

<p>2. Recap of CUCEA/CUCRA Joint Meeting Discussions A. JBC Report</p> <p>B. JBC Review Task Force Draft (April 25, 2011) for Discussion at CUCEA/CUCRA Joint Meeting</p>	<p>A. JBC Report Adrian Harris briefly reviewed the highlights of the report that had been presented at the morning's meeting. He noted that CUCEA had accepted the report with the addition of the following statement: <i>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.</i></p> <p>M Gade commended the JBC for their work. CUCEA and CUCRA will forward the report to UCOP</p> <p>B. JBC Review Task Force Draft M Gade reiterated the importance of the JBC for its "watchdog role" and thanked the Task Force co-chaired by Dick Jenson and Doug Morgan for creating the document. The purposes of the document are to consolidate information about the JBC, 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. The Task Force will continue to work on the document with the input from CUCEA/CUCRA at the morning's meeting and will report again to the joint meeting in October 2011.</p>	<p>ACTION: Motion to accept JBC report with addition: A Harris Second: M Jackson Motion carried (unanimous)</p>
<p>3. Discussion of Extend Health presentation at joint meeting</p>	<p>At the morning meeting a presentation was made by ExtendHealth, a Medicare Exchange Model for managing retiree health benefits. There was little time for discussion at the joint meeting, with the intent to discuss the presentation during the afternoon CUCRA meeting. Below is the summary of the presentation included in the CUCEA/CUCRA Joint Meeting minutes: <u>ExtendHealth Presentation on Retiree Health Administration</u> 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.</p> <ul style="list-style-type: none"> • 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.

CUCRA Discussion

- Jeff Garberson, LLNL, noted that when UC discontinued managing benefits for LLNL retirees, this function was taken over by ExtendHealth and Hewitt. Retirees have been uniformly dissatisfied with the ExtendHealth services which includes over 150 different options. He provided a number of examples, most notably focusing on the difficulty of getting a consistent Service Advisor in Utah and delays in providing services. In fact, several retirees had coverage dropped for 2-3 months and experienced real problems getting services reinstated. These same concerns were echoed by Janis Dairiki of LBNL.
- D Jensen commented that the presentation was out of context (why is this presentation being made now?), and that the Faculty Welfare Committee was dismayed by the complexity of options for Medicare beneficiaries. He also acknowledged that UCOP is under considerable pressure to cut expenses for servicing Medicare retirees. He questioned whether the "kickback" (commission) to ExtendHealth by providers could be redirected to UC.
- M Gade expressed concern that Kaiser is not part of their Model, noting that almost 20% of retirees receive services from Kaiser. There is also considerable concern about Extend Health being a for-profit company that is only 5 years old.

ACTION:
M Gade and Executive Committee will develop a response to UCOP about the presentation and submit as soon as possible (See: APPENDIX A: letter from M Gade, 5-5-2011)

A similar letter is being sent by CUCEA

4. Officers' and Committee Reports

Marian Gade, Chair

- Regents adopted a substantial number of recommendations from the PEB Task Force
- Joe Lewis is now the liaison for CUCRA and CUCEA with UCOP
- Some progress is being made with Fidelity regarding communication about the IRS Minimum Distribution Requirements for retirees reaching 70.5 years of age. We are grateful to Anne Wolf for getting the information out in New Dimensions as Fidelity will only send one letter about this
- Berkeley has UCRA archives in the University Archives housed in Berkeley's Bancroft Library back to the 1970s/1980s. The library is interested in having CUCRA archives also

Lee Duffus, Vice Chair/Chair Elect

- CUCRA has extended membership to UC Merced but, to date, they only have 11 retirees (faculty and staff) and 1 spouse beneficiary per their HR Manager, Jim Kessler
- UC Davis Retirement Association has offered them the opportunity to affiliate until they have sufficient numbers to form their own association
- They have also been invited to attend the CUCRA meeting

Marguerite Jackson, Secretary

- Members are encouraged to share meeting minutes which are marked "Draft" until approved at the next CUCRA meeting
- M Jackson will be out of the country in October 2011 and will miss the meeting. Sandra Norberg agreed to take minutes in her absence
- Draft minutes for the April meeting will be completed and distributed before the end of May
- The CUCRA and CUCEA secretaries will alternate responsibility for taking minutes at the Joint Meeting. M Jackson took meeting minutes at the AM meeting this time

Anne Gray Raventos, Treasurer

- Balance Sheet 15 April 2011: CUCRA continues to be in a healthy financial position
- CUCRA Cash Flow Detail: includes both 2010 meetings and other travel
- CUCRA Budget: no expenditures so far in 2011 except for the establishment of the website, which came in at less than half the \$800 budgeted. Other 2011 expenses are expected to be about the same. In 2010 operating expenses were about double membership dues so donations from the travel group continue to keep us solvent

- CUCRA membership is steadily increasing with 4381 members in 1998 and 6279 members in 2010 ; the Treasurer thanked all CUCRA affiliates for sending in their dues
- The proposal to develop a UC policy governing retirement and emeriti associations was discussed at the joint meeting. There is concern that a \$20,000 cap on funds held by these groups is inadequate for some of the larger associations. It was suggested that amount be left open ended or left up to each association
- A Gray Raventos will be relieved of Treasurer duties at the end of the year as she will have served 4 years (two two-year terms). She asked for any changes or suggestions for format or inclusions/exclusions so that information can be incorporated into information to pass on to the next Treasurer

S Norberg asked if there was further action on requirements for tax returns for individual associations. A Gray Reventos has been in contact with IRS but has not been asked for a tax return for CUCRA. This is also likely true for individual associations.

Antoinia Sweet, Information Officer

- Thanks for submitting Campus reports in a timely manner
- Please submit changes to roster before end of meeting
- Please let A Sweet know when there are changes in names/addresses for new Presidents or Association Representatives

M Gade thanked A Sweet for her hard work and timely management of communications

Patricia Pelfrey, Nominating Committee

- Nominations for leadership positions are due by July 1st. Individuals may self-nominate or be nominated by others; they do not need to be for people with CUCRA experience although that is helpful
- Nominating committee members are P Pelfry, M Schnaubelt, and L Duffus
- Nominations for Treasurer and Information Officer are made in "odd years" and are now due
- Nominations for President, VP, and Secretary are made in "even years" (2012)

Rosemary Norling, CUCRA Travel Group

- Envelopes with information for each Association are available on the back table; please pick up and take back to your group
- Collette Vacations will make special presentations to groups (10 or more) at individual

ACTON:
M Gade and E Newbrun will communicate this concern to UCOP

	<p>campuses, if requested</p> <p>Website Development, Lee Duffus</p> <ul style="list-style-type: none"> • L Duffus thanked UCSD, Marjorie Casserio (UCSD Emeriti Association), Christine Bagwell (head of IT), Kevin ???, and Vance Tran (web development) for their excellent work • The website is now up and can be found at: HTTP:\\CUCRA.UCSD.edu; the CUCEA website can be found at: HTTP:\\CUCEA.UCSD.edu • Website would be enhanced with photos of campus Reps/Presidents • UCOP provided photos from each campus (except laboratories) that have been incorporated • If LLNL and LBNL submit photos to L Duffus, they will be included • There was past discussion of a "members only" password-protected section. Group consensus was not to pursue this option <p>M Jackson suggested a gift card for Mr Tran who had gone beyond expectations to develop the website; however, group was informed it is illegal to provide monetary gifts to employees who likely used work time for projects. Formal letters of thanks from CUCRA have been sent to UCSD IT and for Mr Tran's personnel file</p>	
<p>5. Membership Surveys</p>	<p>Membership Survey, UCLA</p> <p>Eddie Murphy, Dorothy Webster, and Tanya Hayes provided information about a recently conducted survey of staff retirees at UCLA. The survey was funded by Tom Rice, Vice Chancellor. Many volunteers assisted the staff with the survey.</p> <p>The purposes of the survey were to:</p> <ul style="list-style-type: none"> • Collect data to better inform UC and UCLA decision-makers about staff retirees' involvement in various efforts that support the University, the campus and their own communities • To create a staff retiree profile • To empower retirees by giving them knowledge of their collective achievements • To update the Emeriti/Retirees Relations Center (ERRC) database <p>The survey was not to duplicate the BioBibliographic survey that is conducted each year among retired faculty</p> <p>Each retiree was mailed a letter and 12 item questionnaire; a second letter/questionnaire was sent a few weeks later to non-respondents. The two mailings resulted in over 1500 responses</p>	<p>ACTION:</p> <p>Fall CUCRA Agenda will include opportunity for fuller reports from UC Davis and Ex-Labs, and discussion of the possibility of a CUCRA-sponsored state-wide survey</p>

Results

- Total response 1506 (26% of 5770 retirees); 2/3 from medical enterprise; >70% female; average number of years retired from UCLA = 12
- Retired staff sometimes teach, perform research and publish
- Most retirees typically participate in other activities, both at UCLA and in the community
- Over half of respondents indicated they were "more busy during retirement" than when working
- Many (246) had received honors, awards, and recognition
- About 20% (359) were still working for an employer (including UC) or were self-employed
- The vast majority were pursuing educational activities of many different types

E Murphy and her group met with the UCLA Chancellor to provide information and results; he was most interested in the community service component

The full report will be posted on the UCLA Website

UC Davis Survey

- A survey of retirees was conducted via Survey Monkey at UC Davis recently. About 1200 retirees are on the e-mail list (29.4%); US mail was used for those with no e-mail addresses. Results were similar to those at UCLA. S Barnes and her group have met with the provost to share results.
- Results will be posted on the CUCRA website

Ex-Labs Survey

- J Dairiki presented information about a survey to be sent out in May. There are currently 2300 Ex-lab retirees (no Emeriti). The survey is designed to be comprehensive
- Survey will be conducted with Survey Monkey. About 22% of retirees have e-mail
- Patrick Cullinane volunteered to assist the group

D Brinkerhoff reviewed the procedure they use at UC Riverside to collect data for the BioBib survey to retired faculty.

They start with a letter and BioBib form via mail and e-mail. A follow-up reminder is also sent. Responses can be entirely by e-mail, although they found if they provided a postage-paid envelope with mailed requests, they achieved >50% response

<p>6. Reports from Retirement Centers</p>	<p>Reports from all campuses were submitted to the Information Officer and distributed prior to the meeting and posted on the CUCRA website. Highlights from reports by Center Directors present:</p> <p>Patrick Cullinane, UC Berkeley</p> <ul style="list-style-type: none"> • Analysis of a retiree survey to assess current programs and future programming is underway; 1242 retirees participated • Finalists are being considered for financing and developing some retirement housing • A retiree Conference is being planned for May 2012 on issues of "next chapter" visions, opportunities, health and wellness, legal and fiscal concerns • PRP and LIR programs for fall and spring semesters are experiencing significant increases in active staff and retiree participation (well over 130 participants per session) <p>Sue Barnes, UC Davis</p> <ul style="list-style-type: none"> • The Center has been assigned to 3 different administrative departments in 3 months; now reports to Office of Development that is seeking a new VC • \$50,000 was cut from budget this year and 1 of 2 staff will be lost if funding doesn't improve • Charles Hess has completed a comprehensive history of the development of the Center and it is on their website <p>Jeri Frederick, UC Irvine</p> <ul style="list-style-type: none"> • The annual golf tournament is scheduled for June 6 in Costa Mesa • It took 5 years of persistence to become a Center. J Frederick thanked M Schnaubelt for volunteering to be the first president and continuing to support their efforts • UCI volunteers to help others wishing to become a Center and thanks E Murphy, UCLA, for her guidance <p>Eddie Murphy, UCLA</p> <ul style="list-style-type: none"> • The last 4-5 months have been focused on the affiliation agreement and liability insurance issues • The survey has been completed and copies are available to each Association • E Murphy thanked her staff and volunteers for helping make this joint meeting a success 	
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	<p>Marguerite Jackson, UCSD (for Suzan Cioffi who is on vacation)</p> <ul style="list-style-type: none"> • We now have over 1300 members • A short survey via e-mail was conducted recently re: health benefits changes. Copies of results are attached to UCSD Center report • Retirees most affected by the proposed changes are those with lower incomes (per written comments); most retirees expect to pay something for premiums but believe \$100 per month is the maximum they could afford 	
<p>7. Other Discussion</p>	<p>J Garberson noted that Lawrence Livermore National Laboratory is currently being reviewed by the National Academy of Sciences for adequacy of management. When UC management was discontinued, they were taken over by a new for-profit management company. Since the change in management from non-profit to for profit, expenses have increased \$130-150 million per year.</p> <p>On Sunday, May 1, 2011 the TV program "Undercover Boss" will feature the UC Riverside Chancellor who went in disguise each day in a week to a different part of campus</p>	
<p>8. Selected campus reports</p>	<p>No campus reports were selected due to time limitations. All Associations except Riverside sent reports ahead.</p>	
<p>9. Confirmation of future meetings</p>	<p>Fall 2011, UC Davis Spring 2012, UC Irvine</p>	
<p>10. Adjourn</p>	<p>Meeting adjourned at 3:50 PM</p>	

Minutes prepared by Marguerite Jackson, Secretary, Draft 5-7-2011; corrected 5-12-2011

APPENDIX A:

Letter to UCOP Re: ExtendHealth Presentation to Joint Meeting of CUCEA & CUCRA, April 28, 2011

May 5, 2011

Dwaine Duckett
Vice President, Human Resources

UC Office of the President

Subject: Extend Health: Administration of Retiree Medicare Benefits

Dear Dwaine:

On behalf of the members of the Council of University of California Retirees Associations (CUCRA), and especially of those campus and lab association presidents and representatives who attended the April 27-28 joint meetings of CUCRA and CUCEA at UCLA, I am responding to the request for comment on the presentation by Extend Health. I understand that CUCEA will be providing a separate response; this is for logistical reasons and not because there is any difference in the views of the two organizations regarding the proposal.

First, let me thank you, Joe Lewis and his staff, and the group from Extend Health who made the presentation. We very much appreciate being included as part of the consultation process regarding those operations of the University that directly affect retirees and look forward to continuing a productive relationship with you and others.

The response of the retirees who heard the April 28th presentation, as well as those on campuses whom we have been able to contact since, has been uniformly negative, for reasons I shall outline below. Furthermore, many point out that the same reasons apply now as well as they did some three years ago when consideration was given to outsourcing the entire retiree Customer Service Center. We do not see why, after the decision not to outsource but to reorganize the Service Center was made, that we are now faced with a new form of outsourcing. Given that the presenter is a privately held, for-profit business, we doubt that they will save the University money. Retiree preference, as always, is for service from UC employees who, one day, will be in our shoes.

Our specific comments fall into four parts:

1. The underlying issues
2. Prior experience with outsourcing
3. The Extend Health presentation to CUCRA-CUCEA
4. UC's options

1. The underlying issues:

Senate sub-committee query: The Extend Health presentation was preceded with no explanation of its purpose or supposed benefits; but subsequent discussions suggest that the Academic Senate's Health Care Task Force had asked for such proposals to be explored.

Budget Focus: UC's budget and the expense of health care are problems. Both the actual cost of insurance and the cost of the interface between the beneficiaries and the provider are of concern. UC's need to cut budgets at every level suggests that an alternative means of providing the interface between the beneficiaries and the providers should be explored as a means to save money.

UC Performance: As the system is presently managed, there appear to be no identifiable shortfalls in the organization of beneficiary/provider interface. It should be noted that UC provides many different means of interface: a) telephone, b) on-line, c) US mail, and d) personal involvement of campus Health Care Facilitators.

UCOP's Call Center has metrics on its response times and performance. The 'At Your Service' website is accessible for information on programs and on individual records. Call Center metrics show clearly that employees and retirees are very satisfied with response times and performance.

2. Prior experience with outsourcing:

Interface Issues with Outside Providers: Outsiders promise anything to get an account; but contracts do not appear to be written with performance metrics. The Fidelity management of our 403(b), DC, and 457 accounts was begun with the assurance they would satisfy a series of notifications and requirements that aid in individual management of those funds. In fact, Fidelity has cut back dramatically in their obligations with regard to the Minimum Required Distributions (MRD) for those 70.5 years old and above. They had said they would notify

MRD recipients of their required distributions before mid-March for that tax year; but they no longer provide annual notices. They do not provide an individual amount on the on-line version either. (The Federal Government's suspension of the 2009 MRD and its restarting in 2010 required special handling which was, by and large, not done – often to the surprise of unwary annuitants.)

UC's retirees at Lawrence Livermore Lab have been served by Extend Health for a while and have not been pleased. That displeasure has taken two forms: 1) the departure from the promise that health benefits for such retirees would 'match' (in the sense of being similar to) those of UC retirees' health benefits; and 2) the quality of service of Extend Health. The latter includes an apparent disregard for performance metrics (e.g., length of time waiting on the phone), an inability to provide continuity of service over several different calls/queries (causing retirees to have to begin again every time they call and usually speak with a different representative), and unawareness of the details of programs they are servicing. Representatives are often not fully conversant with the individual benefits of a contracted insurance company.

We are especially concerned that Extend Health representatives are not trained in Kaiser Permanente's operations. Kaiser provides health care for a substantial number of UC beneficiaries (over 20%). Kaiser has apparently not been willing to pay Extend Health to manage their benefits, and they have a reputation for wanting to do their own customer interface. In general, they do it well. An outside group would be unlikely to provide any value added, and because of the method of compensation (payment to Extend Health for each contract written) may have a disincentive to provide information about the Kaiser option to those who inquire.

3. The Extend Health presentation:

Some elements are troubling to UC beneficiaries. The most obvious ones are:

1. *No apparent metrics of performance.* Such things as waiting times, ability to deal quickly with individual problems (records, continuity, etc.) were absent.
2. *Deal only on telephone.* The presentation made a point of 100% telephone contact. No on-line, no in-person, no US mail. When coupled with absence of metrics and inability to deal with Kaiser, it is difficult to imagine how such a system could be an improvement or even match UC's performance. In addition, it was not clear how documentation would be provided to clients in a timely manner nor how changes to initial contracts would be negotiated
3. *National Health Care Reform:* Extend Health identified several challenges and opportunities in Health Care Reform. They attempted to identify themselves with 'cost savings' elements of health care reform, but did not identify a single benefit their method of service could deliver better than our current level of service.

4. *Formation of State Exchanges:* California is well along in forming its response to health care reform, but the Extend Health presentation did not appear to recognize that fact or to suggest how California's response might be different from other states'.
5. *Disingenuous Comparisons:* The presentation compared 2010 Average Premiums per Post-65 Individuals using Employer Sponsored vs Privately Administered plans. The two categories they used were not comparable, but by putting them on the same table, they suggested dramatic savings from the method they propose. Additionally, such savings could be achieved by any administrator, not just a privately administered plan.
6. *HRAs and FSAs:* UC has begun using FSA's for non-retirees. It could use HRA's if it wished. The Extend Health HRA's require a great deal of individual problem solving, record keeping, and generalized lag in reimbursement. Compared to UC's models, this appears cumbersome.
7. *Enrollment conducted by telephone:* That is noted above, but Extend Health says "Enrollment is conducted by telephone – no paperwork" How does one deal with complex issues without some paper for reference? That Extend Health has no on-line system is a serious problem.
8. *Retirees can change plans each year:* Not new.
9. *Location of providers:* The examples used for potential programs in California are in the major population centers. UC's retirees are all over the State and in other states, as well as with UC Medical Centers and with Kaiser.
10. *Location of managers:* If outsourcing should prove absolutely necessary, UC should seek to deal with a California corporation, which pays employees and corporate taxes in California. There is little benefit to California jobs if jobs are exported to Utah, or to India, for that matter.

4. UC's options:

UC should examine its own operations and determine how it might achieve the savings promised by Extend Health

Extend Health makes its money from kick-backs: Whether you call it a commission or a 'kick-back,' those monies would seem to come to any organizer of benefits. UC should examine Extend Health's method and reap those benefits for itself. If it needs to redirect a portion of the savings to administrative costs, then it needs to do that. If an insurance company (e.g., HealthNet) is prepared to provide a commission to Extend Health, why would they not be willing to provide the same commission to UC (or adjust the premiums downward accordingly)?

Before any discussion of possible changes is initiated, UC should obtain the performance metrics from Extend Health related to their customer service. We note that no other college or university appears to be served by Extend Health at present so that no comparable metrics may be available. We are also concerned that Extend Health is a relatively new company (reported by presenter as "in business for five years") and we have no information about the stability of the company nor the long-term potential for remaining in business in a very competitive marketplace. Of course, this is not an issue if UC continues to manage its own health benefits.

UC should ascertain how California's response to health care reform will influence delivery of systems in California.

Again, we appreciate the opportunity to comment.

Sincerely,

Marian Gade, Chair, CUCRA

DRAFT