

ACADEMIC COUNCIL

Minutes of Meeting
Wednesday, September 25, 2013

I. Senate Officers' Announcements**▪ Bill Jacob, Academic Council Chair****1. Introductions**

2. Report on Regents meeting. Chair Jacob provided a summary of the September Regents meeting, with particular attention to the Governor's remarks.

3. Items undergoing systemwide review. Chair Jacob briefly summarized the items that will be sent out for systemwide review in the fall.

4. No Council meeting on December 18

5. In-person Assembly meeting December 11. President Napolitano will spend time at the Assembly meeting.

II. Approval of the Agenda

ACTION: The agenda was unanimously approved.

III. Executive Session

Minutes were not taken for this portion of the meeting.

IV. Changes to UC Health Benefits

ISSUE: Council was briefed on changes to the UC health benefits packages, including the new UC Care option that will be offered during Open Enrollment.

DISCUSSION: UCFW Chair Dan Hare reported that there will be significant changes to the health benefits offered during Open Enrollment this year in an attempt to rein in the costs that UC pays for health benefits (currently \$1.2B for employees and \$260M for retirees). All Anthem plans and the Health Net Full HMO network are being eliminated (Health Net Blue and Gold remains an option). Up to 40% of all UC members will have to make changes. If employees in the Anthem plans do not make changes, they will be assigned to the new self-insurance plan, UC Care, by default, and employees in the Health Net Full HMO will be assigned to Health Net Blue and Gold if they do not make changes. There will be no changes to Kaiser or Western Health Advantage. He noted that most doctors who are in the Anthem network also participate in Blue Shield. Health Net Blue and Gold is most similar to the Health Net Full HMO option. He stated that Blue Shield and Health Net both have web tools to determine if a particular doctor is in their networks.

The Medicare providers are the same as the providers for active employees, so retirees who have Anthem must change plans. Out-of-state retirees will now be provided by UCOP with a Health Reimbursement Account of \$3000 to purchase coverage through the ExtendHealth Medicare exchange. It is not known how well the ExtendHealth exchanges work.

UC Care is a new, three-tiered PPO plan that aims to make use of the UC Medical Centers. The hope is that UC will have more leverage over costs at UC facilities. Anyone in UC Care can self-refer to any doctor at any UC Medical Center. In Tier 1, there is a \$20 co-payment for most services and an annual cap of \$1,500 per individual and \$4,200 per family. Tier 2 has a 20% co-insurance rate based on the “allowable amount” for services, a deductible of \$250 per individual and \$750 per family, and caps of \$3,000 per individual and \$8,500 per family. Tier 3 allows out-of-network providers at a 50% co-insurance rate with a \$500 individual and \$1,500 family deductible and caps of \$5,000 per individual and \$15,000 per family. For those campuses without medical centers, UC has included providers from the Blue Shield Network. However, UCFW is concerned that some areas, such as Santa Barbara and Contra Costa counties, have limited or no access to Tier 1 providers (the Palo Alto Medical Foundation Group has been included in Tier 1 in the Santa Cruz area). Members in these regions may have to pay Tier 2 rates for services available to employees at other campuses at Tier 1 rates. Out-of-state and international coverage is provided through Blue Shield at the Tier 2 rate. A member inquired whether the UC Medical Centers have the capacity to treat so many new enrollees, particularly for primary care, since the medical centers focus on specialties. A member asked whether the financial viability of UC Care has been adequately evaluated. Chair Hare replied that the premiums have been reviewed by three different actuaries, and that UCFW and divisional Senate committees will monitor the funding status of UC Care and its impact on the finances of the medical centers.

V. Investments in Quality

ISSUE: Provost Dorr has asked Council’s assistance in developing metrics that can be used over time to reflect UC’s commitment to quality and also respond to the legislature.

DISCUSSION: Members discussed how Council should engage the provost’s office in this effort. A member suggested that the program assessment and reporting done for WASC accreditation most likely includes relevant standards and metrics. A member suggested that the Senate should challenge some metrics such as the four-year graduation rate, noting that many students take an extra semester for educationally sound reasons. The Senate should define what measures the faculty think are valuable and meaningful. Another member suggested including measures that distinguish UC from CSU (e.g., student internships and research).

VI. New Business

A. State Capital Outlay Request. VP Lenz recently submitted a capital outlay request to the state. It proposed several capital projects to be funded by the monies anticipated from restructuring the University’s lease revenue bond debt. A member noted that in the recent past, campuses have been responsible for maintenance of their own facilities and that his letter flies in the face of the Funding Streams budget model. Members argued that there should have been consultation on priorities for these funds and on principles for the distribution of central funds for capital projects. For instance, in the past, the Senate has articulated its preference to direct funds toward retirement benefits, salaries or campus priorities. A member commented that this should be part of a broader discussion of what is funded centrally and what is funded “off-the-top.” A member said that the definition of “new money” should be clarified. Members discussed issuing a letter about the need for consultation, noting that all campuses have an interest in how these funds are used. UCPB Chair Senear said that VP Lenz will attend UCPB’s meeting next week and that he will seek clarification about consultation and the possible uses of the anticipated funds.

B. Enrollment Management. A member inquired how the Senate is engaging with the administration on enrollment planning. Chair Jacob replied that an informal enrollment management working group has convened to discuss the issues and how to approach them. Topics include how to count student enrollments for rebenching, the referral guarantee, non-resident and transfer enrollment, and diversity. In addition, he expects systemwide Senate committees to be engaged, and enrollment management will be a major topic of discussion for the joint Senate-administrative Academic Planning Council this year.

Meeting adjourned at 4:30 pm

Attest: Bill Jacob, Academic Council Chair

Minutes prepared by Clare Sheridan, Principal Committee Analyst