

**REPORT FROM THE JOINT BENEFITS COMMITTEE (JBC) TO THE COUNCIL OF UC EMERITI ASSOCIATIONS (CUCEA) & THE COUNCIL OF UC RETIREES ASSOCIATIONS (CUCRA), AT THEIR MEETINGS - AT UCSF - 11/4 & 11/5/2013**

CUCEA and CUCRA function, among other things, as partners and advisors to the Office of the President on matters relating to retirees, annuitants, and retirement benefits. JBC, as an agent of both Associations, advises CUCEA and CUCRA by providing insights and information to aid in their partnership with the Office of the President.

We appreciated receiving an advanced copy of the Open Enrollment materials prior to our deliberations. Unfortunately, there are a number of statements, which are not completely clear, and which could likely have been clarified, if prior review by lay individuals had been included in the preparation process. For example, on page 3 it states: "Medicare members who change medical plans must complete additional paperwork and submit it by Dec. 6, 2013." And on page 12 it states: "If you are in a medical plan that is being discontinued and you do not enroll in a different plan during Open Enrollment, you will be automatically enrolled in a new plan." What is the character of the paperwork, how does that relate to the "automatic enrollment," and what would happen if the stated deadline for submitting paperwork is missed? In one prior year the JBC Chair was asked to perform a review of draft materials resulting in a number of changes in the original text. We are concerned about the lack of prior consultation in the process leading up to all the dramatic changes taking place this year.

- Providing input prior to decisions is far more important than reacting to announced changes after-the-fact. The decision process needs to be changed immediately to take this important recommendation into account and to reduce confusion and difficulty for the University.

The three most important issues deriving from our deliberations about the announced health plans for next year are:

1 - The major changes, which apply to those of us who live outside of California, appear to be ill conceived. It is unclear how the financial part of the arrangement will affect people. Likewise, the requirement to use Extend Health initially and beyond, even if they move back to California, is potentially a real problem. The JBC has expressed its concerns about Extend Health previously --- specifically in relation to the experiences of UC's annuitants who were employed at our National Labs. We have recently received several very negative reports from individuals about their specific experiences. A simple Internet review also provided some very interesting and disconcerting information on Extend Health. The following links bring to light comments from prior users and employees:

<http://www.hallway.com/companies/extend-health-inc-employee-reviews?nt=30391>  
<http://www.glassdoor.com/Reviews/Extend-Health-Reviews-E139690.htm>

- We would like to know the terms of the contract with Extend Health, when it will expire, what objectives were specified, what evaluation will be done, and how the determination of the success or failure of their program will be determined.

- The permanent assignment of out-of-state annuitants to Extend Health is unfair. Those who move back to California in the future should be granted the same health care benefits as those living here continuously and not be required to use Extend Health.
- The possibility that major benefits could accrue to UC and to annuitants living outside California if they were combined with the similar group of CALPERS participants should be explored.

2 - The problem at UCSB is well documented in the attached article from *The Chronicle of Higher Education*, and will not be repeated here.

- It is important that suitable alternatives be made available to the pre-Medicare and non-Medicare annuitants (in addition to active employees) living outside the areas serviced by our five Medical Centers.

3 - The Wellness Program is re-launched as UC Living Well and expanded to include Kaiser.

- We continue to believe a comprehensive evaluation of these programs is essential, and hopefully useful in negotiating lower rates with health care providers. We would like to see such an evaluation and hope one will be made available in the near future.

We are gratified that further changes have not been made in deductibles and co-payments after the dramatic increases that occurred for this year. It would appear that, with the exception of those items discussed above, and potential problems created with respect to pharmacies (for example, in the past when Anthem-Blue-Cross changed pharmacy providers, there were serious problems), the health plans remain highly competitive and appealing to those who are eligible.

It appears that our concerns about processes involved with Minimum Required Distributions (MRDs) have now been properly addressed and resolved. We thank you.

We continue to look forward to cordial and cooperative relations with OP staff with whom we deal, for the mutual benefit of the University and its family of annuitants. We want to particularly thank Joe Lewis for his constant and highly effective involvement and communications with the JBC and our two sponsoring Councils. We wish him a wonderful life in retirement, and will welcome him into our “special University family.”

Adrian Harris, Chair, UCLA,

Julian Feldman, UCI; Jack Fisher, UCSD; Charles Hess, UCD; Richard Jensen, UCSC & UCSB; Larry Pitts, UCSF; Louise Taylor, UCB.

*Ex-Officio:* Roger Anderson, UCSC; Lee Duffus, UCSC; Doug Morgan, UCSB; Marianne Schnaubelt, UCI

Attachment: Article from *The Chronicle of Higher Education*, October 10, 2013