

EXTENSION OF GROUP MEDICAL INSURANCE TO STAFF MEMBERS

(Board of Trustees Meeting, June 27, 1976)

A proposal was made by the President on behalf of the staff members of the College that these important members of the College's community be included under the group Medical insurance program of the College on the same basis as the members of the faculty.

It was proposed that the College increase its contribution to the group insurance program of these members to cover 75 percent but not more than \$14 per month of the employee cost for each staff member enrolled in the program.

The need for this change had been expressed in the form of a written proposal circulated to members of the Board prior to the meeting. This proposal was reviewed. After discussion, the Board of Trustees acted to adopt the proposal as presented to them, with the change to be effective July 1, 1976.

In adopting the above proposal, members of the Board asked that the College continue to investigate whether it would be desirable for all College participants in this group medical insurance program to be included under the Virgin Islands Government employee program as an alternative to the present Equitable plan. If this proved not to be desirable in the opinion of those College people studying this alternative solution, the Board suggested that the group medical insurance programs of other insurance companies also be investigated to determine if other health insurance program would be preferable to the present one.

PROPOSAL ON BEHALF OF THE STAFF
RECOMMENDING AN INCREASE IN THE
COLLEGE'S CONTRIBUTION TO THE
GROUP MEDICAL INSURANCE PROGRAM

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It is being proposed that the College increase its contribution to the group insurance program to cover 75% but not more than \$14.00 of the employee cost for each staff member enrolled in the program.

Under the present group medical insurance program, the College contributes \$6.60 to cover the major medical portion of the total employee cost of \$18.04. This amounts to 35.9% of the cost to each staff member enrolled in the program. The employee contributes the remainder of the premium for himself and pays all premiums for the coverage of his dependents. The premium rates have risen quite sharply within the past few years increasing by over 25% from \$14.39 in 1972 to the present level of \$18.04 in 1976. With the increase in rates there has been a corresponding decline in employee participation. Overall there are approximately 13.4% of the full-time staff members enrolled in the program (34 of a total staff of 265). In our Physical Plant area, however, the participation rate is just 10%. It is our best judgement that the kind of relief being recommended would provide a degree of access to the plan for staff members which is not now available either for them or their families.

Additionally, our group medical insurance program does not compare very favorably with benefits offered by the Virgin Islands Government which is presently paying approximately 75% of the employee cost for medical insurance. It is believed that it would be in the interest of the College to offer benefits in this area that are no

less than those for government employees.

Also, an increase in the medical insurance benefits at this time would increase the attractiveness of our fringe benefits package for staff employees. Given our commitment to continually improve the quality of employees in the service of the College, we wish to maintain a competitive edge in terms of benefits offered and enhance our attractiveness as a prospective employer. We need to do this if we are going to be able to continue to attract persons who are competent and who are able to meet high standards of performance.

Furthermore, an increase in the College's contribution to the medical insurance program would have the effect of increasing the take home pay of staff members. This is especially significant at this time in view of the College's inability within the past year to award merit increases and also because of the continuing erosion in real wages that is taking place as a result of inflation.

In summary, we are proposing a modest improvement in medical insurance benefits for staff employees with the objective of affording them a higher degree of security against serious illness or injury. Given benefits offered elsewhere in the Government, the recent improvement in benefits for the faculty, and the continuing decline in real wages resulting from inflation, an increase in the College's contribution to 75% but not more than \$14.00 of the premium for the staff member would serve to improve our fringe benefit package, increase take home pay, promote employee goodwill, and enhance the general welfare of the institution.

June 8, 1976