

Council of University of California Retiree Associations (CUCRA)

April 28, 2022

8:00 a.m. – 12 noon

Spring Meeting

Zoom meeting hosted by UC Irvine

ATTENDEES:

UC Berkeley: Barinder Flanagan, Marian Gade, Patti Owen, Cary Sweeney, Louise Taylor

UC Davis: Jo Anne Boorkman, Juliane Crowley, John Meyer

UC Irvine: Craig Behrens, Cindy Fern, Jeri Frederick, Jill Halvaks, Emil Nguyen, Pat Price, Richard Robertson, Marianne Schnaubelt

UC Los Angeles: Sue Abeles, Sue Barnes, John Dahl, Ayesha Dixon, Elaine Fox, Adrian Harris, Judith Tuch

UC Merced:

UC Riverside: Cristina Otegui, Andy Plumley

UC San Diego: Mae Brown, Phyllis Mirsky, Henry Powell

UC San Francisco: E. Eastman, Louis Gutierrez, Gail Harden, Eric Vermillion, William Wara

UC Santa Barbara:

UC Santa Cruz: Christy Dawley, Lee Duffus, Frank Trueba

LANL: Dave Schiferi

LBNL: Nancy Brown

LLNL: Jeff Garberson

PARRA: Jim Dolgonas, Bill Newton

UCOP: Karen Akerson, Bernadette Green

Welcome

John Meyer called the meeting to order at 8:00 a.m. and welcomed the attendees.

Approval of Minutes

Patti Owen presented the minutes from the October 28, 2021, meeting, noting a few typos. It was moved and seconded that the minutes be approved. They were adopted unanimously.

Chair's Report

The chair noted that the agenda was split into two parts, with the second being brief reports from each association. He then noted that the Chair's written report, included with the meeting documents, be distributed to association members. He pointed out the strong partnership with CUCEA and gave a shout out to Louise Taylor, CUCEA's Information Officer. He then commented on President Drake's forthright acknowledgement of the Navitus problem.

Vice Chair's Report

Sue Abeles, as Vice Chair, serves as the Chair of the Nominations Committee. The open positions are: Chair, Vice Chair, Secretary, and a JBC representative (to replace Joe Lewis). She asked for two volunteers to serve on the committee, noting that it is only a few hours of work.

New Member Orientation

At the last meeting, it was suggested that CUCRA create an orientation program for new members outlining its purpose, history, how to get involved, etc. Marianne Schnaubelt and Sue Abeles took the lead on this, with Marianne creating the first draft. A few days before the meeting, they held the orientation with 2 new members and received good feedback for the inclusion of financial data and meeting recordings in the future. Marianne and Sue thanked Mae Brown and Elaine Fox for their input. Elaine noted her appreciation for the openness; that it was helpful and she felt a part of the group.

Information Officer

Bob Daly, the Information Officer, is traveling in Italy and asked John Meyer to convey the following:

- 1) He thanked the associations for submitting their reports
- 2) He will ask for an update of the CUCRA representatives
- 3) He has created a report for retirees, which comes out every few weeks. He would like feedback on the content.

John Dahl acknowledged Bob's work on the third item. John M. asked if it is value added and helpful. There was general agreement it is useful.

Travel Program Update

Sue Barnes introduced herself. She took over the program in 2019, and it is now thriving. She referred to her report under meeting documents on the CUCRA website. In 2022, they planned for 9 trips and have added 2 departures. The New Orleans and Baltics trips were cancelled due to Covid and the war in Ukraine. COVID has resulted in other cancellations. So far there are 135 registrations for 2022. There are 8 trips confirmed for 2023 and registrations are good. They have added a second Japan trip.

Per the request of CUCRA members, she has started a chart on travelers, designating staff retiree, emeriti, and non-UC. Because of timing, a large number of travelers have been non-UC. She asks that association newsletters include information regarding the travel program. CUCRA earns a 10% commission, with an average commission of \$4500-5500 per trip. Travelers pay the same price as if they booked directly with the travel agency. Tours with at least 12 participants include a UC escort. To date we have earned \$10,000 and anticipate up to \$25,000 this year. For 2023, she anticipates earning \$30,000 or more, but it depends on the war stability. Program expenses run \$2-3k per year.

Sue Abeles noted that the 2023 scheduled trip to Egypt will be hot and might be difficult for older participants, especially with lots of walking. Sue B. will look at the dates for the future. Jim Dolgonas noted Sue is doing a great job and then had a question about travel during COVID and the possibility of getting "stuck". Sue said that the recent trip to Spain resulted in one person not making it home, and that 8 of the 16 participants tested positive after returning home. They did have a pre meeting with OAT (the travel agency.) If stuck, insurance will arrange for hotels. Collette has stated that of 11,000 travelers

so far, only 60 have tested positive. All travelers need to be vaccinated and boosted, as well as testing before the trip and before returning to the US.

John M. said that PARRA had written and raised the issue of financial reserves if the travel program is very successful. While their letter had several suggestions, John has appointed a work group to address how to handle the overages, which may include dues reductions, subsidizing the meetings, sharing with CUCEA, etc. The members of the work group include Sue Abeles, Jim Dolgonas, Jeff Garberson, Eric Vermillion, Mae Brown, John Dahl and Sue Barnes.

Sue Barnes thinks that 10 trips per year is the maximum and that we won't have huge reserves. Jim D. noted he is pleased with the committee approach. PARRA members believe if there are big reserves, there should be a policy to ensure that excess dollars are invested in activities that benefit the member associations. In the current Zoom environment, there is little spending. However, moving to a hybrid format in the future could be costly.

Financial Matters

Investment Policy

The Investment policy was developed in response to the audit which recommended developing an investment policy. While CUCRA may have been lacking in this regard, all of the investments have been in CDs and balances were small. It was also noted that UCOP will allow investment in STIP and TRIP. An ad hoc committee of Sue Abeles, David Olson, and John Dahl drafted the policy. Highlights are:

- 1) Purpose
- 2) Delegations. The Treasurer will administer the portfolio with approval by the Executive Committee
- 3) Goals/Objectives.
 - a. Liquidity
 - b. Achievement of best returns with minimal risk
 - c. Investment management
 - d. Investments preserved but with minimized risk
- 4) Benchmarking against economic conditions

We have received approval from UCOP to invest in the long term. Short term dollars can continue to be invested with Edward Jones.

It was moved and seconded that we adopt the Investment Policy. Jim D. raised the question of whether the issue of responsibility be in the Bylaws instead of in this policy. John D. thought it should be or perhaps in the Standing Orders. There was concurrence that it should probably be in the Bylaws, but to wait until there are other necessary changes to them.

Jim asked if the associations can put money into STIP. Sue A. said UCLA had done it, but it was difficult to set up. They put together an investment statement and invested in the endowment pool.

Sue A. noted that perhaps the output of the reserve policy committee may require a change to the Bylaws. John M. asked if there were any objections or abstentions to adopting the Investment Policy. It was adopted unanimously.

IRS Tax Filing Exemption Update

The IRS reinstated CUCRA's tax exemption which had been withdrawn. The \$5000 fine was refunded, with interest. John has now filed three years of financial data and everything looks to be in order with the IRS. The next step is to file with the Franchise Tax Board, which John hopes is more responsive.

Treasurer's Report

John sent out the latest Treasurer's Report via email—it is not posted to the website. The new report is structured according to FAS guidelines. The balance at the end of 2021 had grown due to 1) revenues being higher and 2) expenses being less because of the pandemic. John added "Notes to the Financial Statements" at the suggestion of David Olson, CUCRA's auditor. The "old" formatted statements were also included because they provide more details of income and expenses. The budget was approved at the last meeting. It has been noted that we should accept the reports. A motion to accept the 2021 financial reports was seconded and was passed unanimously.

Open discussion and assessment of issues of interest since fall conference

John M. asked each campus/laboratory association to share briefly with the Council highlights from their reports posted on the CUCRA website located at:

<http://cucra.ucsd.edu/meetings/2022-04Meeting/Reports/index.html>

Davis did not submit a report and provided a verbal statement. Davis's association continues to be supported by the Retiree Center. The Center will have a dedicated office in Sacramento. Free parking is offered to retirees, but a new app was proving problematic. The campus agreed not to require it for retirees. This was a big year with Gift Day and the Aggie Compass project. The association provided a scholarship to a staff member. They participated in the Davis Picnic Day as well as Healthy Campus Day. There was a Town/Gown effort in managing the pandemic, providing free testing; this resulted in a lower rate.

Jeff Garberson, representing Lawrence Livermore National Laboratory retirees, reported their group is not active, with only a newsletter. They can't attract new members and can't have activities at the Lab due to security. Retirees can't participate in the upcoming 70th anniversary celebration. He discussed the healthcare lawsuit settlement. Participants received generous settlements and got reimbursed for increases in health care costs. John M. noted that while healthcare is not an entitlement, this lawsuit can serve as a precedent. Jeff noted that early documents exist which said they were entitlements.

John M. revisited topics from the prior day.

RASC—They are clearly engaged in rebuilding effort. Frank is participating in the testing of the new phone system mentioned by Bernadette Green. Last fall, Jim asked when RASC would be at equilibrium and wants to know a new guestimate. Bernadette responded that they have been so focused on bigger items and hadn't addressed short-term issues like disaster recovery. The Navitus problem gave the team an opportunity to address a short-term problem and still focus on core businesses. She said she was bold in her budget ask—16 FTE for service enhancement for survivor and 9 retirement counselors. She was feeling confident in December about their trajectory. She has since identified some significant gaps. The staff has to engage with the direct contacts. They are not always equipped to answer questions, especially for health benefits. She asked for 16 new FTE who will need to gain a certain level of expertise. She hopes they will be at equilibrium by the end of the year. They are working on the backlog. The budget ask is to get them stabilized.

Gail Harden noted when UCRAYS was implemented, the Health Care Facilitators lost functionality. Is there any update to their ongoing request to access the system? It hasn't changed. Bernadette said once there is stability, they can provide access. The deferred functionality was delivered in October, and it is working.

Frank noted that the Navitus issue was not just a RASC problem. The HCF program was created to take healthcare issues from RASC. HCFs get 1) complaints and 2) questions on how to fill prescriptions at the

local level. He stated the local solution is faster and that there needs to be better marketing of the HCF program. In addition, RASC needs a better relationship with the carriers. They are reactive and hear about the problems from users. Per Bernadette, they are looking at integrating files in Redwood. Currently there are 122 files going to Redwood. An assessment is being done and should be completed by the end of the year.

Nancy Brown asked if there is a typical profile of survivor benefits. No, and there is currently no front-end process. The current model is wrong. The backlog is about 400 cases, some pending since October 2021. John M. asked if the No Lapse in Pay could be implemented for survivors. Bernadette did ask General Counsel, but used the wrong language in her inquiry. CalPERS has a pretty straightforward process which she will follow. Marian wants to pick up a phone and doesn't want to use the computer. Bernadette stated that new resources are being dedicated to a new phone service. The original goal for RASC had been for self-service, which works well for new retirees. They are moving towards using technology for the heavy lifting, but moving towards more personal contact. Adrian suggested that information regarding the process and documents needed by survivors to claim benefits be put on the website.

Marianne had 2 questions/comments:

- 1) How does the new telephone system affect call back times?
- 2) Navitus seems to be denying prescriptions, even with a doctor's letter.

Regarding the second issue, there has been a review of the old formulary against the new one. Navitus agreed to grandfather prescriptions. Per Cheryl, they are still working on extensions. It is unclear where questions should go for denials; Navitus is not as responsive.

Regarding the first question, the new system will be shared with UCPath, RASC, and the UC Service desk. It is a cloud-based system, so they can establish more queues/trees. The current system only allows four queues.

Frank noted that RASC can't answer questions regarding prescription denials, and Navitus won't change. It is a policy issue.

Jim commented that the issues with Navitus are more severe than we know—the need for prior approvals; costs higher than formularies list; and Navitus staff don't know their own formularies. This all happened with Optium several years ago, and they were replaced.

The Navitus issue has had significant impacts on Retirement Centers. Elaine Fox said that UCLARA was inundated with questions. They conducted a survey and had 200 responses within 24 hours. John M. noted that having specific examples made it real to leadership. Jeri noted that the extended timeline has run out, and there will be another wave of calls. Is there a direct Navitus contact? UCOP is waiting for one, and they will send out the information as soon as they receive it. John M. asked if issues should go to UC Health since they made the decision.

CUCRA Support for Retiree Centers

Marian asked that more reports like JBC would be helpful throughout the year.

UCOP Advisory Committee Development

John M. reminded the representatives of Cheryl's interest in having an advisory committee. We have to look at the role of the JBC and how to use its strengths to be more responsive over the year.

Miscellaneous

John reported on the discussion of the Executive Committee with the incoming President of CUCSA (Council of UC Staff Assemblies). Sue Barnes suggests a regular CUCRA/CUCEA article in New Dimensions. Andy noted that the editor has been searching for content. Harry responded that it is already happening; the editor asks for monthly updates. Jill said that on a smaller scale, she has charged the UCI CUCRA representative to write a little article for their newsletter each time. She also likes Bob Daly's monthly reports.

In response to a question about whether the next two meetings would be via Zoom. The Fall meeting at Berkeley will be via Zoom. John M. will check with UCSB regarding the Spring meeting.

JBC Report Redux

Louise Taylor reminded the group that CUCRA must accept the JBC report. It was moved, seconded, and accepted unanimously.

Jeri thanked CUCRA for supporting the Retirement Centers. John thanked Jeri and Emil for their technical support of the two meetings.

Meeting was adjourned at 11:41 p.m.

Respectfully submitted,

Patti Owen, Secretary

Approved October 27, 2022