Feedback on the 2013 Proposed Benefits Changes
(from Town Halls and Benefits Survey)
March 2012
Agenda

• Executive Summary
  o What we heard

• Communication Strategy

• Survey Data

• Appendix
  o What prompted changes
  o Proposed 2013 Benefit Changes
Executive Summary of Feedback

• Proposed Salary Ranges Not Equitable
  o Percentage of pay for premiums
  o Need more salary bands (especially in 40-80k range)
  o Higher premiums unfair to higher earners

• Evaluate Salaries against Peer Institutions
  o Perception not competitive for both faculty and staff
  o Low salary increases (not keeping in line with cost of living increases)
  o Take home pay going down every year with benefits and parking costs going up

• Want More Wellness
  o Incentives for positive healthy behaviors (smoking vs. non smoking, etc.)
  o Free gym memberships
  o Better facilities on campus
  o More nutritious food in cafeterias
  o Culture of wellness (allow employees to leave their desks for exercise)
  o Prevention of chronic diseases
Executive Summary of Feedback Continued

• Rethink Tuition Benefits
  o Only a small population use these
  o Decrease Tuition Grant for dependents
  o Lower coverage for families who have both parents working at JHU
  o Incentivize in-state schools and lower the benefit for out-of-state schools
  o Increase Tuition Reimbursement and expand graduate studies outside of JHU
  o Charge those who use the benefit a higher premium

• Benefit Dollars Unclear
  o Both current and future concept unclear
  o Request dollar driven scenarios
  o $500 incentive for waiving coverage unfair for those who do not waive

• Vacation/Maternity Leave
  o Sell back vacation or sick time
  o Share sick leave with other employees who need it
  o No carry over vacation (corporate model)
  o Employees rely on carrying over sick and vacation days for maternity leave
Executive Summary of Feedback Continued

- **Proposed Changes Affect “Total Rewards” and Recruiting**
  - Hopkins will not be able to attract competitive work force
  - Employees not feeling valued by Johns Hopkins (low morale)
  - Employees considering leaving Johns Hopkins (negatives outweigh positives)
  - Disincentivizes productivity

- **Other Suggestions for Cutting Costs**
  - Stop building and acquiring new buildings and hospitals
  - Reduce health care vendors to 1 or 2
  - Reduce salaries and bonuses at highest levels
  - Close JHU between Christmas and New Years
  - Cut some of the other benefits (ex. adoption assistance, live near where you work)
  - Become a leader in healthcare reform
  - Allow employees to not carry medical coverage
  - Premiums per number of benefits that an employee elects (cafeteria approach)
  - Premiums per family size
**Communication Strategy**

**Multi Media Strategy**
*(February – March 2012)*

**Email**
- Announcement Emails to Leadership and all Faculty and Staff
- Today’s Announcements, Inside Hopkins Medicine
- Reminder Emails to attend Town Halls and fill out Survey

**In Person**
- 2013 Benefit Changes Town Halls
  - 32 Town Halls across 15 Campuses
  - 1565 Attendees

**Online**
- Benefits Website
- Benefits FastFacts
- FAQ’s
- HR NewsWire Article
- Article in The JHU Gazette (Online and Print)
- Town Hall Flyer and Registration

**Survey**
- Town Hall Survey
  - 3,395 Responses
Town Hall Survey Analysis

• Demographic Information
  o 3,395 employees completed the survey
  o 68% attended a town hall or viewed the FastFacts version
  o 22% of the JHU population completed the survey

• Feedback on the Recommendations
  o Understanding the recommendations
  o What we learned from employees

• Benefits Education

• Open Comments
Town Hall Survey Demographics

**Survey Data**

Gender
- 73% Female
- 27% Male

**JHU Population (March 1, 2012)**

Gender
- 63% Female
- 37% Male
Town Hall Survey Demographics

Survey Data

Employment Group
- Deans/Executives: 19%
- Faculty: 37%
- Senior Staff: 43%
- Support Staff: 0%
- Bargaining Unit: 1%

JHU Population (March 1, 2012)

Employment Group
- Deans/Executive: 4%
- Faculty: 27%
- Senior Staff: 41%
- Support Staff: 27%
- Bargaining Unit: 1%
**Survey Data**

- Academic Centers: 13%
- Arts & Sciences: 6%
- Carey: 3%
- Education: 3%
- Engineering: 2%
- Homewood Student Affairs: 3%
- Libraries: 1%
- Medicine: 1%
- Nursing: 2%
- Peabody: 1%
- Public Health: 1%
- SAIS: 3%
- University Administration: 4%

**JHU Population (March 1, 2012)**

- Academic Centers: 2%
- Arts & Sciences: 9%
- Carey: 2%
- Education: 6%
- Engineering: 2%
- Homewood Student Affairs: 1%
- Libraries: 1%
- Medicine: 12%
- Nursing: 1%
- Peabody: 1%
- Public Health: 1%
- SAIS: 4%
- University Administration: 56%
### Survey Data

- **Employment at JHU**
  - 0-4 years: 30%
  - 5-9 years: 23%
  - 10-14 years: 17%
  - 15 and Above: 22%

### JHU Population (March 1, 2012)

- **Employment at JHU**
  - 0-4 years: 35%
  - 5-9 years: 22%
  - 10-14 years: 18%
  - 15 and Above: 25%
Town Hall Survey Demographics

**Survey Data**

- Under 25: 4%
- 25-34: 2%
- 35-44: 22%
- 45-54: 19%
- 55-64: 25%
- 65 and Over: 28%

**JHU Population (March 1, 2012)**

- Under 25: 4%
- 25-34: 19%
- 35-44: 20%
- 45-54: 26%
- 55-64: 26%
- 65 and Over: 5%
Town Hall Survey Demographics

Survey Data

Salaries
- Under $40,000: 17%
- $40,000-$79,999: 18%
- $80,000-$124,999: 7%
- $125,000-$199,999: 6%
- $200,000 and Above: 4%

JHU Population (March 1, 2012)

Salaries
- Under $40,000: 25%
- $40,000-$79,999: 16%
- $80,000-$124,999: 11%
- $125,000-$199,999: 6%
- $200,000 and Above: 25%
Survey Data

Medical Enrollment
- Self: 34%
- Self plus Spouse/Partner: 28%
- Self plus Family: 18%
- Self plus Child/Children: 12%
- Waived: 9%

JHU Population (March 1, 2012)

Medical Enrollment
- Self: 37%
- Self plus Spouse/Partner: 27%
- Self plus Family: 15%
- Self plus Child/Children: 8%
- Waived: 13%
I believe that the changes in benefits are necessary for the University.
I agree with the proposed salary-based contributions.

- **Strongly Agree**: 29%
- **Agree**: 21%
- **Neither Agree nor Disagree**: 26%
- **Disagree**: 18%
- **Strongly Disagree**: 6%
I understand that I will pay more of my out of pocket costs in 2013 for healthcare (premiums, co-pays, co-insurance and prescriptions).
I will continue to access medical care as needed regardless of the cost increases.

**Access Medical Care**

- **Strongly Disagree**: 8%
- **Disagree**: 17%
- **Neither Agree nor Disagree**: 18%
- **Agree**: 44%
- **Strongly Agree**: 13%
I believe that the changes in benefits are reasonable.

- **Strongly Disagree**: 19%
- **Disagree**: 32%
- **Neither Agree nor Disagree**: 27%
- **Agree**: 20%
- **Strongly Agree**: 2%
Town Hall Survey

I attended a 2013 Benefit Changes Town Hall session or viewed the Benefits FastFacts version online.

Attend Town Hall or Benefits FastFacts

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Town Hall Survey

I am interested in learning more about the university's benefits programs.

Learn More About Benefits

- Strongly Disagree: 1%
- Disagree: 6%
- Neither Agree nor Disagree: 24%
- Agree: 49%
- Strongly Agree: 20%
Town Hall Survey – 2,258 Open Comments

Salary Ranges Not Equitable

- Employees that make more should pay a much higher percentage for the same insurance.
- Make premium contributions from employee based on a flat percentage of salary.
- The University’s idea of higher salaried staff/faculty paying more dollars than low salary staff is in the right direction, however the percent of impact still needs to be adjusted.
- Feel that a flat charge should be considered. 2% of your salary for everyone (just an example)
- I think the change should be for those making 50,000 or more. I'm making less than 43,000 and feel that it will be too much to be in the same category as someone making $70,000.
- I think the cost categories are too broad. 40,000-79,999 is way too broad a salary range, suggest the range be more in the area of 40,000-60,000 and so on and so forth. A person making $40,000 and a person making over $200,000 only have a difference of approximately $800 in the family coverage. That equates to a difference of $160,000 in salaries and the person on the low end of the salary grid really is getting the screws put to them with their contribution to healthcare.
- The mid-range of $40,000-$79,999 is too broad, so perhaps there should be a dozen or so different brackets to make it more affordable for those on the lower end of the bracket.
- Salary based contributions penalize those earning $80,000 or more. Everyone should have to contribute equally/equal percentage of earnings. A higher salary does not equate to ability to pay - re: school loans to earn that salary/job.
- Employee contributions to healthcare insurance should not be salary based: flat rate for everybody. People, who make more money sacrificed many years of schooling and potential income ending up with huge school loans to pay. Do not punish the productive players.
Town Hall Survey – 2,258 Open Comments

Evaluate Salaries against Peer Institutions

• The proposed changes are being justified in part to keep them in line with our peer institutions. But it is common knowledge that salaries at JHU are not in line with our peer institutions--they are, across the board, considerably lower. If our benefits--which are a crucial component of the desirability of employment at JHU--are taken away to make us more like peer institutions, will we in turn be compensated according to the pay scale at our peer institutions?

• Salaries in my department are stuck at 25th percentile for comparable institutions, so we are already taking a hit every year. We live in a region with a high cost of living and are already squeezed. The university needs to do better to support its most critical resource - its employees.

• I wouldn't mind paying more if the salary increases had kept up with the cost of living.

• Benefits are a part of our compensation, cutting benefits = cutting our income. If benefits are supposed to be consistent with the market, please pay us salaries consistent with the market.

• I understand that benefit costs are rising; however I'm sure my salary will not. These past years of 2-3% raises aren't helping to manage these increases along with all the other economical increases (like groceries, gas, household expenses)…

• with the costs of being employed (such as gas, parking, auto maint., food). As a Hopkins employee I must pay everything out of pocket - no perks. The increase in health ins. may cause me and others to investigate employment closer to home with better wages & perks.

• While I understand the need to increase the cost of benefits, it is a difficult pill to swallow when your paycheck is decreasing on a yearly basis. Healthcare and parking accounts for a higher percentage increase than the highest percentage available for raises.
Want More Wellness

• Continue the work you are doing on preventative care and wellness classes.
• Implement a wellness plan that will provide a reduction in premiums or other monetary funds (e.g. benefit dollars, etc.) to employees who choose to participate instead of providing benefit dollars to all JHU faculty and staff. The plan should make employees aware of some of the basics (e.g. biometrics, body mass index, etc.) because when individuals are more aware they are more proactive in obtaining/maintaining a healthy lifestyle.
• Make the wellness programs, gyms and such be free. I am already so strapped by the small salary, salary freezes and costs of benefits and parking going up that to afford the "Wellness" programs does nothing more than send my blood pressure through the roof to realize that only those can get healthy who have more money.
• require an increased share of the premium from those who smoke, drink alcohol or have an obese BMI
• Promote and make healthy choices mandatory. Create a culture of health. Require programs like morning calisthenics, removing junk food and sodas from vending machines, invest in usable kitchens, engage employees proactively to improve their health. It's synergistic for both the employee and our organizations. Focus on the problem which is unhealthy people. Costs would decrease if we're all healthier. Secondly, simplify options and offer the most cost effective solutions. Prevention Prevention Prevention.
• Incentives for healthy lifestyles-discounted gym membership, healthier food options on the Hopkins medical campus (has anyone really looked at some of these options--it's a really pathetic attempt to offer healthy, fresh food).
Town Hall Survey – 2,258 Open Comments

Rethink Tuition Benefits

• Most people use medical benefits. Why not cut tuition or other programs that are only used by a small percentage of people.

• Remove benefits that are for some but not all, like children's tuition payments - or benefit those who don't use that benefit in some way - this is a HUGE discrepancy in benefits.

• Limit tuition grant payments for children when both parents qualify for the plan. Reduce the percentage of tuition grant from 50% to 40% or less for one employee with more than one child in college in the same academic year.

• As opposed to paying up to 50 percent of Johns Hopkins's tuition to any employee's child at any institution, why not limit it to paying up to 50 percent of Hopkins's tuition toward any Maryland college or university only (including Hopkins, meaning they don't attend Hopkins free of charge). And for those students who attend out-of-state colleges, they'd get 10 percent of that college's tuition, not to exceed $5,000 per year.

• Fix the tuition benefits - better benefits for employee learning - less emphasis for the offspring if trade off is needed

• I would also love to see the tuition remission increased or some other benefit to make that more affordable. It's not very affordable to take master's classes at Hopkins (barely covers the cost of 2 classes per year). And you don't have the option of going elsewhere - tuition remission only pays for classes at Hopkins.

• Give employees wider choices in which benefits they wish to utilize. Or change premiums for those who don't access certain benefits each year. For instance, those without children would receive a break on premiums since they wouldn't access the tuition benefits for children.
Benefit Dollars Unclear

- In the meeting I attended, we were told that the $900 in benefit dollars was going towards the healthcare costs. In the meeting someone else attended, she was told that about one-half of the $900 was being applied to healthcare costs. That's quite an inconsistency.
- I don't understand the "benefit dollars will be retired" section. I don't understand how this is not a pay cut. Would you give an example of how this will work in 2013? What portion of benefit dollars will be used to defray health costs, and what portion of that will be used to offset employee's portion of health care cost?
- I never understood those Benefits Dollars either. Given the confusion and concern about them during the Town Hall I attended, maybe you need to prepare a document (only 1 or 2 pages) that describes how the program really worked and what will happen to that money now. Then distribute it broadly.
- Provide simple examples of the impact on pay check. Why not just state that employees will spend $X (or range of $) more on health care per paycheck, instead of trying to explain that you're eliminating the benefit dollars, but increasing the costs. Too confusing...
- If you're going to "reward" those not taking health insurance with a $500 annual bonus, pay me for not using the dependent child tuition benefit for all 30 years of my employment here. A benefit is a benefit is a benefit.
- Why should $500 given to those that have insurance elsewhere?
- Also, staff/faculty members who are insured with their partners are still getting paid $500? That is very unfair. They are lucky enough to have a partner and they can share health care costs and they are being rewarded, yet a single mother for example won't have this opportunity and will incur drastic expenses.

Town Hall Survey – 2,258 Open Comments
Town Hall Survey – 2,258 Open Comments

Vacation/Maternity Leave

• allow people to sell back up to 1/2 vacation to defray benefits costs
• Why are my 12 days of sick leave that I don't use go wasted while coworkers use their 12 days sick time as additional sick time? Could we use the unused sick time to help pay for our health care premiums as an incentive?
• …a system whereby employees can give away unused vacation and sick days to employees who need them.
• Allow staff to donate excess, accrued sick leave (at their discretion) to a pool from which employees can draw as needed… Require university to take back a certain number or percentage of any unused vacation days by a certain date per year (no carry over for any staff)
• No carry over of vacation. Large corporate did away with this 20 years ago. Use it or lose it. Almost fiscally irresponsible.
• I believe Hopkins should NOT allow staff or faculty to carry over vacation days. Taking vacation is a an important part of a healthy approach to overall wellness and employees should be encouraged to use it. Or lose it. Hopkins should develop a philosophy of ensuring it is NOT viewed as a sign of laziness.
• Strongly recommend the inclusion of maternity leave if rollover limits on vacation time are to go into effect.
• I understand the need to decrease the amount of carry-over vacation days for new employees to 22, but keep in mind that many mothers bank their vacation days for maternity leave since Hopkins does not have a formal maternity leave.
Proposed Changes Affect “Total Rewards” and Recruiting

• When JHU recruiters are looking for new hires, they often tout the great benefits package JHU offers. And it is great, or at least it was. When employees see that peers on average have higher salaries, JHU explains it by saying that our benefits are better. If our salaries are still lower and the benefits are no longer better, it's like a bait and switch. Not the way to encourage satisfied, productive employees.

• I find it hard to believe that this is the only way the University can cut costs... I find the compensation and "perks" (not the benefit plans being discussed here) are highly unbalanced. The University talks a good talk - that they value their staff and staff efforts, yet the staff is the first group to feel cutbacks. What about faculty? Senior Administration? I don't see where they are feeling cuts...

• …If employees do not see clearly see the positives coming out of the proposed changes, there will be a lack of contentment in their minds and this will adversely affect their productivity which in turn will affect the university.

• Johns Hopkins University pay is below comparable jobs outside the university. One of the incentives to work for JHU is the strong benefits package. The day is quickly approaching when the negatives of working for this institution will outweigh the positives. If that day has not come already.

• My belief is that staff take a considerable reduction in salary to work at the Johns Hopkins University but have the advantage of working for a great institution and are awarded with very good benefits. If the university continues to chip away at those benefits, the end result is that those staff that are most outstanding will leave for the better pay elsewhere slowly degrading the level of staff and ultimately the productiveness of the university as whole.
Other Suggestions for Cutting Costs

• Stop building and pay more attention to the employees we are worth it.
• Instead of having multiple insurance companies to choose from I feel it should be narrowed to down…
• Fewer Deans and VPs. Cut down on quarterly bonus/incentives and end of year bonus for the ones who make 6 figures already.
• Close the University between Xmas and New Years as most other local area colleges do. Calculate the percent/cost of 3 days of work divided by 252 working days a year.
• Cut out all the fluff. In the benefits page, under "other benefits" I see six programs listed that could potentially be eliminated. Adoption assistance, for example, strikes me as an extreme luxury. ..
• I think the university needs to become a leader in finding a new way to deliver primary care services.
• The university leadership should be more vocal on the national platform advocating for healthcare reform.
• I think that if the cost of care is going up for employees you need to consider having Johns Hopkins not have mandatory insurance for employees.
• A cafeteria approach - opt-in or out of the various benefits offered so health care costs are not so significantly impacted.
• Family coverage should depend upon the NUMBER of dependents! Family coverage is the largest growth area, and the word FAMILY masks the actual number of dependents who are being covered under our plan.
Appendix
Proposed 2013 Benefit Changes

At the request of Provost Lloyd Minor and Senior Vice President of Finance and Administration Daniel Ennis

The Benefits Advisory Committee (BAC) completed a comprehensive review of the university's benefit programs

The goal of the review was to evaluate ways of reducing program expenses by 5% ($10 to $15 million)

These reductions are necessary in light of:
- federal budget reductions
- reduced earnings on our investments
- continued pressure on tuition costs
- benefit cost trends are not sustainable
RECOMMENDATION

1. Include benefit dollars in the benefit premiums

2. Increase (over time) the total percent of health insurance premiums paid by employees to be more consistent with the market (JHU Family in 2012 is 22%; move to 25%)

3. Implement salary-based contributions to health insurance premiums (to address affordability)

WHAT THIS WOULD MEAN FOR YOU

• The benefit dollars program would be retired, and we would automatically use most of those dollars towards the cost of healthcare; this would enable us to mitigate some of the increases in employees’ health insurance premiums

• Percent of premiums paid by employees would increase in 2013 and beyond to be consistent with peer institutions

• Employee’s portion of premium would vary depending upon salary
RECOMMENDATION

4. Increase health insurance deductibles and out-of-pocket annual limits to be consistent with the market and closer to peer institutions (have not been changed in seven years)

5. Copayments for prescription drugs will change

6. Increase cost-sharing for brand drugs (consistent with market and peers)

WHAT THIS WOULD MEAN FOR YOU

• Your deductible would increase (it’s the amount you pay out of your pocket before your cost-sharing begins); your out-of-pocket limit would also increase

• It would continue to be cheaper to use a generic drug and mail order (rather than retail)

• Copayments for brand-name drugs would be more expensive, reflecting their rising cost
2013 Proposed Other Benefit Changes

RECOMMENDATION

7. Vacation – reduce carryover vacation days for new hires from one year to the next

8. Continue to capture program and administrative efficiencies

WHAT THIS WOULD MEAN FOR YOU

• No change if you are a current employee; new hires effective 1/1/2013 would carry over a maximum of 22 vacation days

• No change