1

Shift Cost from Retirees to Medicare

Eliminates 5% retiree cost share at the catastrophic level in 2024 for Medicare Part D

Caps retiree spend at \$2,000 annually for 2025+ for Medicare Part D, with the limit indexed annually

2

Improve Medical Outcomes

Eliminates cost-sharing for vaccines in 2023+ in Medicare Part D, Medicaid & CHIP

Limits cost-sharing for insulin products to \$35 per month for 2023+ in Medicare Part B & D

Provides a safe harbor that permits HDHPs to cover any insulin dosage prior to the deductible

3

Regulate Pharmacy Prices and Trends

Negotiates drug prices, for some of the highest-spending drugs for 2026+, for Medicare Parts B & D

Requires Rebates from manufacturers if drug prices for Medicare rise faster than inflation for 2023+

Limits Medicare Part D premium growth to 6%/year from 2024 to 2030

4

More Help for Low Income Americans

Expands eligibility for full Medicare Part D Low Income Subsidy benefits for 2024+

Extends the enhanced ACA marketplace subsidies introduced in the American Rescue Plan Act through 2025

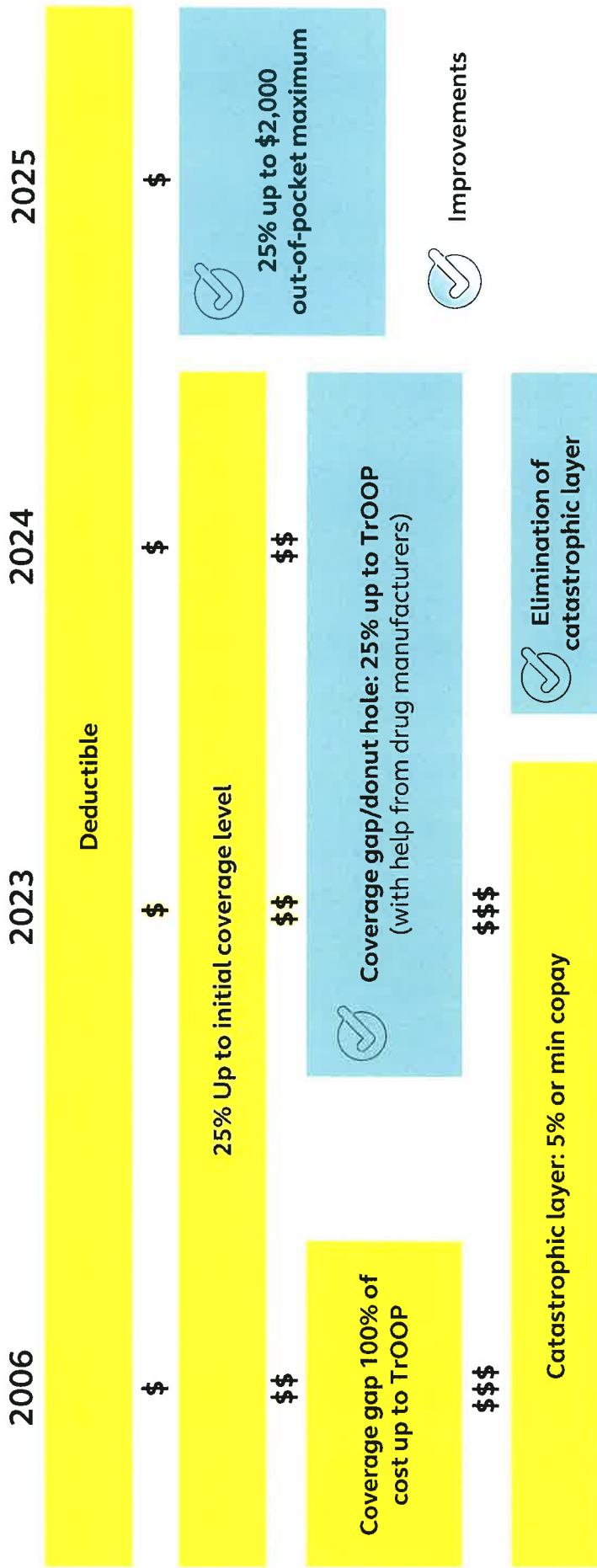
The Inflation Reduction Act strengthens retiree healthcare benefits in the individual market.

The impact on group plans will vary based on the plan sponsor's specific situation.

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Medicare Part D: IRA Standard Plan Design Improvements Over Time

Retiree Out-of-Pocket Cost Requirements by Year

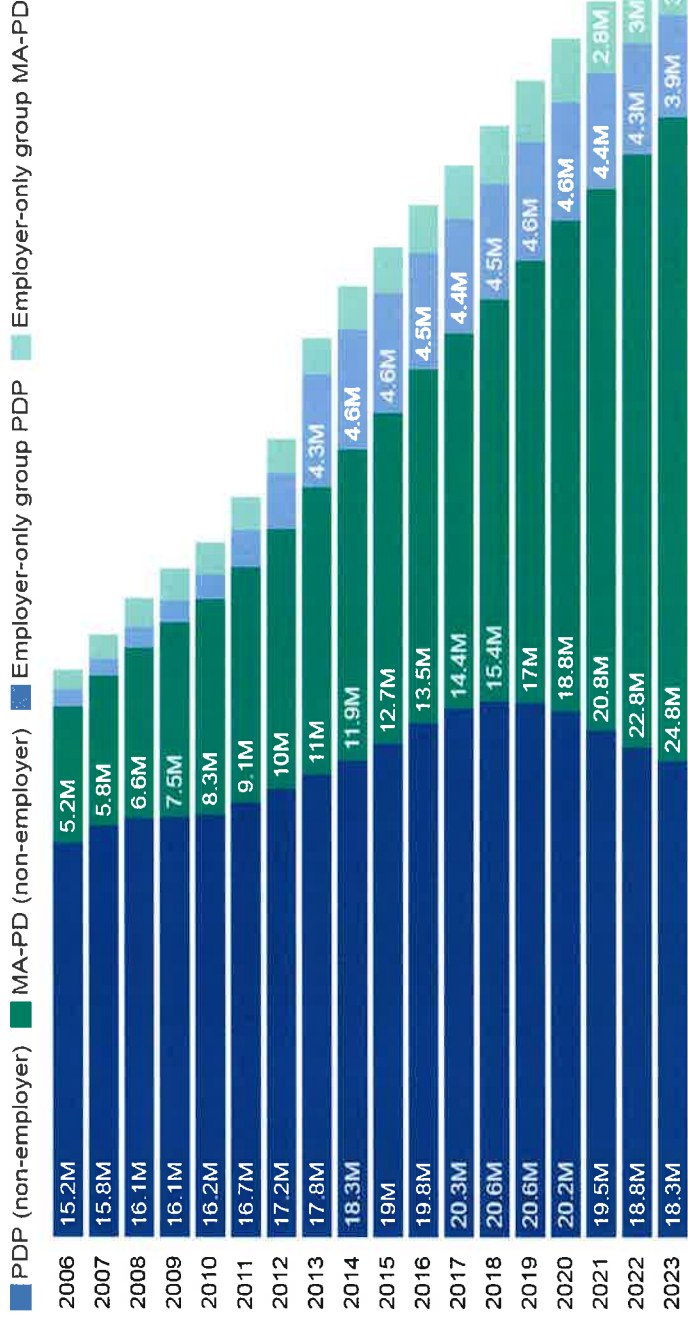


Retirees paid ~37% of drug costs in 2006; for 2025, that amount is reduced to only ~17% due to Medicare Part D plan design enhancements, including a new \$2,000 out-of-pocket maximum.

Individual Medicare Part D—Market Overview

2024 Medicare Part D – Individual Enrollments Dominate the Program

Enrollment Declining in Stand-Alone PDPs, while increasing in Individual MAPD Plans



NOTE: PDP is prescription drug plan. MA-PD is Medicare Advantage drug plan. Analysis includes enrollment in the territories and in employer-only group plans

SOURCE: KFF analysis of Centers for Medicare & Medicaid Services 2006–2023 Part D plan files • [PNG](#)

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- 2024 Observations:
- Individual Medicare Advantage plans often use federal rebate dollars driven by their unique, overall health plan efficiencies to enhance their Medicare Part D offering, which Medicare beneficiaries highly value

Over 85% of the ~50M Medicare Part D enrollees receive coverage through the individual marketplace, with individual Medicare Advantage plans offering the strongest value proposition.

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Medicare Advantage Update – Key 2024 Carrier/Provider Themes

Carrier/Provider “Friction”

- “Friction” between plans and provider groups is not new and has been a theme since the MA program began.
- Very few provider groups will leave carrier networks, but many use this as a short-term “negotiation tactic”, and to try to play “one carrier off the other”, to negotiate a favorable deal.
- Not uncommon for a provider group to leave a network for a period of time, then return in the near future, when a more favorable arrangement is struck.

Prior Authorizations and Carrier/Provider Relations

- There’s a role for prior authorizations (PA) and initial claims denials within plans, which is why they are allowed by CMS, and are subject to an appeals process.
- Some carriers have likely “gone too far” here in places, providers are pushing back, and using this theme in carrier negotiations.
- CMS recently released revised rules for the PA process to support patients and providers, so we are expecting a new 2025 approach will allay concerns to some degree, which could result in a “reset” between carriers and providers.

Very Limited Short-Term Impact Expected

- Alight is not hearing feedback from retirees with concerns over provider access in MA plans.
- CMS expects MA enrollments to grow from 31.6M to 33.8M for 2024 specifically, through the individual Medicare Advantage PPO.
- Each year, ~500K members leave individual Medigap and enroll in individual MA plans (mainly PPOs) because the price, benefit, and overall value proposition is so strong.

USG Retirees are Very Well-Positioned in the Individual Marketplace

- USG Medigap enrollees are not impacted by any of these themes, which continues to be ~70%+ of the group.
- USG has significant enrollment in cost-effective, flexible individual MAPD PPOs, all with national out-of-network “Medigap” benefits so, in many ways, USG retirees are already “ahead of” this issue.
- A key provider who leaves “network contracted status” will generally accept the MAPD PPO as an “out of network” provider, which functions like a Medigap plan.

Going beyond the pure health care purchasing efficiency opportunity, any “provider theme” is best addressed by the diversification of the individual marketplace and competition between carriers.

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Rationale for Individual Medigap Medical Coverage

High-Cost Claimants Find Unique Value

- High-cost claimants can **benefit from the larger/healthier risk pools** to select against and secure cost-effective, flexible coverage.
- These claimants benefit from the ~15M retirees enrolled nationally in the Medigap system, with **many clearly “over-insured”**.
- Creates an **explicit subsidy for the higher claimants** through the Medigap risk pools and premiums.

Lack of Comfort with Managed Care

- Some retirees **reject managed care/Medicare Advantage** and want the flexibility to work with their doctors to navigate the broader Medicare system to support their needs.
- These retirees **are not comfortable with managed care “gate keepers”**, pre-certification requirements, prior authorizations, etc., even if following such protocols would reduce their cost.
- Some may have **already had a poor real or perceived experience with Medicare Advantage**.

Guaranteed Access to Key Providers

- Secure access to “name brand” **providers unwilling to participate in group or individual Medicare Advantage**, including:
 - Mayo Clinic (national)
 - Sutter Health (Northern CA)
- *Providers not accepting Medicare Advantage may grow in number over time as Medicare reforms the Medicare Advantage payment system; may result in plans attempting to limit payments to providers and/or impose other provider requirements*

Risk Aversion, Emotional Security, Financial Planning/Budgeting

- Some retirees realize “**emotional comfort**” from a **100% medical insurance coverage option** and are willing to pay over and above the HRA credit to secure such coverage, if needed.
- **Optimal place to secure 100% coverage (Medigap F/G) is the individual marketplace** due to favorable risk pools.

While individual Medicare Advantage PPOs provide a very strong national value proposition, meaningful numbers of retirees will benefit from Medigap, and truly need access to these marketplace options.

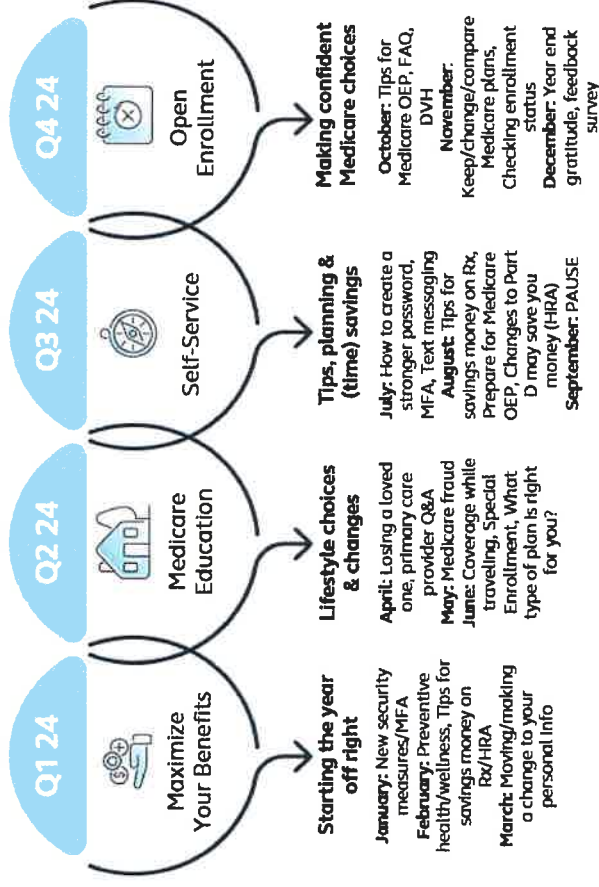
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Looking Ahead

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Looking Ahead – 2024 Summary

- Continue Monthly Age In Webinars
- Participate in Planning for Retirement meeting in the Fall
- Continue HRA educational webinars – May, September, December and January (2025)
- Continue member engagement program (see below for 2024)
- Monthly Digital Know How emails
- Continue with USG dedicated model



²⁹ * Topics subject to change.

³⁰ ** Based on Member feedback received in December 2023 Monthly Member Enrollment survey

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Multi-factor Authentication: Communicating to retirees

- ARHS has covered multi-factor authentication in the monthly member engagement program (MME) several times since the functionality was released in May 2022.
- Additional reminders (Nov '23 and Jan '24) to educate retirees on the mandatory set-up and new methods available



Wrap Up & Questions

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Appendix

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Medicare Market Updates

Medicare Part A

- **Part A Deductible:** The inpatient hospital deductible is increasing from \$1,600 in 2023 to **\$1632 in 2024**
- **Represents an increase of \$32**
- Part A Premium: Most Medicare beneficiaries pay no monthly premium

Medicare Part B

- **Part B Deductible:** The annual deductible will be **\$240 in 2024**
- Part B Premium: The standard monthly premium will be **\$174.70 for 2024** (may be higher based on income)
- **Represents an increase of \$9.80 a month**

Medicare Supplement

- The average monthly 2024 Medicare Supplement premium for **ARHS retirees is \$193.40** across all states, all carriers, and all available plan letters

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Medicare Market Updates

Medicare Part D

- The estimated **average monthly premium** for Medicare Part D stand-alone drug plans is projected to be **\$55.50 in 2024**
- The **average monthly 2024 Medicare Part D premium** for ARHS retirees is **\$39.70** across all states and all carriers
- Medicare Part D **Annual Deductible** is increasing to a **maximum of \$545**
- Medicare Part D **annual out-of-pocket threshold** is increasing to **\$8,000**

Medicare Advantage

- The **average monthly 2024 Medicare Advantage premium** for ARHS retirees is **\$22.40** across all states and all carriers
- The **annual out-of-pocket maximum** for Medicare Advantage plans in 2024 is **\$8,850**
- As of August 2023, Medicare Advantage enrollment is **51% nationwide**

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2024 Individual Medigap Plans

2024 Standard Medigap Medical Benefits for Non-Grandfathered Plans

Benefits	Medigap Plans										
	A	B	C	D	F	G	K	L	M	N	
Medicare Part A Coinsurance and hospital costs up to an additional 365 days after Medicare benefits are exhausted	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	✓	50%	75%	✓	
Blood (first 3 pints)	✓	✓	✓	✓	✓	✓	✓	50%	75%	✓	
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	✓	50%	75%	✓	
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	✓	50%	75%	✓	
Medicare Part A Deductible		✓	✓	✓	✓	✓	✓	50%	75%	✓	
Medicare Part B Deductible			✓		✓						
Medicare Part B Excess Charges					✓	✓					
Foreign Travel Emergency (Up to Plan Limits)			80%	80%	80%	80%			80%	80%	
Out-of-Pocket Limit**							\$7,060	\$3,530			

*Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to \$50 copayment for emergency room visits that don't result in an inpatient admission.

Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)

- Policies are prohibited from covering the Part B deductible for those who become eligible for Medicare on or after January 1, 2020; these new beneficiaries will not be able to buy Plans C or F in their current form
 - Underwriting may be required for certain plans under certain circumstances – with some exceptions

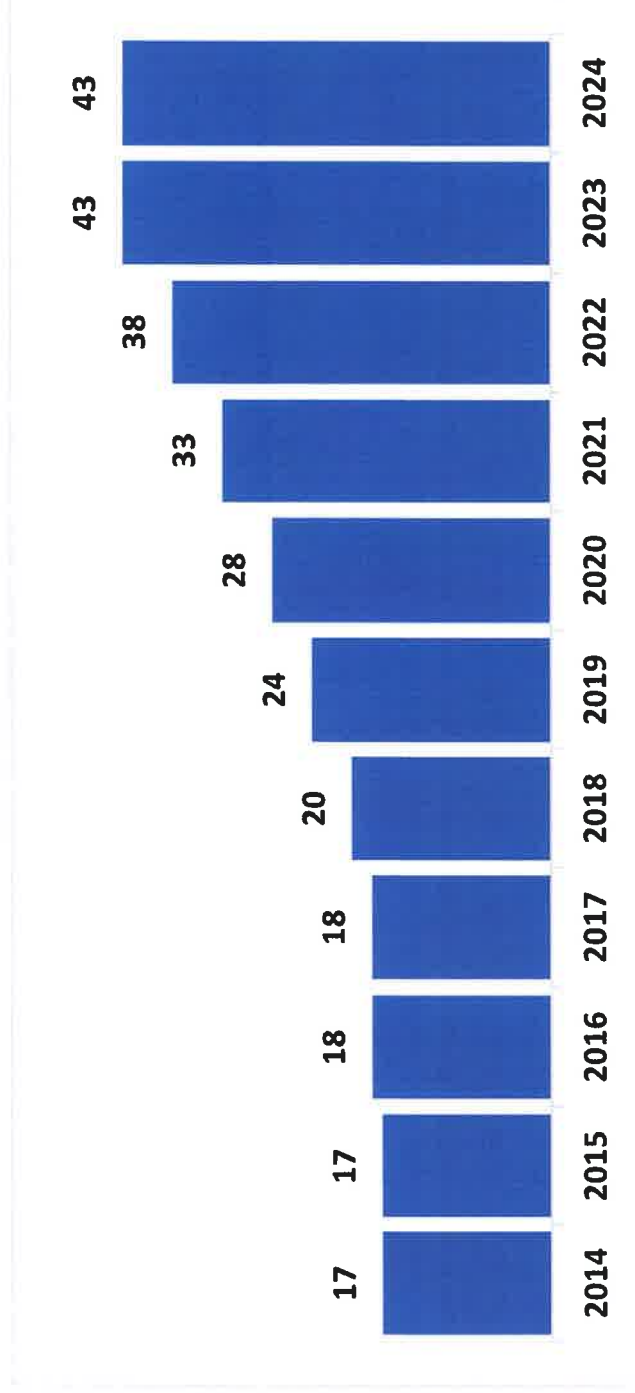
Medigap plans F, G, and N are the most popular among members, in terms of member enrollments.

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Individual Medicare Advantage—Market Overview

National Medicare Beneficiary Access to 2024 Individual Medicare Advantage Plans

Average Number of Plans Available to Beneficiaries by County, 2014-2024



2024 Observations:

- **Virtually all (99.7%)** Medicare beneficiaries have access to at least one Medicare Advantage plan
- **~98% of Medicare** beneficiaries have access to at least one **Medicare Advantage PPO**
- **~66% of all Medicare Advantage plans will charge no premium**, the same as in 2023

NOTE: Excludes SNPs, EGHPs, HCPPs, PACE plans, cost plans and MMPs. Numbers may differ from previous publications in cases where the Landscape File for the year was updated after initial publication. SOURCE: KFF analysis of CMS Landscape files for 2010-2024. [PNG](#)

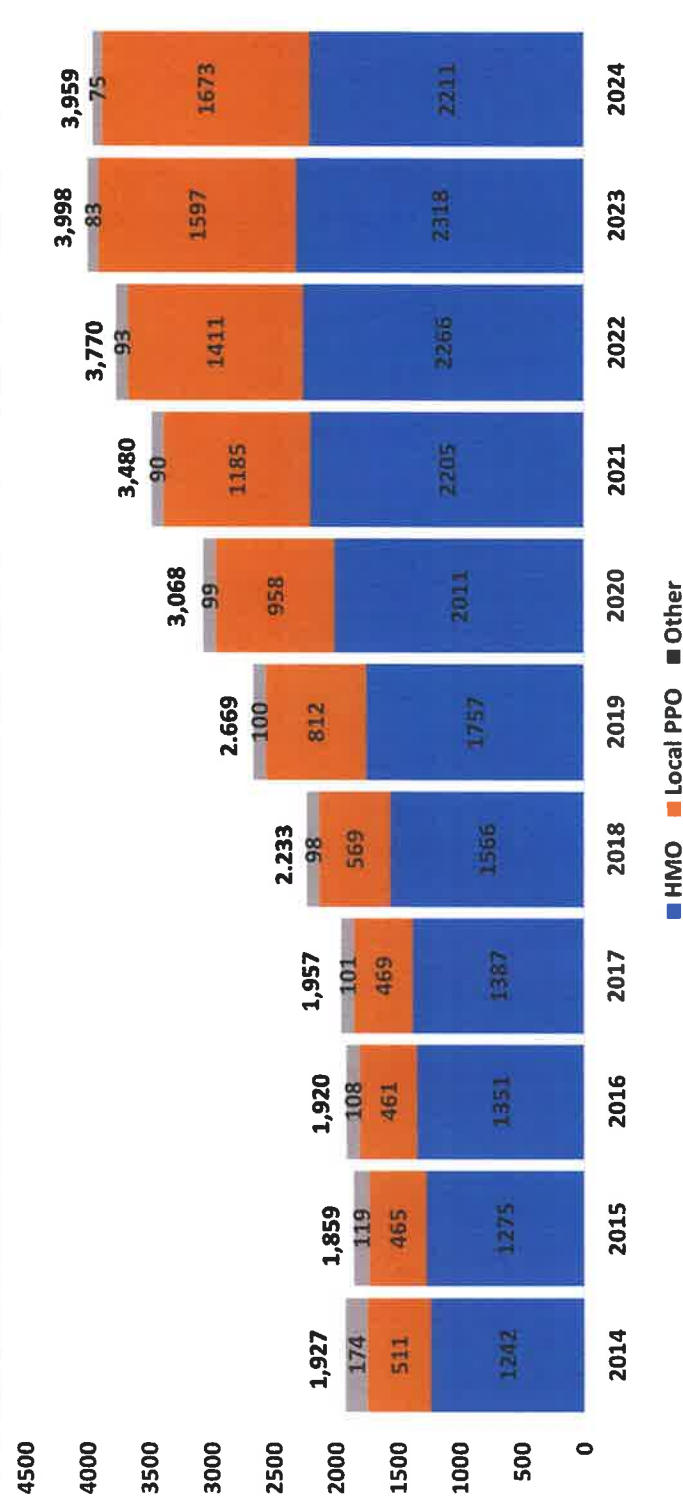
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2024+ Federal Medicare Advantage Payment Reform and the Inflation Reduction Act (IRA)
are driving incremental changes in the marketplace, and choice and value remain very strong.

Individual Medicare Advantage—Market Overview

Slightly fewer Medicare Advantage plans are available in 2024 than in 2023

Distribution of Medicare Advantage Plans by Plan Type, 2014-2024



NOTE: Excludes SNPs, EGHIPs, HCPPs, PACE plans, cost plans, and MMPs. SOURCE: KFF analysis of CMS Landscape files for 2010-2024. PNG

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Medicare Advantage plan access, choice, and benefits continue to expand, creating unique personalized coverage opportunities for beneficiaries with varying needs.

2024 Observations

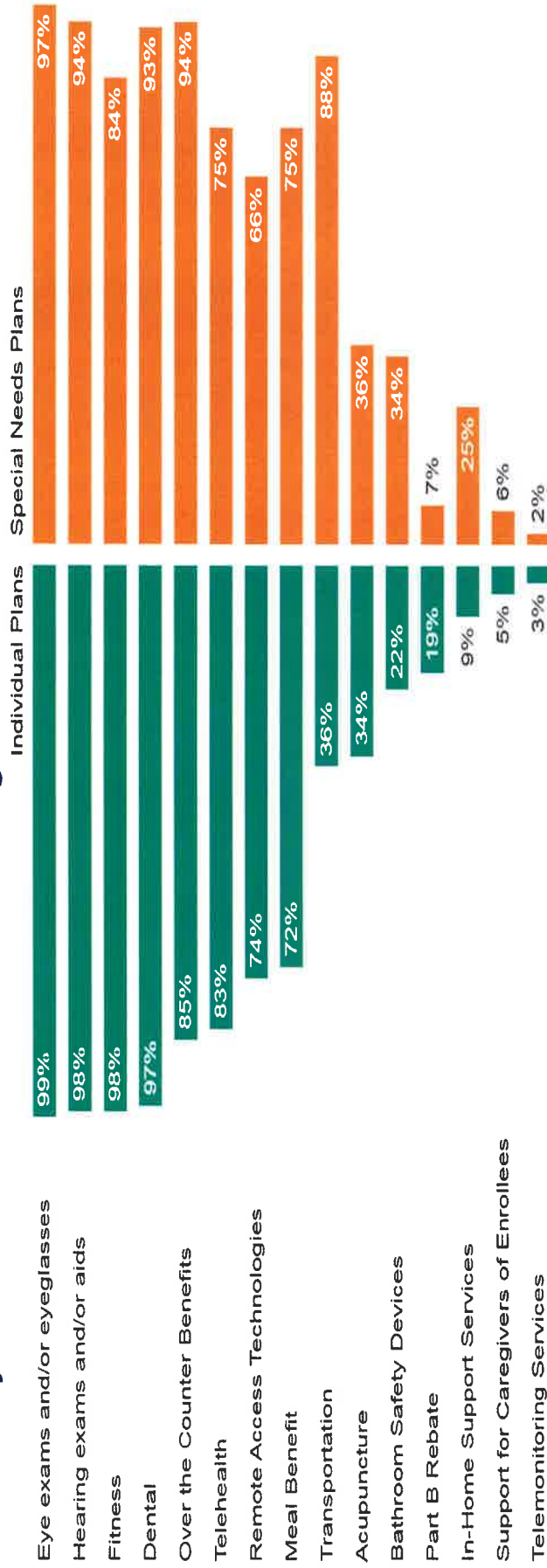
- The average beneficiary can choose among plans offered by **8 firms**
- **Humana (90%) and United (87%)** plans are offered in the most counties
- **~19% of Medicare Advantage plans will offer some Medicare Part B premium rebate in 2024**, up from 17% in 2023, in spite of Federal Medicare Advantage Payment Reform

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Individual Medicare Advantage—Market Overview

Virtually all individual MA plans offer vision, fitness, hearing, and dental benefits

Availability of Value-Added Benefits Among 2024 MA Plans (% of Plans)



NOTE: *Telehealth benefits are part of the basic Medicare Advantage benefit package – beyond what was allowed under traditional Medicare prior to the COVID-19 public health emergency. These benefits are considered “telehealth” in the figure, even though their cost is not covered by either rebates or supplemental premiums. Vision includes eye exams and/or eyeglasses. Hearing includes hearing exams and/or aids. Dental includes all plans that provide dental benefits, including those that provide preventive benefits only, such as cleanings. Individual plans are plans open for general enrollment and exclude EGHPs and SNPs

SOURCE: KFF analysis of CMS Landscape and Benefit files for 2024 • [PNG](#)

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The most common value-added benefits include vision, fitness, hearing, and dental coverage, mostly funded by rebate payments to plans, driven by plan efficiencies.

Individual Medicare Part D—Market Overview

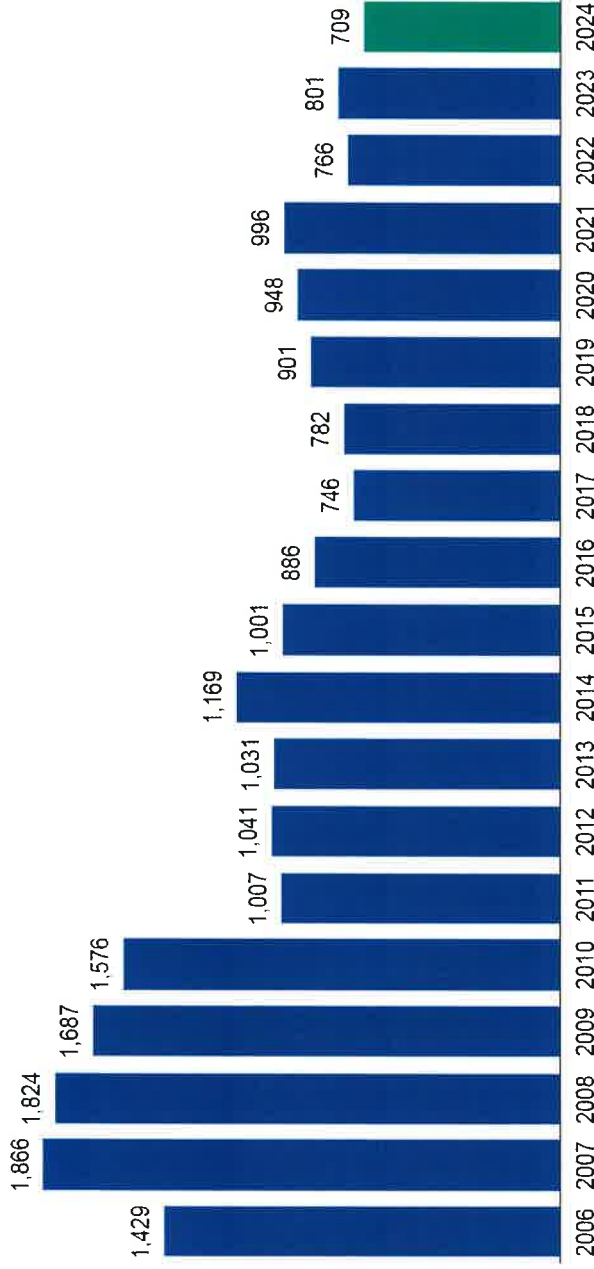
2024 Medicare Part D Individual Plan Availability – Widespread National Access

Over 700 Medicare Part D Stand-Alone PDPs Will Be Offered Nationally in 2024

2024 Observations:

- Approximately 51 million of the ~66 million Medicare beneficiaries are enrolled in Medicare Part D plans, with an approximate 56%/44% split between Medicare Advantage Part D Plans and “Stand-Alone” PDPs

- Despite the recent PDP plan consolidation activity, beneficiaries will have access to a minimum of 15 stand-alone PDPs in 2024, and many more Medicare Advantage Part D plans



NOTE: PDP is prescription drug plan. Excludes PDPs in the territories (n=10 in 2024)

SOURCE: KFF analysis of Centers for Medicare & Medicaid Services 2006-2024 PDP landscape source files • [PNG](#)

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The Inflation Reduction Act (IRA) and subsequent plan marketing strategies are leading to additional PDP plan consolidation and simplification into 2024, and the market remains very robust.

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