HR 2 HR

Department of Human Resource Management

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Inside this issue:

Executive Director's Message	1
2012 Legislative Summary	2
Swing Out Option	4
Open Enrollment	5
Benefit Fairs	
2012 Managers Conference	6
Save the Date - DHRM Summer Meeting	
HR Staff Updates	7

General salary increase – Executive Director's Message

By Jeff Herring

As most of you know, state agencies received funding for a 1% salary increase for certain state employees this year. I have received many questions regarding what that means and how it will be implemented. Most of the questions received are regarding whether this will be a 1% Cost of Living Adjustment (COLA), Merit, or agency discretionary money for employee compensation. The answer is – none of the above. The increase will be implemented as a 1% "general salary increase" this year.

What is a general salary increase? And, why are we choosing this tool? A "general salary increase" is a salary action that raises employee salaries, but does not change the salary range. It is similar to a COLA in that salaries move up by 1%, but instead of being at the same relative spot in your salary range, you will be 1% further in the salary range.

This method was chosen due to the significant and excessive salary compression that exists in the State. Currently, almost 50% of the State's workforces' salaries are located in the bottom 25% of the respective salary ranges. We have about another 25% of employee salaries that are located in the 25%-50% of the respective salary ranges.

Having 75% of the workforce salaries below midpoint of the salary range creates some significant challenges. It creates internal morale problems. While we all know that there is more to public service than salary, it is not difficult to imagine the disappointment that a 20-year employee could feel if they were making the same amount as a newly hired employee. This discrepancy also creates difficulty in attracting new talent to state employment. Because of the internal equity issues that are created by salary compression, state agencies often have no flexibility in the hiring wage for new candidates and the minimum of the salary range becomes the de facto hiring wage.

Jeff Herring,
DHRM Executive Director

This general salary increase will help to move employees through their salary ranges and will free up some room at the bottom of the salary range to begin to obtain flexibility for our recruitment efforts.

Another issue is what happens for those employees that are already at the maximum of their salary ranges or in salary longevity. In these cases, because we cannot give an ongoing salary increase above the maximum of their salary range, they will receive a one-time bonus equivalent to 1%.

I hope this helps answer some of common questions for you and our customers. Watch for further details in the Compensation Bulletin. Thanks for all you do.

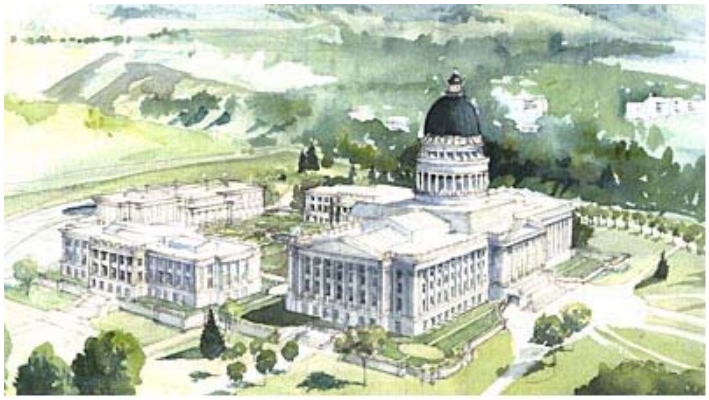
2012 Legislative Report

By Conroy Whipple, HR Director

The 2012 legislative session is notable for the large number of bills that had potential impact on employees and the HR system. These bills fall into four basic categories: compensation and benefits, changes to state agencies, DHRM rules, and GRAMA. Here is a quick overview of the issues and what happened.

Compensation and Benefits

It should be no surprise that most of the issues are in the area of compensation and benefits. **House Bill (HB) 9, State Agency and Higher Education Compensation Appropriations,** provides for a one percent increase in salary. This will not be a COLA but a general increase for most state employees. The difference is that a COLA moves the range and keeps employees in the same relative position on the range. This general increase will move employees within the range while not moving the range. This will help reduce compression at the bottom of the range which is the number one problem in our compensation system. This bill also funds the full increased cost of retirement benefits, the termination pools, the Other Post Employment Benefit pool (OPEB) which funds the sick leave retirement program, and increased un-employment insurance costs.



There are a large number of changes in the health and medical insurance benefit, most are the result of **House Joint Resolution (HJR) 21, Joint Resolution on State Health Insurance.** Most employees will see little if any immediate cost impact from these changes:

- Premiums for health insurance for FY12 will stay the same as FY11, but it is still unknown what the HSA contribution will be.
- Increases in medical insurance premiums will be funded through one-time funding from the excess reserves at PEHP.
- Advantage and Summit Care will stay at a 90/10 premium split.
- Dental premiums will change to a 90/10 premium split. Each plan (traditional and preferred) will be restructured so the traditional plans will see a reduction in the premium costs, while the preferred plans will see a slight increase.
- Advantage and Summit Care will have a change in co-insurance from a 90/10 split to an 80/20 split to be equivalent to the co-insurance on the HDHP plans. Co-pay amounts will stay the same and deductibles/co-insurance for ER and Lab will change (more detail to come).
- Creates a new HDHP option for employees. This plan will have significantly less benefits and will have a 70/30 co-insurance, plus an HSA. The HSA contribution amount is still unknown.
- PEHP will explore options for sliding premiums/ deductibles based on wellness.

There is continuing interest in high deductible health plans (HDHP) this year. **HB 437 - Public Employee Health Care Benefits,** provides for an increased incentive for employees to participate. PEHP must provide training on HDHP plans, including coordination of benefits, restrictions, and tax implications; they must also coordinate annual open enrollment with DHRM. All HSA contributions for employees on an HDHP plan will be deposited twice yearly, in July and January instead of bi-weekly. The HDHP plans will also include a portability factor, so an employee who has been on an HDHP plan for at least 4 years and leaves state employment can choose to purchase the same plan through PEHP's conversion policy, at their own expense. And lastly, it requires health plan option training for all state employees again this year.

Three bills made some important changes for small groups of employees. In Section 67-19-27 a state trooper who is injured or disabled in the line of duty from a felonious act receives 100% of salary and benefits during the period of disability. The circumstances that invoke this benefit are expanded by **HB 121, Disabled Law Enforcement Amendments,** to include a motor vehicle accident where the trooper was not negligent in causing the accident. One provision of **HB 256, Retirement Modifications,** establishes an exemption to vesting requirements for the tier II system for certain positions, similar to the exemption that now exists from the tier I system. This will impact about two dozen employees who were hired in the offices of elected officials between July 1,

(continued on page 3)

2012 Legislative Report (continued from page 2)

The post-retirement health care benefit is eliminated for legislators and governors who begin service on or after January 1, 2012 with the passage of **Senate Bill (SB) 156, Elected Official Retirement Benefits Amendments.**

And finally, state employees need to be aware that **HB 46, Electronic Personal Medical Records**, places state employees and their dependents in the Clinical Health Information Exchange (CHIE). The CHIE will allow medical professionals to view a person's medical records when treatment is required away from the chosen provider. The bill requires notification from PEHP that the employee is enrolled in the exchange and has the right to opt out.

Changes to Executive Branch Agencies

Operations in three executive branch agencies are seriously impacted as a result of legislation this year. The passage of **HB 80, Reorganization of Administrative Support Functions in State Agencies,** gives the Department of Human Resource Management authority to provide all payroll services for the executive branch with the exception of the Attorney General, Treasurer, Auditor, DOT, DTS, and DNR beginning Sept. 19, 2012. The Department of Administrative Services is also required to conduct a study of administrative support services such as purchasing and finance in certain agencies to asses the feasibility of transferring them to DAS or another agency. The Department of Community and Culture (DCC) is even more seriously impacted by **HB 139, Department of Community and Culture Amendments.** The Division of Housing and Community Development is moved from DCC to the Department of Workforce Services and DCC is renamed the Department of Heritage and Arts. These two bills are recommendations coming out of Governor Herbert's "operational excellence" initiative.

The management structure of the Department of Alcoholic Beverage Control is re-configured by **SB 66, Alcoholic Beverage Control Related Amendments.** Portions of this bill provide a detailed process for the Governor to appoint the director of the department of Alcoholic Beverage Control and for the director to appoint "upper management". Currently the director is appointed by a board. This bill is the result of a legislative audit of the department conducted last summer.

DHRM Rules

A recent audit by the Office of the State Auditor called into question part of the state incentive award program in rule R477-6-5, Incentive Awards. There were two issues; the legal authority of DHRM to establish "market based" awards, and the DHRM interpretation of the phrase "per occurrence" in the rule. The audit was presented to the Legislative Administrative Rules Review Committee who concluded that clarifying language in code and in rule was necessary to resolve differences in the interpretation and use of the rule. The members voted to not re-authorize R477-6-5 in the annual rules re-authorization bill until it was amended. Two things needed to happen: the law had to be amended to grant DHRM clear authority to provide "market based" awards, and then a rule had to be crafted and filed under authority of this amendment. The amendment of the law was accomplished with the passage of **HB 251, Utah State Personnel Management Act Amendments.** Fortunately this happened early in the session and DHRM was able to file a rule that satisfied the members of the Administrative Rules Review Committee and R477-6-5 was removed from the list of rules not re-authorized in **SB 30, Administrative Rules Reauthorization.** This rule will be made effective on July 1, 2012.

GRAMA

Amendments to GRAMA will have a substantial impact on DHRM and how access to HR records is managed. **SB 177, Government Records Access and Management Act Amendments,** establishes a government records ombudsman and requires the Division of Archives and Records Service to provide annual training to agency records officers. It lowers the bar for disclosure of records giving more weight to public interest and standards are set for the release of litigation and enforcement records. A good faith defense is allowed for an employee who fails to release a record. The bill also extends the time from 5 days to 7 business days for the records committee to respond to an appeal.

Have you Heard About the Swing Out Option?

By Paul Morley, HR Consultant, DHRM and Justin Seal, Marketing Specialist, PEHP

Did you know that on January 1st, 2012 employees enrolled in the Advantage or Summit Care networks are allowed to swing out of their network provider anywhere in the State of Utah? This means that eligible claims received by PEHP from non-contracted providers will now be paid at a reduced percentage instead of being denied.

This change makes the high premium costs employees pay on the Preferred Care network less desirable since the other plans now provide an out-of-network benefit.

There are a few things that employees should know about the Swing Out Option:

- First, out-of-network charges will apply towards the annual deductible; however, those charges will not apply towards the annual out-of-pocket maximum.
- Second, you may be aware that providers who are contracted with Advantage or Summit Care are obligated to write-off any balance after PEHP pays their share and the employee has paid theirs. Under the swing out option, non-contracted providers have no such obligation and can bill the employee the balance after PEHP has paid.
- Finally, this added benefit does not apply to out-of-state claims, so employees should continue to use the MultiPlan national provider card to receive eligible services at the in-network benefit when traveling outside the state.

Employees should understand these stipulations before seeking care from a non-contracted provider and/or switch from the Preferred Care network to the Advantage or Summit Care networks this year.

PEHP and DHRM will be marketing this change to employees during the 2012 open enrollment period for benefits. Additionally, the annual benefits book will have information about how both contracted and non-contracted providers work for each type of service under the benefits grid for the Advantage and Summit care networks.

PEHP Serving the Employees Who Serve Utah

STATE Advantage & Summit Care>>MEDICAL BENEFITS GRID

Refer to the Advantage and Summit Care Provider Plan Master Policy for specific criteria for the benefits listed below, as well as information on limitations and exclusions.

*Services received by a non-contracted provider will be paid at a percentage of PEHP's Maximum Allowable Fee (MAF). You will be responsible for your assigned coinsurance and deductible (if applicable). **You will also be responsible for any amounts billed by a non-contracted provider in excess of PEHP's Maximum Allowable Fee. There is no Out-of-Pocket Maximum for services received from a non-contracted provider.**

DEDUCTIBLES, PLAN MAXIMUMS, AND LIMITS	Contracted	Non-Contracted Applicable 1.1.12
Plan year Deductible *In and Out of Network Deductibles are combined*	$250 per individual, $500 per family	Same as using a contracted provider *See Above for Additional Information **See Below for Additional Information
Pharmacy Deductible	$100 per Individual, $200 Per Family	N/A
Plan year Out-of-Pocket Maximum	$2,500 per individual, $5,000 per double, $7,500 per family	No Out-of-Pocket Maximum *See Above for Additional Information **See Below for Additional Information
Pharmacy Out-Of-Pocket Maximum *Does not apply to non-preferred drugs*	$3,000 per Individual	N/A
Specialty Drug Out-of-Pocket Maximum *Separate Yearly Out-of-Pocket Maximum*	$3,600 per member, per year	No Out-of-Pocket Maximum
Maximum Lifetime Benefit	None	None
Pre-existing Condition Waiting Period *Does not apply to any individual up to age 19*	9-month Waiting Period— waived or reduced with evidence of prior Creditable Coverage	9-month Waiting Period— waived or reduced with evidence of prior Creditable Coverage

***Applicable deductibles and coinsurance for services provided by a non-contracted provider will apply to your in-network plan year deductible and Out-of- Pocket Maximum. However, once your in-network deductible and Out-of-Pocket Maximum are met, coinsurance amounts for non-contracted providers will still apply.*

FY2013 OPEN ENROLLMENT

Enrollment: 04/13/2012 – 06/15/2012

Medical, Dental, Vision. ..... April 13- June 15
FLEX$ ..... April 13 – June 15
Hyatt Legal ..... April 13 – June 15
Group Life ..... Enroll any time (With evidence of insurability)
AD&D ..... Enroll any time
The Standard (STDI) ..... Enroll any time but with a Late Enrollment Penalty. New employees that sign up within 60 days of hire date will have no penalty.

All changes will take effect July 1, 2012.

PEHP 2012 State Benefit Fair Schedule

AGENCY	ADDRESS	ROOM	DATE	TIME
State Courts - **SLC**	450 S State St. SLC	1st Floor Conf. Room	18-Apr	10:00-2:00
DATC - **Kaysville**	550 E 300 S Kaysville	Student Commons	19-Apr	1:30-3:30
Snow College	150 E College Ave. Ephraim	Noyes Building, 4th Floor	20-Apr	1:00-3:00
State Office Building - **SLC**	Administration Building	Auditorium	23-Apr	9:00-2:00
Human Services/Environmental Quality	195 N 1950 W SLC	Common Area	24-Apr	9:00-2:00
Development Center - **American Fork**	895 N 900 E American Fork	Heather Building	25-Apr	10:30-2:30
Department of Corrections (Fred House)	14727 Minuteman Dr. Draper	Gymnasium	26-Apr	9:00-2:00
State Hospital - **Provo**	1300 E Center St. Provo	Gymnasium	30-Apr	9:00-2:00
Department of Education - **SLC**	250 E 500 S SLC	Board Room	1-May	1:00-4:00
DCFS - **Ogden**	950 E 25th Street	Large Conf. Room	2-May	9:00-11:00
Workforce Services - **Clearfield**	1290 E 1450 S Clearfield	Large Conf. Room	2-May	1:00-3:00
Department of Health - **SLC**	288 N 1460 W SLC	Room 125	3-May	9:00-2:00
Recovery Services - **SLC**	515 E 100 S SLC	9th Floor Conf. Room	7-May	1:00-4:00
Courts - **Logan**	135 N 100 W Logan	Large Conf. Room	8-May	10:00-12:00
Workforce Services - **SLC**	140 E 300 S SLC	Room 101 N & 101 S	9-May	9:00-3:00
Ogden Regional Center - **Ogden**	2540 Washington Blvd. Ogden	Large Conf. Room	10-May	10:00-2:00
Workforce Services - **Price**	475 W Price River Dr. Price	Large Conf. Room	14-May	10:00-12:00
Workforce Services - **Moab**	457 Kane Creek Blvd.	Conf. Room	15-May	10:00-12:00
Department of Corrections - **Gunnison**	255 E 300 N Gunnison	Large Conf. Room	16-May	9:00-12:00
UDOT - **Richfield**	210 W 800 S Richfield	Large Conf. Room	16-May	2:00-4:00
Dixie State College - **St. George**	225 S 700 E St. George	Gardner Center Ballroom	17-May	9:00-12:00
Workforce Services - **Cedar City**	176 E 200 N Cedar City	Large Conf. Room	17-May	2:00-4:00
Tax Commission - **SLC**	210 N 1950 W SLC	Room 1026	21-May	9:00-1:00
Natural Resources - **SLC**	1594 W North Temple SLC	Auditorium	22-May	9:00-12:00
UDOT - **West Valley City**	4501 S 2700 W SLC	Atrium	23-May	9:00-3:00

I WANT **YOU** TO LEARN Innovation and Influence

at

the 2012 Managers Conference

Presented by

Department of Human Resource Management

and the Utah Society of Certified Public Managers

CLICK HERE FOR CONFERENCE INFO

CONFERENCE FEE IS $99 for Standard registration

$79 for USCPM Members

THE UTAH SOCIETY OF USCPM CERTIFIED PUBLIC MANAGERS

CPM Students will receive 5 elective credits for attending this event.

UTAH CERTIFIED PUBLIC MANAGER® PROGRAM

Save the Date - 2012 Summer Meeting

Date: Wednesday, August 15, 2012

Time: 10:00 a.m. - 2:30 p.m.

Place: Sugar House Park
2100 South 1383 East, SLC
Fabian Lakeside Pavilion

Department of **Human Resource** Management

Bits and Pieces

UTAH LEADERSHIP INSTITUTE

Please check the Employee Gateway or HREventure for a listing of upcoming Utah Leadership Institute workshops.

ASK AN EXPERT!

If you have a specific question for an HR Expert that you would like answered in the next newsletter, please send it to HRNewsletter@utah.gov

We'd love to hear from you. Please submit feedback, suggestions, or ideas for future articles to:

HRNewsletter@utah.gov

Leading the Way in Public HR

Department of Human Resource Management

Increasing Customer Service | Increasing Efficiency | Increasing Management Capacity

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DHRM Staff Update 1/1/12 to 3/15/12

New Hire

Pamela Park - Hired as HR Specialist at DHRM's DHS field office.

Benjamin (Seth) Niederhauser - Hired as HR Specialist at DHRM's Tax field office

Ashley Nelsen - Hired as HR Technician at DHRM's Public Safety field office.

Mary Morehouse - Hired as HR Technician at DHRM's DTS field office.

Employee Movement

Jennifer Wakefield - Accepted a position as HR Mananger II at DHRM's Commerce, Labor, & DABC field office.

Aubrey Garduno - Accepted a position as HR Analyst at DHRM's Heber Wells field office.

Rachel Dodge - Accepted a position as Lead HR Technician at ERIC.

Bethany Alsobrook - Accepted a position as HR Manager I at DHRM's DHS - State Hospital field office.

Paul Morley - Accepted a position as HR Specialist at DHRM's Corrections field office.

Dan Chadwick - Accepted a career mobility position at ERIC.

Lyle Almond - Accepted a position as TSSP HR Technician at DHRM Administration.

Dana Powers - Accepted a position as HR Specialist at DHRM's DEQ field office.

Who Left DHRM

Jamie Nagle - left state employment

Michelle Matsuura - left state employment

David Gardner - left state employment