

UNIVERSITY COMMITTEE ON FACULTY WELFARE

**Minutes of Meeting
April 10, 2015****I. Chair's Announcements**

Joel Dimsdale, UCFW Chair

Update: Chair Dimsdale updated the committee on several items of interest:

- UCFW is likely to meet on July 10; members should plan accordingly.
- Regent Ortiz-Oakley visited the Academic Council on April 1 to discuss transfer concerns (Regent Ortiz-Oakley is President of Long Beach City College), K-12 academic preparation, and Merced as the referral campus as opposed to one closer to home, especially for first generation college students.
- The Council adopted a revised civility statement prepared by the University Committee on Academic Freedom.
- Differential service reimbursements/course relief practices by division were discussed.
- Equitable access to health care continues to be an issue at many locations.

II. Consent Calendar**1. Minutes of March 13, 2015**

Action: The minutes were approved as noticed.

III. Health Care Task Force Update

Robert May, HCTF Chair

Update: Chair May updated the committee on several items of interest:

- UC Care: No significant changes are expected to the benefits portfolio for 2016, but copay structures and other costs will change. UC Care will start to encourage use of primary care physicians (PCPs) as self-referral is expensive. The UC Care contract may be re-bid for 2017 to find a new third party administrator (TPA), but no decisions will be made until a full assessment of Blue Shield performance is available. Blue Shield and UC's medical centers have long-standing contractual differences, but Anthem is the only comparable network available.

Previous plans to limit health care premium increases to 3% annually have been taken off the table. Final costing data for UC Care are still forthcoming, but preliminary figures suggest at least a 5% increase for next year. Changes to the UC Care risk profile will also impact costs, as would an expanded slate of Tier 1 providers.

- Retiree Health Prefunding: At present, retiree health is funded on a pay-as-you-go basis. This year, expenditures of \$276M are expected, which is about 2.65% of covered compensation; the total typically fluctuates under 3%. The cost to fully prefund retiree health is high: the normal cost is ~\$500M, and the unfunded liability stands at \$1.2B; taken together, contributions to cover all expenses and outstanding liabilities would be 43% of covered compensation.

Discussion: Members recalled that the 2010 Post-Employment Benefit process discussed prefunding retiree health, and wondered why UC seems content to pay fees to an external vendor rather than keep these funds “in house”, too. Chair May indicated that there are many market health savings accounts to be considered, but nearly all are “draw-down” accounts, meaning that retirees can only make withdrawals. Members asked if there were significant impacts from the New Tier’s changes to the retiree health eligibility formulae, but Chair May deferred to Budget and Finance for specifics. Members also suggested that, once the UCRP contribution rate starts to decrease, the assessment rate could continue unchanged, with the differential going to the retiree health trust. Contracts and grants could also be billed for this assessment, if UC initiates it. There are also tax implications that should be considered as these discussions continue.

- Paybands: The percentage of salary that goes to health care premiums varies by payband, and in some instances, inverse incentives seem to exist. The University is largely following its policy to contribute 70% of the median plan’s cost to each member’s premiums, but one group has dipped below that threshold. Some feel that social justice is impacted in these discussions, and that the paybands are regressive. The task force has not reached a consensus as to whether a fifth tier for the very highly compensated would be more than symbolic.
- Hepatitis C Pharmacy Costs: An effective cure exists on the market, but at present, it is cost prohibitive to treat all diagnosed patients. Instead, only those with dire symptoms may receive the curative treatment; others are required to manage their condition with chronic medications that have pronounced side effects. Ostensibly, all employees with Hepatitis C will eventually receive treatment, but now that UC is responsible for its own billing, at least through UC Care, we have the opportunity to create a new standard of care procedure for this condition. Costs are expected to drop in the relatively near future, especially as several new drugs are being tested.

This issue raises several questions about UC’s principles for care coverage and delivery: Should chronic conditions be cured or managed? Should curable conditions be cured regardless of cost? Should UC pay now or pay later, and ask employees to endure in the meanwhile? Who makes these care provision decisions in the UC hospital and insurance schema, and on what standards do they base those decisions? A balance between philosophy and ethics on the one hand and economics and practicality on the other must be found.

- Mental Health Coverage and Care: HCTF has drafted a memo calling for a joint Senate-administration task force to investigate UC’s mental health insurance provider and delivery of care to determine whether services are optimized and if not, how they can be improved.

Action: UCFW endorsed the memo and will forward it to the Academic Council for action.

- Equity of Access to Health Care: HCTF has drafted a memo calling for a joint Senate-administration task force to assess parity of access to quality health care throughout the UC system.

Action: UCFW endorsed the memo and will forward it to the Academic Council for action.

IV. Consultation with Human Resources

Dwaine Duckett, Vice President

1. Update:

Vice President Duckett reported that UC Care HMO investigations require more understanding of delivery options, HMO finances, and how they interact with other self-insurance programs.

The UC medical centers will be negotiating their contracts with Blue Shield over the summer. Members should be prepared for similar press as with the Sutter negotiations earlier this year.

2. Pre-retirement Counseling:

With Gary Schlimgen, Executive Director, Retirement Programs and Services

With Ellen Lorenz, Director, Retirement Administration Services Center (RASC)

With Michael Waldman, Customer Service Manager, RASC

Issue: Director Lorenz provided an overview of her unit's quality assurance statistics. With the closure of many campus retirement counseling centers, RASC has seen an increase in contacts from active employees; as a result, additional training on local specifics is being developed for RASC personnel. RASC will present workshops four times a year at each location; the final calendar is not yet set, but a soft launch is underway. At present, UCLA, UCLA medical center, UCSD, and UCSF general campus do not have service agreements with RASC. Quality control is assessed through sample call audits.

Discussion: Members noted that UCFW and HCTF routinely see open enrollment verbiage before it goes to press, but preretirement materials remain unedited by the faculty. Director Lorenz indicated that workshop scripts would be shared for review.

Members noted that retiree health and MediCare counseling concerns are frequently reported to UCFW, and so might benefit from additional dedicated training. Mr. Schlimgen noted that the MediCare fact sheet is being revised, and he will share a draft when it is available.

Members asked if there were cyclical patterns in the questions submitted to RASC, and if "last minute" inquiries were treated differently from routine questions. Director Lorenz noted that twice a year her team conducts preretirement webinars for employees, and one will be archived on the web for easy access at the employee's leisure.

Members asked if questions from faculty differed notably from staff inquiries. Director Lorenz said no, and noted that MediCare is complicated for all. She added that once an employee contacts RASC, a "case manager" is assigned for all subsequent communications.

3. MediCare Gap Coverage:

With Mike Baptista, Executive Director, Benefits Programs and Strategy

Issue: The Blue Shield MediCare gap coverage offered to UC employees does not cover costs for items not on the MediCare formulary. Since MediCare does not pay for insulin pumps, for example, but only for testing supplies, members wonder if better gap coverage is available and what additional options employees have.

Discussion: Director Baptista noted that at present, there is not a more generous gap coverage plan available on the market. His team is working to identify other such gaps, but sometimes reimbursements are derailed due to poor service, not a poor policy. Formulary differences between insurers can be addressed by HR during their contract negotiations, so members should forward other glaring omissions. Changes in federal rules further complicate delivery and reimbursement.

4. Mental Health Care Delivery Options:

Issue: Chair Dimsdale noted that UCFW would soon be sending a letter calling for in-depth investigation of this area.

Discussion: Director Baptista asked if the investigation would include integration with clinical care or focus on vendor services provided by Optum. Chair Dimsdale indicated that both should receive scrutiny. Another angle of investigation is how hospitals address post-treatment depression and care.

V. Consultation with Academic Affairs

Aimée Dorr, Provost

1. Total Remuneration Philosophy

Discussion: Members asked if a correlation between total remuneration and merit, rank, and step could still be identified. Provost Dorr noted that sometimes salary determinations are administrative decisions that follow local best practices rather than the systemwide scales. However, the relationship between the scales and take-home pay can be fixed, perhaps with greater CAP involvement in salary determinations. Members suggested that learning more about disparate campus practices was needed before any plans could be developed. Members also speculate that the scales might usefully be converted to minimums to match the market, but questions of compression complicate that approach, and issues of equity and fairness are also implicated.

Members wondered how many faculty request equity reviews, suggesting that such data might serve as an indicator of the loyalty penalty and other compression issues. Provost Dorr noted that the scales are useful for post-tenure reviews, but it is unclear how they can be fixed absent a large infusion of cash. Further, the president does not seem warmly inclined toward the scales. Members wondered about separating the scale from the step, with the latter reflecting academic distinctions and honors, but that would concede the separation between pay and rank/step.

2. Proposed Revised Presidential Policy – Sexual Harassment and Sexual Assault

With UCB Representative Mark Gergen, Lead Reviewer

With Janet Lockwood, Manager, Academic Policy and Compensation

Issue: Representative Gergen outlined several issues in the proposed revisions that should be clarified before promulgation and implementation: there seems to be a

different definition of harassment for students than for other employees; the trigger for disciplinary action as opposed to counseling or other remediation efforts is unclear; which employees are required to report, and the penalties for failure to comply, are unclear; some employees wear multiple hats, and the policy does not provide guidance in those circumstances; the rights of the respondents require further elucidation; the evidentiary standards are not in alignment with standards used in similar procedures; the training and reporting requirements for emeriti(ae) are unclear.

Discussion: Provost Dorr encouraged the committee to submit all of its comments, regardless of scope and detail. She added that new training modules are being developed, so careful development is needed. Members noted that some students may feel more comfortable approaching their faculty advisor with this type of sensitive issue, rather than unknown bureaucrats or campus police, and so voiced concern over that fact that all faculty would be required to report rather than keep confidences; all training and communications must make explicit the reporting obligations of all audiences so that complainants/victims are not surprised or subjected to further unwanted attention when their plight is mandatorily escalated. Members also questioned whether the revisions were intended to protect the rights of the complainant and respondent or those of the institution. Members wondered if Title IX officers could accommodate the increased workload the policy puts on them.

Action: Analyst Feer will draft the committee's response for electronic approval.

VI. Consultation with Senate Leadership

Dan Hare, Academic Council Vice Chair

Update: Vice Chair Hare updated the committee on several items of interest:

- TFIR Chair Jim Chalfant was nominated by the Council to be its next Vice Chair. The Assembly is expected to ratify the nomination next week.
- Regent Ortiz-Oakley, who also serves as President of Long Beach City College, met with the Council on April 1. Transfer issues were a large topic of conversation, especially the streamlining of transfer requirements. Information that goes to prospective transfer students needs significant improvement. Three groups of faculty will meet to discuss unifying transfer requirements across the campuses: life sciences; math, physics, and chemistry; and economics, sociology, and anthropology.
- The Committee of Two reported at the March 17 Regents meeting, but no recommendations have been advanced yet. The next meeting is April 21, and it will focus on research and graduate education. Members of the Governor's staff are visiting the campuses, and each Senate divisions should be included in the planning and visits. They will also visit some Senate committee meetings in May, including UCPB.
- The Merced growth plan and funding model was the subject of much debate at the Regents meeting.

VII. Task Force on Investment and Retirement Update

Jim Chalfant, TFIR Chair

Update: TFIR will continue to advocate for additional borrowing to help ameliorate the pension's unfunded liability. Adjusting workforce growth estimates have negligible impacts on

funding level projections. This summer may see adjustments to the assumed rates of inflation and/or return; if either is lowered, the liability will grow as a function of mathematics. To maintain a defensible funding ratio, especially as media outlets and others continue to call for further pension reforms, additional contributions or borrowing will be needed; the latter seems more likely.

VIII. Systemwide Review Items

1. Draft Guidelines for Pilot Program to Accept Equity for Access to University Facilities or Services (Comments due May 15, 2015)

With Bill Tucker, Interim Vice President, Office of Research and Graduate Studies

Issue: VP Tucker noted that he had met with TFIR in March to discuss this proposal. This pilot is separate from the UC Ventures program, though successfully incubated projects may become eligible for UC Ventures investments over time. Equity will be taken in lieu of cash since most projects are cash poor in their early stages. The pilot was developed in consultation with the Office of General Counsel (OGC); internal discussions regarding UBIT implications are on-going.

Discussion: Members asked about income or resource displacement from real-time operations to cover possible future earnings, and VP Tucker noted that the program is not intended for existing fee-for-service facilities; the pilot targets only physical structures dedicated to incubation. Local managers will determine the balance of deferred “rent” that is acceptable for each incubator. Members asked who would approve the applications, and if it was the same person who would be assuming the financial risk. VP Tucker responded that 1) each location will determine whether to participate in the pilot; 2) the same rules for all incubators at a campus will apply, but each campus may have differences in their policies; and 3) ORGS is responsible for approving applications.

Members asked how much the options would be worth, and how that determination is made. VP Tucker indicated that processes were adapted from other incubators surveyed by the development team. Members voiced concern over the ability of UC to collect on the options after 5 or 10 years, especially if the project does not incorporate. VP Tucker replied that the campuses will hold workshops to help guide applicants through the bureaucratic processes and ensure that all requirements are filled. Members then asked how the pilot would be evaluated, and on what time line. A 3 year review horizon may not be long enough for some projects to reach maturation. VP Tucker noted that the final evaluation metrics had not been determined.

2. Gender Inclusive Facilities (Comments due April 10)

Discussion: Members noted that the directive could be interpreted as an unfunded mandate, despite the option to petition for hardship.

Action: The committee elected not to opine on this item.

3. Final Review - APM 080, Medical Separation (Comments due April 17, 2015)

Action: The committee elected not to opine further on this item.

4. Final Review: UC Policy on Copyright and Fair Use (Comments due, April 24, 2015)

Action: The committee elected not to opine on this item.

5. Proposed Revisions to APM 360 and 210-4 (Librarians) (Comments due May 15)

Lead Reviewer: UCSD Rep Eggers

Issue: Representative Eggers reported that the changes are largely technical in nature and are designed to bring non-represented librarians' employment terms into parity with union-represented librarians recently negotiated changes.

Action: The committee elected not to opine on this item.

6. Proposed Revisions to Senate Bylaw 182 (University Committee on International Education) (Comments due May 15, 2015)

Lead Reviewer: UCLA Rep Lopez

Issue: Representative Lopez reported several concerns with the proposed revisions: 1) The scope of UCIE's oversight would be radically expanded to include the status and well-being of international students on UC campuses and oversight of international research collaborations and attendant MOUs. 2) UCIE would be able to initiate policy reviews and proposals, not just react to them. 3) UCIE would serve as the link between the Office of the President and the Senate on all matters relating to international projects. It is not proven that UCIE can handle this expanded work load, or what external resources would be needed to prosecute such an expanded charge.

Discussion: Members agreed that oversight of international research seemed beyond the scope of UCIE's duties, especially given the established role of UCORP. Members did agree that oversight of EAP was not enough work for UCIE, but were not convinced these tasks were appropriate for the committee. Members were also unclear how this expanded charge would impact the work of local committees that focus on the educational and student experience.

Action: Representative Lopez will provide specific edits to the proposal for endorsement next month.

7. Final Review - Proposed Revisions to APM 210-1-d (Review and Appraisal Committees) (Comments due May 21, 2015)

Action: UCSC Representative Zachos will serve as lead reviewer.

IX. New Business

None.

Adjournment: 3:25.

Minutes prepared by Kenneth Feer, Principal Analyst

Attest: Joel Dimsdale, UCFW Chair