

**CUCEA/CUCRA Joint Meeting**  
**April 28, 2011**  
**UCLA Faculty Club**

**Attendance:**

UC Berkeley: Patrick Cullinane, Edwin M. Epstein, Roger Glasse, Marian Gade, Antonia Sweet, Louise Taylor  
UC Davis: Sue Barnes, Charles Hess, Barbara Nichols, Deanna Falge Pritchard, Anne Gray Raventos, Bill Raines  
UC Irvine: Jeri Frederick, Ted Quillian, , Judy Pruitt , Marianne Schnaubelt  
UC Los Angeles: Charles Berst, John Dahl, Adrian Harris, Ralph Johnson, Eddie Murphy, Paul Sheats, Charles West  
UC Riverside:, Anthony W. Norman, Clifford Wurfel  
UC Santa Barbara: Dick Jensen (UCSB/UCSC), Tippi Lawrence, W Douglas Morgan  
UC San Diego: Dick Attiyeh, Marjorie Caserio, Marguerite Jackson, Rosemary Norling (CUCRA Travel Group)  
UC San Francisco: Ernest Newbrun, Sandra Norberg, Dorothy Rice  
UC Santa Cruz:, Jenny Anderson, Lee Duffus, Jerry Walters, Michael Warren  
LBNL: Janis Dairiki  
LLNL: Jeff Garberson, John Pitts  
PARRA: Patricia Pelfrey, LaVonne Rochon  
UCOP: Joe Lewis, Michael Waldman, Anne Wolf

**Call to Order and Campus Welcome**

Marian Gade, CUCRA Chair, called the meeting to order at 9:00 am. Ernest Newbrun, CUCEA Chair, invited Paul Sheats of the UCLA Emeriti Association to introduce Christine Littleton, Vice Provost for Faculty Development and Diversity and Professor of Law and Women's Studies. Vice Provost Littleton welcomed the group on behalf of Tom Rice, Vice Chancellor, who is currently on leave. She acknowledged the University of California as the single largest public research university and saluted retirees for their contributions. Vice Provost Littleton went on to describe a few recent accomplishments, enrollment numbers, research funding, and diversity at UCLA. She also clarified that increasing the numbers of out of state and foreign students (a current initiative to generate additional funding for UC campuses) did not mean that the number of qualified California enrollees was reduced. She then introduced Dave Miller , Director of Diversity and Outreach, who provided additional interesting information.

Ms Gade thanked the speakers for their welcome and also thanked the UCLA Retirement Association staff, Eddie Murphy, Maria Labronto, and Jonathan Bates, for making the arrangements for the joint meeting.

**Review of Minutes of October 2010 Meeting**

To provide a written record of the joint meeting, minutes were taken in October for the first time in several years. The secretaries of CUCEA and CUCRA will alternate minute taking responsibilities. The minutes of the October meeting were taken by Dick Walters, Secretary of CUCEA. Ms Gade asked that minutes be reviewed and any comments or corrections be provided to Marguerite Jackson, CUCRA Secretary (taking minutes for this meeting)before the end of the day.

**Review of Joint Benefits Committee Draft (April 25, 2011) for Discussion**

Ernest Newbrun led discussion of the Draft of the Review of Joint Benefits Committee prepared by a Task Force co-chaired by Dick Jensen and Doug Morgan. The purpose of the document is to

- consolidate information,
- provide a timeline and history of the founding of the JBC,
- discuss the purposes and focus of the JBC,
- and describe how these have changed over time.

After considerable discussion among the group, Ms Gade and Mr Newbrun thanked the Task Force for their excellent work and asked if they would be willing to continue working with the document to finalize it for review at the next meeting.

***A motion was made and approved unanimously to ask the Task Force to continue refining the document and report back to the CUCEA/CUCRA Joint Meeting in October 2011.***

### **Report from the JBC to CUCEA and CUCRA, at their meetings at UCLA, April 27-28, 2011**

Adrian Harris reviewed the report for the group and noted that it had been approved by CUCEA the previous afternoon with the addition of the statement:

*We propose that the open enrollment packets in future years include cost data for personal use in comparing various health plans. The spread sheet formerly included was apparently eliminated because of its cost. We believe a very low-cost document could be prepared and distributed in an economical way.*

CUCRA will review the document at their meeting later today and the report will then be sent to UCOP and UC Human Resources.

### **Budget/PEB Update (Pension and Health)**

E Newbrun introduced Gary Schlimgen, UCOP. Mr. Schlimgen noted that the "state budget is terrible" and \$500 million is the proposed cut for UC. The annual state contribution of \$14 million to retiree health has been cut to \$7.1 million for this year. He encouraged the group to consult the UCOP webpage and advocacy webpage for updates.

Key points included in his presentation:

- Departmental contributions to pensions will increase from 7% in July 2011 to 10% as of July 2012
- \$3.31 for every \$100 in covered pay to current employees is used for retiree medical/dental coverage (\$270 million system wide total)
- 53,000 retirees receive medical/dental coverage (35,000 retirees; 18,000 dependents)
- 37,000 retirees have Medicare with UC as secondary
- 8700 retirees use Kaiser (16%); 2700 are out-of-state
- Pay bands for retiree health are being pushed for by the Unions; however, Unions cannot bargain for retirees nor for those not in Unions
- Medicare retirees are rated separately than retirees who are not yet 65 ("pre-Medicare") whose premium rates are blended with those for employees to provide them with a lower premium than would be the case if they were a separate group; "Non-coordinated 65+" retirees (people with a career at UC not eligible for Medicare on their own or through a spouse) have premiums the same as active employees
- Proposals to save money are numerous and include discussion re: whether part-time employees should receive same coverage as full-time employees. Different ways to deliver benefits in light of health care reform are also being discussed.
- The Pension program is "back from brink" with employee contributions reinstated; no state contributions are yet forthcoming
- Pension Obligation Bonds are also being used by UCRP with considerable benefit
- As of July 1, 2010, UCRP funding is at 86% ("smoothing") or 73% (market value) and should be higher in 2011 with improvements in the market. Currently, 1.8 billion is paid out each year in pensions to retired employees.

Anthony Norman, UCR, added that UCR formed a Citizens University Committee that recently conducted a postcard campaign to legislators. This campaign resulted in an additional 10 million dollars towards a medical school at UCR. He provided sample postcards and a suggested message that individuals can send to legislators to garner support for continued UC funding. Marian Gade also stressed the need for advocacy in this regard.

### **CUCRA Travel Group**

Rosemary Norling, organizer of the CUCRA Travel Group, provided information about various travel opportunities and distributed information as well. The Travel Group works with Collette Vacations of Rhode Island which is also the official travel group for the Smithsonian. The commissions earned whenever a CUCRA member travels with Collette Vacations are given to CUCRA. CUCRA received over \$3500 in 2010 and in previous years has received larger amounts. *Anne Wolf agreed to highlight the Travel Group in a forthcoming New Dimensions article.*

### **UCOP Customer Service Report**

Michael Waldman informed the group of plans to no longer provide monthly paper benefits statements to all retirees as a cost-savings measure. Currently 55,000 benefits statements are mailed each month; 51,000 retirees have direct deposit arrangements with their banks. Reducing the number of paper statements only to those requested by retirees (using an "opt in" approach rather than an "opt out" approach) will result in savings of over \$300,000 per year. Mr. Waldman illustrated how the "opt in" feature would work by showing examples of the current paper statements and new wording that will be included. Anne Wolf has also put an announcement in New Dimensions being published this week. A request was also made for information to be provided to Center Directors to use in their newsletters. For retirees without e-mail or computer access, Joe Lewis assured the group that one telephone call to AtYourService would result in paper statements continuing to be sent.

### **ExtendHealth Presentation on Retiree Health Administration**

Marian Gade introduced Andrea Comporato of ExtendHealth who introduced Richard Wheeler and Tim Burton, also of Extend Health. This presentation was made at the request of Joe Lewis as one example of a Medicare Exchange Model. The Academic Senate's Health Care Task Force has asked for these types of proposals to be explored.

- The presentation consisted of a series of slides describing retiree healthcare challenges, the ExtendHealth approach to optimize healthcare affordability, access and quality for UC retirees, how the Medicare Exchange Model works, and sample retiree rates and benefits.
- ExtendHealth is a 5-year-old, privately held, for-profit company based in Utah.
- ExtendHealth is paid a commission by health plans when a person enrolls in the plan. The amount paid (commission) is regulated by CMS.
- ExtendHealth currently does not have any large public university as a client.
- The basis for their program is the Health Reimbursement Arrangement (HRA) account that would be used to reimburse retirees for eligible healthcare expenses, including premiums and out-of-pocket expenses.
- UC would allocate benefit dollars for each retiree to an HRA account and ExtendHealth would administer the HRA Account for the retiree. The retiree would choose the carrier and which type of coverage they are eligible for (examples of carriers include AARP, AetnaMedicare, Cigna, HealthNet, Humana, Secure Horizons, Anthem Blue Cross/Blue Shield, Coventry, Mutual of Omaha, UniCare, Delta Dental). Premiums would be determined by the particular plan chosen by the retiree.
- *Kaiser is not a carrier represented by ExtendHealth; however, the presenter assured the group that their Benefits Advisors could refer retirees to Kaiser if they asked them to do so.*
- All contact is done by telephone and all forms are filled out by ExtendHealth with information provided over the phone. Retirees would complete no paper or on-line forms.

There was limited time for discussion; however, CUCRA will discuss the presentation at length at their afternoon meeting. Minutes of the CUCRA meeting will reflect this discussion and will be shared with CUCEA as their meeting preceded this presentation.

### **Obtaining Formal Recognition from the Regents of UC of Emeriti and Retiree Associations**

*PROPOSED Regents Policy 5204: Policy on Emeriti Associations and Retiree Associations* was distributed at the meeting for review and discussion.

Eddie Murphy provided background for the proposed policy. There is currently no specific or formal recognition for EAs or RAs within the UC System. UCLA has just completed two years of work to develop a

formal policy for UCLA. Because of similar interests for other campuses, this proposed policy has been developed with leadership from John Sandbrook, most recently Chief of Staff for President Yudof but previously at UCLA for 43 years, Jeff O'Neill, Assistant VP, and Cheryl Lloyd, Director of liability, UCOP. Each of these individuals contributed to the presentation.

The key reasons for developing the policy include the legal authority for appropriate use of the name of the University of California and insurance (liability) for activities conducted by CUCRA and CUCEA. The proposed policy statement 5204 parallels policy statement 5203 for foundations, alumni associations, and support groups.

The concept is supported by the JBC, and the discussion by CUCEA and CUCRA representatives was very supportive.

***It was moved and unanimously agreed that CUCEA/CUCRA and UCOP should proceed with development of this policy but that it should not interfere with arrangements already in place at individual campuses.***

**Next Meeting: UC Davis, October 27, 2008**

Sue Barnes, Center Director for UC Davis, invited the group to attend the next combined meeting of CUCRA and CUCEA at UC Davis on Thursday morning, October 27. CUCRA will meet on Wednesday afternoon, October 26, and CUCEA will meet on Thursday afternoon, October 27.

Ms Barnes solicited interest in a tour of the University Retirement Community (CCRF) and West Davis Village (mixed use community for faculty and staff new recruits). A show of hands for the first tour indicated sufficient interest and a tour will be arranged by Ms Barnes. There was much less interest in the second option so no tour will be arranged.

**The meeting adjourned at noon for lunch which was provided by the UCLA Emeriti Association and the UCLA Retirees Association.**

Minutes prepared by Marguerite Jackson, CUCRA Secretary. Draft completed 5-5-2011; corrected 5-7-2011; corrected 5-12-2011; corrected 5-22-2011