Appendix D: APPENDICES TO THE COMMUNICATIONS SUBCOMMITTEE REPORT
**D.I Commentary by the Faculty Council of the College of Education**

TO: Penn State University Health Care Task Force; Prof. Keith Crocker, Chair

CC: President Rodney Erickson; Prof. Brent Yarnal, University Faculty Senate Chair

DATE: January 16, 2014

The Faculty Council of the College of Education provides this public commentary on the health care issue that began with the “Take Care of Your Health” initiative. In response to President Rodney Erickson’s invitation to prepare commentary and consultation, the College of Education’s Faculty Council—an elected body of faculty representatives with the purpose of facilitating effective shared governance within the College—solicited comments and concerns from faculty and staff. A public town hall was held (October 9, 2013), members of the community were invited to provide comments to their representatives privately and via email, and online to the draft of this document. A good-faith effort was made to synthesize the collected feedback into this statement of our community’s principles and values that the Faculty Council believes are essential to protect in Penn State’s health care policies, as well as possible options that may be ethically considered to address the University’s fiscal considerations.

On behalf of all the faculty and staff who shared comments and concerns, the College of Education Faculty Council wishes to affirm that health care benefits provided by the University are a public good for many families in our community that must be based in transparency, fair treatment, equality, consent, and choice. The health care benefits vision represented by the “Take Care of Your Health Initiative” violates these basic rights, undermines the “shared risk pool” that is the entire purpose of insurance, and threatens the sense of trust between the University administration and its employees essential to Penn State’s stability and future vitality. Policies like those envisioned by “Take Care of Your Health” divide rather than unite and result in an adversarial employment climate.

We found a hesitance among some staff and untenured or non-tenured faculty to make public comments that aren’t anonymous out of fear of potential retribution—which reflects how the actions of the University administration have eroded trust.

**Penn State’s health care policies must treat all employees and their families fairly.** This core principle is violated, for example, by the coercive and arbitrary $100/month penalty, without appeal, that the “Take Care of Your Health” initiative attempted to impose. We believe that any seizure of pay (or reduction of an individual’s benefits) by the University as employer without due process through an impartial appellate body threatens common standards of fairness and protection against arbitrary abuse. Due process and access to appeal become even more morally imperative when the University as employer seeks to coerce employee dependents too—even those not employed by the University. There is concern that if the University administration can coerce spouses and domestic partners that it could decide in the future to coerce employees’ children too.

**Penn State’s health care policies must respect the principle of equality.** This core principle is violated, for example, by the discriminatory and arbitrary $100/month penalty
for employees with spouses or domestic partners who could receive any health coverage, even inferior and unaffordable, elsewhere. Differential treatment of employees based on the status of their spouses or domestic partners threatens the equality of all employees and hurts the most financially vulnerable employee households. This principle is also violated by the arbitrary $75/month against smokers. Differentiation of employees into favored and disfavored classes based on personal lifestyle practices that are unrelated to job performance and not illegal threatens personal liberties, separation between work and private lives, and basic human dignity. Targeting employees who smoke is problematic because of the "slippery slope" it represents. What are the limits to other private behaviors the University can choose to penalize in the future? Profiling employees based on personal characteristics unrelated to their job performance threatens the Penn State commitment against all forms of discrimination.

**Penn State’s health care policies must respect the principle of consent and choice.** This core principle is violated by punitive coercion of health practices, tests, or treatments—such as compulsory physicals and blood screening coerced by a $100/month penalty. It is further violated by punitive coercion to surrender personal medical data to the University or a third-party vendor like the WebMD survey and the ICH biometric screening. These unethical policies are a threat to the basic right to privacy and control over our own bodies. Mandatory or compulsory surrender of personal health data to an employer or any third party threatens the basic right to medical privacy guaranteed by law. The use or transfer of personal employee data by the University as employer (or a third-party vendor contracted by the University) without voluntary, informed consent is a threat to the most fundamental ethics of a research community and commitment to an ethical culture. Additionally, access to choice in health care is important. There is concern that the University’s continuing partnership with Highmark may disrupt employees’ access to Geisinger, the largest provider of full medical services in the area relied on by many employees—especially those with children needing pediatric care.

**By permanently withdrawing the “Take Care of Your Health” initiative and abandoning the coercive and arbitrary measures it represented, Penn State can restore trust between its administration and employees.** An adversarial climate of conflict is ultimately more costly to the University in lost efficiency and productivity than any long-term putative savings promised by the “Wellness” industry. To move forward, Penn State must restore trust and address the fear expressed by some faculty and staff that protest or appeal might be responded to with threat of termination, denial of tenure, or even veiled remarks to seek employment elsewhere if unhappy at Penn State. A University environment in which employees, particularly those employed at- will, feel afraid to publically protest against potential abuses or to seek redress through the system for fear of retribution threatens the essential mission of higher education to free inquiry and debate of ideas.

Recognizing that rising health care costs have fiscal implications for the University, there are possible cost-control measures that do not threaten the principles of fairness, equality, consent, and choice. Measures that subdivide the employee shared risk pool into favored
and disfavored groups, target particular employees or households for discrimination, or coerce employees into surrendering their medical privacy and choice over their own bodies are unethical. Instead, the University should consider the range of possible measures that would be ethical:

• Transforming Penn State campuses into more healthful environments—such as completely Smoke-Free Zones

• Contributing to costs to employees to support wellness practices (e.g., low-cost healthy lunch options, membership fees to health clubs/facilities either on campus or in the community)

• Offering reasonable financial incentives for voluntary health behaviors supported by valid research—such as voluntary smoking cessation or weight management programs

• Increasing the premium contributions or deductibles of all employees to the shared risk pool at a rate commensurate with actual inflation—not an arbitrary amount like “$100/month”

• Altering the amounts of benefits for all participants in the risk pool

• Offering employee incentives for reducing costly medical procedures or overused services

• Changing or renegotiating with medical networks or health insurance providers However, all ethical measures would require the University to be more transparent about its fiscal condition and liabilities and to commit to using critically reviewed research to inform evidence-based policies on benefits. When the University administration simply insists it cannot afford employee benefit costs without providing transparent information, trust is jeopardized—especially as employees see the University able to spend large sums of money on other projects (like paying $100 to employees who had to submit to “Take Care of Your Health” or the “Penn State Lives Here” publicity campaign). We call on the Task Force to use the expert researchers Penn State has on its faculty to provide and review research germane to the issue, openly and transparently. In conclusion, the Faculty Council of the College of Education believes that respecting transparency, fair treatment, equality, consent, and choice in future benefits policies will restore trust and heal our Penn State community. We extend thanks to the President, to the University Senate, and to the members of the Task Force for giving units the opportunity to offer public commentary on the issue. Your time and consideration are greatly appreciated.
D.II  Focus Group with three University Park Faculty Members

Notes from the Communication Subcommittee on Our Meeting with Three UP-Faculty
January 22, 2014

J. Harwood, S. Sundar, and S. Johnson (unable to attend)

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On Wednesday Shyam and John met with Brian Curran (A&A), Michael Berube (LA),
and Mary Beth Oliver (Communications) for 90 minutes. The purpose was to gather their
input on how communication about the “Taking Care Of Your Health” and the “Wellness
Initiative” could have been improved.
We chose with these faculty because they were very visibly critical of the University’s
efforts, both in content and communication.
We asked them to talk about

1) Their concerns regarding PSU’s health care rollout last Fall (a post-mortem of what
went wrong in their opinion)

2) Important issues for the health care task force to consider while we deliberate on the
best way forward for Penn State

3) Their ideas for charting a course forward for Penn State administration in terms of
transparency and communication of its future initiatives involving faculty and staff.

This summary is not a transcription but a summary of the key points that we heard.
We have also attached documents that Brian Curran (chair of the newly formed AAUP
chapter) gave us.

Background

All three faculty pointed out that the events of last spring did not occur in a political or
social vacuum. There was a lot of pent-up anger over several issues: the turmoil
associated with the Sandusky affair (and the mandated training and testing program for
reporting abuse); the constructive of the high-pressure pipeline through a residential
neighborhood; and changes to the Bennett Center. In all three cases, faculty deplored the
lack of transparency in reaching decisions and tone-deafness in communicating them to
the communities that were affected. (Two of these issues affect only University Park
faculty, staff, and students.) The pipeline and the Bennett Center issues were, therefore,
contributors to the anger and frustration over the Health Care initiatives.

An additional factor specific to the Wellness Survey was related to the privacy issues
raised by Edward Snowden’s disclosures. If the US government could not keep its most
confidential data secure, how confident could Penn Staters be in their data stored by
WebMD, a commercial entity alleged to sell disaggregated data to third parties? The
continued erosion of privacy (e.g., will we now be the targets of health-sensitive ads when we browse the Web?) becomes an even larger issue.

Specific Communications Issues

1. Faculty objected to what they called an Orwellian use of language. “Rewards” weren’t really rewards in the ordinary sense of the word; they were ways to avoid fines. The blatant attempt to frame “punitive and regressive policies” as “rewards” insulted the intelligence of PSU faculty and staff.

2. The real objectives of the program (containing costs) were masked by the language of “wellness” and “taking care of your health.” Faculty and staff are adults and can be communicated with more directly and candidly.

3. The “call of crisis” (about employee healthcare being too costly) was to a certain extent rhetorical. Other communications stress that “PSU’s finances are excellent.” Such mixed messages tend to arouse suspicion.

4. Insensitivity to the privacy concerns raised by the survey was a major irritant. It was not clear that anyone from PSU administration had completed the wellness survey before it was announced, and they were therefore unprepared by the questions about privacy and medically confidential information (e.g., history of cancer) asked on the survey.

5. Distrust about the privacy of the biometrics results was the final irritant. How would the data be used and by whom? How easy will it be to correct errors or to ignore “over-diagnosis” from WebMD? Several people mentioned alarming but incorrect recommendations based on the biometric screening and the importing of pharmaceutical records. One person mentioned that one could “game” their rating by changing answers to survey questions.

6. Absence of clear communications about the objectives and benefits of requiring PSU faculty and staff to disclose personal medical information to third parties has given rise to conspiracy theories about the true intentions of the institutions involved—PSU, Highmark and Web MD. There was a lot of concern that personal health data may be sold for profit by one or more of these entities. Indeed some of the language in the documents that we were asked to sign last Fall openly suggested this possibility. According to one of the interviewees, Integrated Research disclosed that they will sell the biometric data of PSU employees.

Suggestions for Improvement

1. Involve faculty and staff with opportunities to shape and test programs before they are rolled out as a “done deal.”
2. Provide multiple mechanisms for people to ask questions and voice concerns – there are real needs for “town halls,” both physical and virtual. There was also a suggestion of polling employees.

3. Design a communications plan that responds to legitimate questions and concerns. “We were deluged with laughable press releases (about how many thousands of Penn Staters had already signed up for the screening), emails from Erickson, etc.”

4. PSU needs to provide full, clearly understood cost figures for its programs – including health care. All of us need to understand the choices and the costs.

5. PSU needs to understand that the very act of consulting with faculty and staff can be persuasive in making employees see the admin’s point of view. Consultation is very important for restoring the credibility of the administration’s actions, even though the decisions that lead to those actions may not reflect all the suggestions received during these consultations.

6. Admin needs to consider the “human face” of its employees. There is a sense that the faculty have soldiered on during the recent crisis, holding the fort. Yet, they are being ill-treated by the admin. Especially in the form of the spousal surcharge (“what the hell?!”). There needs to be a greater expression of goodwill if PSU is to retain and attract talented employees.

7. Admin’s attitude toward employees appears dismissive, cynical of faculty input.

Miscellaneous Suggestions

1. One person was concerned that the Senate didn’t have more input into the selection of the Task Force, and if we want to build a “democratic culture,” we need to change the processes by which Committees are formed. The Core Council was cited as an example of an appointed committee, very admin-heavy in its composition and apparently made recommendations for fundamental structural changes to departments without consulting the faculty of those departments.

2. An ironic but positive outcome is that the faculty and staff are now more energized and unified than they have been in years. The creation of the AAUP chapter is another outcome. Penn Staters now understand the power of petitions.

3. The goal should be improved “shared governance,” not simply a series of new programs.

4. We need to have better incentives for wellness activities than the ones offered so far.

5. Employees in branch campuses need to be more explicitly acknowledged and brought into the process—“there is a ‘network of outrage’ out there.”
6. PSU News media and press releases tend to reflect the administration’s voices. Not enough representation of employees’ point of view.

7. PSU admin can gain authority and respect of community through openness and transparency. It’s important to make the process more democratic—hearing all voices makes us better.

D. III Focus Group with Four Senators from Commonwealth Campuses

Communications Sub-committee
March 17, 2014

John Harwood and S. Shyam Sundar met with four faculty members (Mohamad A. Ansari from Berks, Victor Brunsden from Altoona, Jim Ruiz and Matthew Woessner from Harrisburg) to seek their reactions to the rollout of the Wellness Initiative last summer and their recommendations for future initiatives. To help focus the discussion, we shared the results of our discussion with UP faculty (January 22, 2014).

There was very high congruence with the main themes that our subcommittee has identified over the last three months. But because these faculty are active in the Senate, they were especially passionate about the process by which the members of the Health Care Task Force were selected, the inadequate amount of consultation with Faculty committees, and lack of responsiveness by central administration (OHR and the president’s office) to questions and complaints. They felt the administration’s response to the Senate resolution regarding the taskforce was a missed opportunity to gain legitimacy. At the least, they believed that the Senate should have elected members – all or some – rather than having them appointed by the President of the University and the chair of the Faculty Senate. “Shared governance” requires genuine interactions and mutual respect.

Other major criticisms dealt with the process by which the Health Care initiative was developed and communicated with the Senate committee on Benefits. “Consultation with faculty must happen early – real-time engagement,” said one person. The Senate Committee had NO idea what the WebMD survey would include, for instance – they were only aware that there would be a survey. The faculty felt that OHR relied far too heavily on Highmark to plan the Wellness Initiative without doing the due diligence of vetting their procedures and conducting in-house research to verify their claims before allowing Highmark to proceed with their intrusive techniques; OHR seemed surprised by the anger about the survey and the mandated biometrics. If OHR felt blind-sided, so did the faculty.

They said that most employees realized that the healthcare wellness initiative was primarily about cost, but they resented administration’s effort to
present it a different light. They found the focus on employee wellness and preventive action as disingenuous. They also felt the urgency surrounding the change in healthcare plans was artificially created by OHR.

A particularly frustrating part of WebMD was the privacy of medical information. (See the resolution below that was passed by the Senate in January.) The lack of two-factor authentication is just part of the problem. The wholesale importing of prescription medications from more than a decade ago was alarming, and some people worried that this information would be “held against them” in some unspecified way.

The end result is a “cloud of suspicion” surrounding Penn State administration. The rush to force employee decision-making has in fact backfired in a profound way, causing not only frustration and tension, but also expending time, money and effort of numerous University employees in various bodies, from the Senate to the Healthcare taskforce.

What would make future initiatives less contentious?

1. Full consultation early and often – “no surprises for anyone.” For faculty and staff to buy into a new plan, they will need to have a sense of ownership. They need to be given sufficient opportunities to provide input. The consultation should not be simply mechanical or carried out with a high level of generality that provides little specifics to stakeholders.

2. The planning cycle must recognize that most faculty are not in residence from May-August. To make major changes in direction during this time invites suspicion and reduces the spirit of cooperation.

3. The new president of Penn State should use the Faculty Advisory Committee and Senate Council more meaningfully. These bodies do not exist simply to rubber-stamp administration’s ideas. The president should seek their viewpoints instead of walking into meetings with a document.

4. Administrators must accept responsibility for the decisions that they make. For one administrator after another to say that “my boss made the decision” reduces confidence in how decisions are made.

5. PSU should leverage the disciplinary expertise of our faculty when we design new programs. There is a scholarly body of literature on wellness programs that could have been used in designing, modifying, or rejecting the program we rolled out.

6. PSU should not be its vendor’s mouthpiece by repeating their “talking points” whenever rationale for university policies are questioned by faculty and staff.
The administration should provide a voice for its employees and lobby on their behalf to obtain better value from vendors.

7. PSU knows how to make major policy changes in a collegial way. Public meetings, focus groups, interactive websites (e.g., the Gen Ed initiative) – all of these are strategies that invite buy-in and trust.

8. Faculty senate is an ideal body to consult for expertise on a variety of technical issues as well as for gauging the opinion of PSU employees on initiatives that are still in the pipeline.

9. Faculty senate can also aid in bottom-up decision-making, by facilitating discussion before deciding on a policy. Several major HR-related policies have been successfully passed in a consultative manner over the years.

Our discussion was collegial but passionate, and we thanked the faculty for articulating these perspectives.

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Motion on Collection of Wellness Data by the University (Maria Truglio, Liberal Arts) (Legislative)

WHEREAS, the September 24, 2013 resolution of the University Faculty Senate of the Pennsylvania State University called for a Wellness Task Force to be formed with 1/3 of its members elected;

WHEREAS, such task force has since been constituted through appointed members only;

WHEREAS, general concern among the Penn State community, as well as concern expressed by Congresswoman Slaughter (NY) to the E.E.O.C., focuses on the collection of private data by wellness programs under threat of financial penalty;

BE IT RESOLVED THAT, the University Faculty Senate of the Pennsylvania State University hereby expresses to the Wellness Task Force and to the Administration that it considers unacceptable any coerced participation by any Penn State employee in any questionnaire or survey that calls for the disclosure of private medical or lifestyle information.
D.IV Complaints received by TF about Cost of Health Care

A. Dear Professor Keith Crocker and Health Care Task Force,

I am writing to you as Chair of the Health Care Task Force. First, thanks to you and all task force members for your important service.

I am a professor of __________________, and I would like to express a health-care related concern that has arisen over the past year. I would be grateful if you would circulate my letter of concern to all task force members, and ensure that it receives proper consideration.

This year, I noticed a steep increase in my monthly costs to remain in the PPO Blue Plan - by about 85% (I have a family, so the "Family" rates are applicable for me). This increase is due to the new very steep salary indexing being applied, where costs to employees for PPO Blue now range by over a factor of 5.5 - see page 10 of the 2014 Benefits Enrollment Booklet. While I am supportive of some indexing in order to help those with lower salaries, this level of indexing seems unreasonable and is much steeper than in past years. In particular, I am concerned that the costs to many employees for PPO Blue now have "little relation to the actual cost of the service*. Such a disconnect between cost to employees and actual cost is of concern to me on basic common-sense and ethical grounds; e.g., buying bread at the store is not salary indexed by a factor of 5.5, and a store that tried such a practice would be sharply criticized.

I have communicated with [staff in the Office of Human Resources] about this matter. They have told me that this very steep indexing is deliberate, being an attempt to coerce, via effective financial penalties, some people into the PPO Savings Plan (particularly, those with higher salaries). I am skeptical of and concerned about such heavy handed "social engineering" being imposed by the Administration from above. I also question its basic fairness; e.g., I have seen no evidence that individuals with higher salaries incur higher medical charges.

I think a better and fairer approach would be for the Administration to offer the best possible plans to employees, and then charge employees about what the plans actually cost (perhaps with some
mild salary indexing). Then employees could make their own fair, honest choices - unrestricted by coercive effective financial penalties.

In reply to one of my questions, [a member of the Office of Human Resources Staff] has told me than none of our peer institutions imposes such steep indexing. Why is Penn State an anomaly in this regard, and how is this anomalous behavior justifiable? Perhaps all our peer institutions have wisdom in this regard that Penn State should be considering.

B. TO THE TASKFORCE, FROM A UNIV EMPLOYEE

Thanks for your interest. Set out below are bullet and talking points:

* The premium payment scale does not match costs incurred by PSU. While older insureds may statistically generate higher costs, it does not follow that higher compensated employees do.

* There are several loop holes higher compensated employees can use to evade the cross-subsidy burden if they have a spouse/partner employed by PSU, e.g., having the lower compensated employee pay for couple or family coverage, or splitting the total insurance premium burden from couple to two single enrollments.

* In my case the monthly premium rose over 80% for the Highmark Blue plan. The premium amounts to approximately $5200 leading me to infer that the highest compensated employees bear a disproportionate and unfair burden. Who decided to use income redistribution instead of simple cost sharing?

* Imposing an 80% premium increase creates a strong incentive for higher compensated employees to enroll in the high deductible plan. This plan costs me about $1000 in premiums with a $2500 payment for service before insurance pays anything. I don’t want to incur this heightened risk and I feel that PSU management have substantially devalued the insurance benefit, especially for higher compensate employees.

* For my part I am more interested in pursuing alternative employment options, because the devaluation of the insurance benefit comes on top of several other instances where it appears that PSU employees have to bear much of the Sandusky scandal costs. Just how much does PSU save by forcing employees to haul their office trash? Does PSU Management appreciate how demoralized people like me feel? The retiree insurance benefit for which I qualify provides a declining motivation to stay here.
D.V Complaints received by the Task Force about Health Savings Accounts

A. Hello Shyam:

No one in ________'s Office or Benefits can or will respond to a simple question regarding a grave deficiency in the Health Saving Account/Bank of America web site. I believe this issue needs consideration by your Task Force.

I am simply trying to identify the Fund Class for each and every investment option which the BOA web site does not specify.

As you may know, just about all of the available funds have several different classes, each with different applicable fees. Some, but not all, of the listed fund options specify which class into which I would invest. Others do not specify the fund class, nor do they provide clarity on whether a load applies.

I am asking for greater specificity on the fund class. One simple way to do this is to provide clarity on the fund ticker symbol for the funds HSA investors would make. BOA provides an incomplete list. For example, BOA appears to specify the Thornburg Value fund ticker as TVAFX which translates into the A classification.

Bottom line: HSA investors have to piece together information that should be readily available.

I received the following response that does not acknowledge the problem and offers boilerplate advice I do not need.

Thanks for investigating this issue.

Regards,

From: [HR Staffer]
To: >
Sent: Monday, February 24, 2014 10:07:00 AM
Subject: Re: Which Fund Category For PSU HSA Investment--Clarification

Good morning Dr. ________ - I am responding on ________'s behalf to both of your emails regarding the investment options through the Health Savings Account (HSA).

We have a variety of resources on the Employee Benefits website; however, we are not in the position to provide investment advice and I would strongly encourage you to consult your personal investment adviser for such advice. Highmark would suggest the same I am certain, as
investment options are complicated and should be handled by the appropriate party.

I have included the link to the HSA section on the Employee Benefits website for your convenience:  http://ohr.psu.edu/benefits/insurance/health/hsa/

Additionally, on the Highmark website, you have a number of resources to get investment advice. By clicking on the blue hyperlink entitled “Investment Balance” from the Home Page of the Spending Account Portal, you have access to:

· Investment Fund Performance Section includes:

  o Prospectus/Annual Report
  o Fact Sheet
  o Morning Star Reports

· HSA Investments Terms and Conditions

Please feel free to contact me directly if you have any additional concerns or suggestions. I appreciate your feedback and hope you have a good day

[HR Staffer]
Employee Benefits Division
Office of Human Resources
Pennsylvania State University
814-865-_____  
www.ohr.psu.edu

B. Commentary on HSA from a Professor of Finance

Dear Professor Sundar,

Mutual funds charge an annual fee called an “expense ratio”. An expense ratio of 1% means the mutual fund takes 1% of your average account balance for the year. There are 3 Vanguard funds that have been added to the list of funds offered in our employee health savings accounts and Vanguard funds typically have expense ratios of 0.20% or less. Several of the funds on that list have fees in excess of 1.20%. If a long-term employee were to accumulate say $200,000 in an HSA, a 1.2% expense ratio would translate into annual fees of $2,400 or $24,000 over 10 years. Most research indicates these fees are dead-weight losses to the mutual fund customers.
Often, plan administrators (could be either a retirement plan or a healthcare plan) enter into agreements with higher-fee mutual funds whereby some of the fees collected by the fund are rebated to the administrator and used to reduce the costs of administering the plan. This is called “revenue sharing” and is essentially a legal kickback. For example, Highmark has asked Bank America to run our HSAs. It would be possible (and legal) for Bank America to receive a kickback from some of the higher-fee funds and use that kickback to offset some of their expenses. Then Bank America could offer Highmark a better deal and Highmark could offer Penn State lower fees. Note that under revenue sharing, the reduced fees to Penn State (in my hypothetical scenario) are the result of higher mutual fund expense ratios being paid by the Penn State employees who select (maybe unknowingly) the higher-fee funds.

Some might argue that revenue sharing is harmless. I think revenue sharing lacks transparency. I also think that those employees who know the least about investing are the ones who end up paying more for their HSA so that other employees can pay less. I don’t like this (re)distributional effect. Also, the menu of investment options associated with the HSA seems lengthy and difficult to understand thereby making these distributional effects larger, discouraging sound investment choices, and ultimately resulting in less usage of the accounts. I have written a letter to Penn State’s Investment Review Committee (Keith Crocker was a member at the time) lodging similar complaints about the mutual fund offerings in our PSU retirement plan and Keith can speak to whether my thoughts were welcome or unwelcome in that venue.

All I am asking is that Penn State administrators ask Highmark to have the investment menu offered to Health Savings Account holders redone to reflect mutual fund choices more in line with the best interests of our colleagues. Many financial economists would argue that a set of maybe 5 low-cost index funds would suffice to span the investment opportunity set. If there is no revenue sharing involved in the Penn State health savings accounts, then that makes the presence of these higher-fee mutual funds even more difficult to defend. If I was not able to make my thoughts clear in this brief note or if you have further questions, please let me know.

--Jim Miles

James A. Miles
Professor of Finance and
Joseph F. Bradley Fellow of Finance
Smeal College of Business
Pennsylvania State University
D.VI  Links to Online Resources provided by Brian Curran.

Link to Larry Backer's blog site, with many articles on the topic of Wellness and Shared Governance, including recent Senate vote censuring the method used to appoint the Senate's part of the Task Force membership: http://lcbpsusenate.blogspot.com


Business Week: Your Medical Records Are for Sale (WebMD): http://www.businessweek.com/articles/2013-08-08/your-medical-records-are-for-sale


Vikram Khanna on PSU Wellness and invasion of women's privacy: http://khannaonhealthblog.com/2013/09/12/penn-state-administrators-target-women-employees/


Khanna and Al Lewis on Goetzel/Wellness plans: http://healthaffairs.org/blog/2013/01/16/is-it-time-to-re-examine-workplace-wellness-get-well-quick-schemes/

Entrepreneur Piece on Wellness Legalities and Best Practices: http://www.entrepreneur.com/article/228670#


NEW piece by Khanna on Penn State and Goetzel plans: http://khannaonhealthblog.com/2014/02/01/truvens-ron-goetzel-throws-penn-state-wellness-program-under-the-bus/