

**HAGERSTOWN COMMUNITY COLLEGE
BOARD OF TRUSTEES**

MINUTES

Special Work Session

September 26, 2023

A work session of the Board of Trustees of Hagerstown Community College was held on Tuesday, September 26, 2023, in the Career Programs Building Room 211 and 213, beginning at 11:00 am. In attendance:

Board Members

Austin Abraham

Carolyn Brooks

James S. Klauber, Secretary - President

Paula Lampton, Vice Chair

Thomas Newcomer

L. William Proctor, Jr., Chair

Gregory Snook

HCC Affiliates

Jennifer Childs - Executive Director of Human Resources

Fonda Franklin - Manager, Human Resources

Rebecca Shives - Recording Secretary

Others in Attendance

Mike Coan - PSA Financial

Madison Cottone - PSA Financial

Kelly Ann Risley - PSA Financial

Call to Order

Vice Chair Lampton presided and convened the work session at 11:02 am.

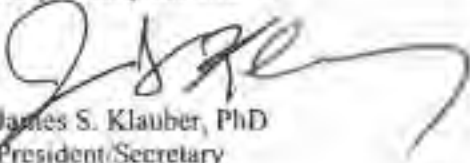
Discussion of Retiree Benefits

Executive Director Childs introduced Mr. Coan, Ms. Cottone, and Ms. Risley from PSA Financials. Mr. Coan presented a PowerPoint Presentation on a retiree benefit carveout plan that would launch in January 2025. The team discussed that retirees need to be enrolled in Medicare Part A and Part B. PSA performed a retiree car out analysis and they recommend the carveout plan because of a few factors. These factors include: Medicare Retirees prescription drug claims have doubled in the last three years, fully insured Medicare Supplemental plans are subsidized more significantly by the Federal government than the colleges group plan, and this move will reduce the college GASB related funding and liability for retiree healthcare. A chart was shared of Total Gross Cost Per Employee/Retiree Per Year at HCC. This chart showed numbers from 2018 - 2023. In 2022/2023, the active Gross PEPY and the Retiree Gross PEPY were almost the same. Specialty drugs are one of the reasons for this growth as these drugs typically cost more than \$1,000 per prescription. The team stated this carveout plan is the richest supplemental plan available. During the presentation, Trustee Snook, Trustee Newcomer, Trustee Proctor, and Trustee Abraham asked clarifying questions about the carveout plan and how it would affect retirees and the college.

Adjournment

There being no further business or discussion, the work session was adjourned at 12:09 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. S. Klauber', with a long horizontal flourish extending to the right.

James S. Klauber, PhD
President/Secretary