

NCICU Health Care Exploratory Task Force Update

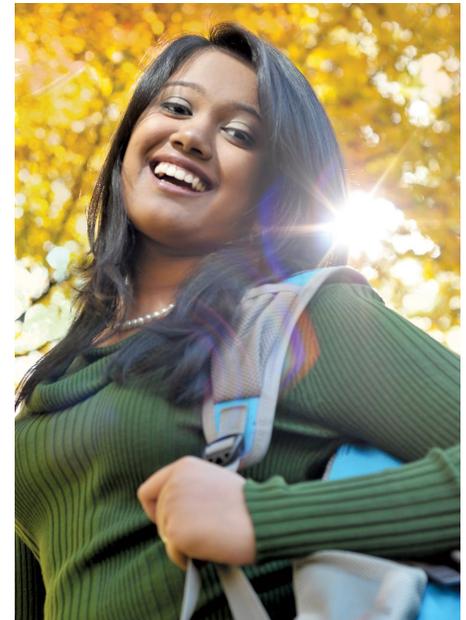
NCICU's Health Care Exploratory Task Force, composed of the chief financial officers and human resources directors from five of our campuses, has decided to explore a group-purchasing model for employee health care services.

The Association of Independent Kentucky Colleges and Universities (IKCU) is currently using the group-purchasing model for its members which have self-funded plans. As a group, the Kentucky campuses are paying no more for employee health insurance than they did in 2006 when the plan was initiated.

Unlike "shared risk" plans that have tended to struggle to survive, the Kentucky model uses the combined purchasing power of the participating colleges to bargain better pricing for component parts of their health care plans. This includes medical provider networks, third-party administrative services, stop-loss

re-insurance, pharmacy management, life and disability coverage, and wellness programs. The individual Kentucky campuses manage their own unique benefit plans. Each college benefits from the group's purchasing power, but does not share the claims risk of the other participating institutions.

The NCICU Task Force believes that the group-purchasing model can be duplicated in North Carolina. Currently, NCICU is searching for a consulting partner with experience in the North Carolina health care marketplace. That selection process should be completed in early March. The selected consultant will help the Task Force create a unique group-purchasing model for NCICU. When the proposed plan is completed, the details will be shared with all NCICU Colleges and Universities. If there is sufficient preliminary interest, the plan will then be put out to bid.



Website Improvements Make Purchasing Easier

Information about the goods and services available to North Carolina Private Colleges and Universities through the NCICU Collaboration Initiative is now more visible on the web.

For the last seven month, NCICU has been building the Collaborative Programs webpages on the NCICU website. Initially, these pages could be viewed only on the campus portion of the website, which is password protected. In talks with campus personnel, NCICU realized that the password protection created

an unnecessary barrier. This fall, the Collaboration Programs webpages were moved to NCICU's public site, www.ncicu.org. Once you reach the site, one click on Collaborative Programs and all the Initiative's purchasing information becomes available.

Even more changes are in store. To facilitate easier access to vendors, NCICU is working to create a purchasing portal that will speedily take campus purchasers to their desired products. Stay tuned.



Collaboration Possibilities with UNC Universities

Most everyone knows that North Carolina's independent colleges and universities are entitled, by law, to participate in the purchasing contracts generated through the North Carolina Department of Administration. Recent developments will now allow similar participation in agreements put into place by the University of North Carolina System.

Thanks to the efforts of Dr. Hope Williams and the other members of the governor's council on higher education, this possibility is becoming a reality. At Governor Pat McCrory's request, the council is now actively encouraging collaboration among all sectors of higher education in the State.

At a recent meeting, NCICU and UNC General Administration representatives began discussing ways to collaborate for the common good. UNC-GA has shared the template of an addendum to existing University contracts that will permit NCICU campuses to participate in UNC contracts, if the vendor grants approval.

This opens the possibility for collaboration not only between NCICU and the UNC-General Administration, but also among the individual campuses of both systems.

CDW-G, a reseller of computer solutions, will become the first to provide UNC's pricing structure to NCICU campuses through the contract addendum. In fact, CDW-G is creating a new web-based catalog specifically for NCICU campuses. The new catalog will compare product pricing under the existing NCICU agreement with UNC's contract pricing and that of the State of North Carolina contract. Since NCICU colleges are now entitled to purchase from any of these contracts, the purchaser will be given the lowest of the three prices. NCICU will provide more detailed information when the new CDW-G goes on line some time in March.

Last year, NCICU campuses purchased just under \$3.0 million dollars of computer solutions through the NCICU/CDW-G agreement.

Final Year Grant Approval

The Cannon Foundation has extended the Collaboration Initiative Grant for a third and final year. Prior years' grants have provided the means to expand NCICU's work of encouraging collaboration among its campuses and with the business community.

The first grant was received in the fall of 2011. Since then, a second and now third grant has sustained the collaborative work. The

third and final year of the grant was awarded this past September.

This latest Cannon grant will allow NCICU to continue to grow its collaboration initiatives. In addition, the grant will provide more time to solidify an on-going revenue stream to assure that the beneficial collaborative programs created during the grant period are sustainable.



New Steering Committee Members Added

Since its inception in the fall of 2011, the NCICU Collaboration Initiative has been guided by a Steering Committee composed CFOs from four NCICU campuses. The intent all along was to eventually broaden the membership. Now, three new members are active.

The new Steering Committee members are:

Beth Christenbury, Director of Purchasing at Davidson College

Robert Buchholz, Assistant VP for Facilities Management at Elon University

Jeff Howlett, Chief Information Officer at Meredith College

Even before their membership on the Steering Committee these three have taken an active interest in and promoted the work of the Collaborative Initiative. Their unique perspectives will add significant value to the oversight work of the Committee.

The CFOs who continue to serve on the Steering Committee are:

Deb Hall, Brevard College

Jim Roberts, Campbell University

Bill Durham, Wingate University

Rocky Yearwood, Wm. Peace University

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Consultant Adds Years of Experience to the Collaborative Initiative

NCICU recently contracted with consultant Bob Wood to lend his expertise to the Collaborative Initiative. Mr. Wood is retired from his post as Associate Vice Chancellor for Finance and Business at North Carolina State University after over twenty years of service as its chief purchasing administrator.

During his career at North Carolina State, Mr. Wood was known for his creative approach to purchasing. He encouraged NCSU to become an early adaptor of the "purchasing card," which is commonplace on today's campuses. He has been very active in the National Association of Educational Buyers and has mentored

many purchasing administrators at other colleges and universities.

Mr. Wood is working closely with Chuck Taylor, Director of the Collaboration Initiative.

The Business Affiliates Program is Growing

The number of NCICU Business Affiliates has now reached twenty and prospects for further growth look good.

The Business Affiliate program is designed to create partnerships with businesses that wish to promote their products and services to the thirty-six independent colleges and universities in North Carolina. The criteria for becoming a Business Affiliate are:

- Confirmation that the Affiliate is successfully doing business with at least one NCICU college or university

(or in special cases, demonstration that the company is successfully doing business with private higher education institutions in other states),

- Commitment from the Affiliate to support North Carolina private higher education in general,
- Specific financial support for the Collaboration Initiative through an annual participation fee, and
- Approval from NCICU's president.

Each Business Affiliate is connected with NCICU campuses through the NCICU website's "Campus Buyers Guide" and receives specific recognitions in the Collaboration Initiative newsletter and other NCICU publications.

Shown below are the logos of the most recent additions to the Business Affiliate program. A summary of the goods and services each provides and its contact information can be accessed at www.ncicu.org/collaborative_ba.html.



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