

Joint Benefits Committee Report
CUCRA/CUCEA Joint Hybrid Meeting at UC Santa Cruz
October 29-30, 2024

Overview:

The JBC is focusing its Fall 2024 report on 7 issues: **RASC** (Retirement Administration Service Center), **RTAD** (Return to Active Duty), **Cost of UC Retiree Health Insurance**, including Via Benefits (Medicare exchange for out-of-state Medicare retirees) once again, **ERAC** (Emeriti/Retiree Advisory Committee), **UC Retiree Health - Statement of Principles...**, **RFP** (Request for Proposals) Concerns, **Appendix: Influential UC Agencies**.

I. Retirement Service Administration Center (RASC)

The RASC continues to make significant improvements. The completion of the major hiring initiative and the performance of those in new leadership positions continue a positive trajectory. The development of a focused unit to address the need of survivors appears especially successful.

With the announcement that Executive Director Bernadette Green will conclude her service to UC at the end of the year, we want to express our appreciation for all her efforts to rebuild this essential organization. We also note that the leadership of CUCRA and CUCEA are members of the recruitment advisory committee for the new Executive Director.

Given the pending leadership change, we recommend some standards be set for the content and timing of reporting on RASC performance metrics. Throughout the RASC rebuilding process there have been numerous advisory committees and briefings of interested retiree/emeriti committees. This year, such updates have been sporadic.

- We recommend that an agreed upon set of metrics be reported to interested parties quarterly so the performance of the RASC can continue to be monitored.
- While RASC has provided average data about call volume, wait time, etc., it will be more helpful if we also obtained a measure of the dispersion of data (e.g. standard deviation or binning of the range of responses) so that we can track and help address outlier cases.

II. Return to Active Duty

The Spring, 2024 JBC report made 7 recommendations regarding practices to address return to active duty (RTAD) compliance concerns.

1. The university should immediately update its files and confirm: the number of retirees who separated less than six months before returning on recall status; the campuses of each individual and the recall function they are pursuing (teaching, research, clinical care or administrative service). Although it is unlikely, some recalled retirees may also live out of state and be covered on VIA benefits. These individuals may need special provisions, other than as suggested below. JBC would like to be informed about these data as soon as they become available.

Update: we are not aware of any progress on this recommendation.

2. For faculty who will start on recall to teach, the university should immediately require a 6-month separation before returning to teaching functions. This will satisfy federal regulations and will spare such faculty the complex alterations in health insurance coverage that would otherwise be required. It will also importantly stop further aggravating an already complex situation.

Update: the university agrees with this suggestion but notes there may be exceptions.

3. There may be a small number of retirees who separated from the university and then returned >43% time, while still listing as Medicare as primary insurance. The university should identify such individuals and immediately regularize their situation (return them to < 43% time and/or immediately transfer them to active employee health insurance status). Furthermore, the university could test out communication strategies on this presumably small number of retirees before disseminating the communications to larger numbers. CUCEA and CUCRA leadership would like the opportunity to review and comment on such communications before they are sent out.

Update: we are not aware of any progress on this recommendation.

4. For retirees on recall who are performing research or conducting clinical care or administrative activities, it may be infeasible to require a six-month separation. Individuals who will be starting recall should be covered as active employees for health insurance purposes for at least six months before converting to retiree Medicare insurance. The university must pilot test a clear communication strategy to assist such individuals with their unique health insurance needs. Enrolling and disenrolling from Medicare is complex in the best of circumstances. CUCEA and CUCRA leadership should be given the opportunity to review and comment on such communications before they are sent out.

Update: the university has agreed to appoint an emeritus faculty member to the workgroup designing insurance solutions and communications.

5. Individuals who have already started RTAD should be converted to active employee health insurance as outlined above. Furthermore, this should be treated as a “period of initial enrollment,” thereby allowing such employees to make a voluntary change in insurance as necessary. Under current university practices, individuals on United Health Advantage Medicare Choice PPO might be forced into a Blue and Gold HMO, which is not an equivalent plan. This would be needlessly disruptive. Note that the United plan is currently the most popular of the retiree healthcare options. If the university is requiring individuals to disenroll from Medicare, they should be allowed their choice of active employment plans.

Update: the university has agreed to a phased approach of implementation that will initially focus on newly retiring employees as opposed to those who have already retired and returned on recall.

6. In designing and implementing communications on this complex matter, the university should reach out to CUCEA and CUCRA as well as the Senate's healthcare task force to ensure that communications are clear. These interactions should take place far in advance rather than at the last minute.

Update: the university has agreed to appoint an emeritus faculty member to the workgroup designing insurance solutions and communications.

7. It is unclear what the university should do for people who started RTAD less than 6 months after separation but who have already ended their RTAD or passed away.

Update: the university has agreed to a phased approach of implementation that will initially focus on newly retiring employees as opposed to those who have already retired and returned on recall.

Since the Spring 2024 JBC report, we have become aware of many instances whereby individual campuses have attempted to address this complex issue. The inconsistency of these campus responses greatly increases confusion. JBC urges the university to immediately empanel a Joint Workgroup, including emeriti faculty to design a systemwide implementation strategy. Now that key leadership positions have been filled at RASC and HR, this is an excellent time to design a sensible implementation strategy.

This Workgroup should emphasize the following principles in designing a path forward:

- Involvement of all stakeholders in deliberations on updated recall arrangements;
- A systemwide approach & resolution to this issue is in the best interest of all;
- A willingness to work with Federal government offices of oversight will be helpful in finding a good long-term resolution;
- Recognition of the importance of retaining recalled retirees is crucial for advancing the missions of the University.

III. Cost of UC Retiree Health Insurance

Although we do not have final cost information for Retiree health insurance, we expect there will be significant increases in the client contributions. The JBC believes that some preview for the new rates should be provided with more notice. Ideally this information should predict increases in premiums, copays, deductibles, and drug tier designations. Probably the easiest way to provide this information would be to send the open enrollment announcement at least a week before open enrollment starts.

Another concern of the JBC is the unchanging level of reimbursement for the past 11 years by UC toward the health expenses of Retirees and Survivors who live in the US but not in

California. Although we expect that the new remuneration study will help assess the adequacy of the present reimbursement, the JBC believes that UCOP should research and publish the historical costs of Medicare supplement plans. These data should include the rate increases for Medicare Part B, the increases in premiums for popular supplement plans, size of deductibles, copays, Rx costs, and maximum out of pocket expenses. National data should be sufficient for our purposes, and we are sure that UC can track down the relevant data.

IV. UC Emeriti/Retiree Advisory Committee (ERAC)

This new committee has just completed its first full year of operation. Chaired by Vice President for Systemwide Human Resources Cheryl Lloyd, the committee includes other senior HR representatives, CUCEA and CUCRA chairs, representatives from our Joint Benefits Committee (JBC), an Administrative Vice Chancellor and a representative of the Senate's Healthcare Task Force.

We are hopeful we can better coordinate activities of our JBC with this new committee. While UC executives have been open to considering all issues raised by CUCEA and CUCRA it would be advantageous to learn what issues UC leadership would like considered by retirees/emeriti as well.

V. UC Retiree Health -- Statement of Principles for UC and UC Retire and Emeriti Associations

We believe a Statement of Principles regarding health insurance benefits should be considered and adopted by CUCEA, CUCRA and UCOP. A draft statement is presented below as an example.

Affordability, accessibility and quality are often used when describing key principles of the UC retiree health program. Maintaining long-term, on-going continuity and stability in the UC retiree health programs, including dental coverage and an optional vision care plan, are very important additional principles for retirees. Retirees and Emeriti are at a point in life where changes in their health care can disrupt longstanding and ongoing treatment. For many, the changes may be difficult to understand and manage given the normal declines that accompany advancing age. At the same time, it is important to recognize that the University is also trying to achieve retiree health plan cost stability, particularly as it relates to UC general fund sources, and needs to maintain an appropriate level of management flexibility. It is also recognized that the University has a long-standing stewardship relationship with its retirees and emeriti aimed at working in their best interests. A history of health insurance issues and the CUCRA/CUCEA concerns can be found in the [Spring 2024 JBC report](#).

The following principles are possible points of agreement between the University and the UC Retiree and Emeriti Associations. These principles would memorialize a partnership between retirees and the University as follows:

Possible statement of principles concerning retiree health plans

- *For the foreseeable future, the University will continue to provide the current choices in its retiree health plans, including for those who are not yet eligible for Medicare.*
- *will include offering at least one Kaiser plan for retirees/emeriti;*
- *plus, one other Medicare Advantage plan;*
- *plus, at least one Supplemental Plan to Original Medicare for retirees living in California, while recognizing the need for the University to maintain flexibility in the face of future unknowns;*
- *plus, an equitable contribution to the health plans for out-of-state retirees; and*
- *a useful and adequate dental insurance plan.*

The commitment to an ongoing dialogue will allow for stability, robust communication and the ability to pivot as needed.

The costs of plans should all be fully disclosed annually in a timely fashion to CUCRA and CUCEA, which can then share this information with their member associations.

The University will include members of the UC Retiree/Emeriti Associations in health program and insurance planning, including at the working and decision-making levels. This shall include participation of one member each from CUCRA and CUCEA as ex-officio members of ERAC, and participation by one member each appointed by CUCRA and CUCEA in the preparation and evaluation of all RFPs for retiree health insurance, vision insurance and dental insurance.

The University will prepare for consideration by ERAC members a review of the current out-of-State retiree health coverage and University contributions to identify whether alternate or additional options are available to insure fair and equitable plan parity with the in-state retirees

VI. Request for Proposal (RFP) Concerns

UC Health and Retirement Benefits are partially provided by outside contractors, and these contractors are selected by a complex Request for Proposal (RFP) process managed by UC Procurement. UC has typically asked for Academic Senate and retiree associations to nominate members to serve on the committees carrying out the RFP process for health benefit providers, but the most recent RFP for retirement savings program providers (currently Fidelity) was done with no consultation.

JBC and Academic Senate members who have served on RFP committees are generally unhappy with their roles. In many instances the RFP scope of work had already been finalized before they

joined the committee. A broader concern is the secrecy imposed on these members makes it impossible for them to consult with outside experts on the JBC, Health Care Taskforce, and Task Force on Investments and Retirement. To alleviate these problems, we recommend:

1. UCOP should consult with Academic Senate, CUCRA, CUCEA and other staff representatives before finalizing the scope of work for contracts with health and retirement savings services.
2. UCOP should allow these consultants to discuss the content of the RFPs with at least a small group of colleagues with subject expertise (for example – the Health Care Task Force for RFPs for health plans). The required secrecy of the bids and related information could be maintained by asking these colleagues to sign the same non-disclosure agreements as the RFP committee members.

Last year UCOP put out an RFP for a total remuneration study and a comprehensive benefit survey. This process highlighted a continuing problem with the failure of UCOP to fully utilize the expertise of the UC faculty. Beginning in 2017 Health Care Task Force members were critical of the health benefit surveys carried out by Greenwald for UC Health. If faculty experts had been consulted before contracting with Greenwald the resulting surveys would be more useful. Because of this experience in 2019 the Academic Senate requested that UC form a group of faculty experts to help them with future surveys (see <https://senate.universityofcalifornia.edu/files/reports/rm-jn-expert-review-of-systemwide-surveys.pdf>). This request was never acted on, and now key faculty involved in the current RFP for a comprehensive benefit survey are once again asking UCOP to engage faculty experts at the very beginning of the RFP process.

UCOP should also make better use of faculty experts when issuing RFPs for software system purchases. The difficult rollouts of UC Path and the RASC Redwood system extra show that input from expert faculty would increase the value of the university's contracting on these important matters. UC business and computer science faculty can provide expert help to avoid repeating costly software system rollout failures. We recognize that it may be difficult to find faculty experts willing to put in the large amounts of time required for this work, so UCOP should consider paying small stipends as partial compensation.

Respectfully submitted by the Joint Benefits Committee:

Chair, Roger Anderson (UCSC)	Selected by JBC
Lawrence Pitts (UCSF/UCOP)	Selected by JBC
Louise Taylor (UCB)	Selected by JBC
Jack Powazek (UCLA)	Appointed by CUCRA
Eric Vermillion (UCSF)	Appointed by CUCRA
David Brownstone (UCI)	Appointed by CUCEA

Dan Mitchell (UCLA)	Appointed by CUCEA
Sue Abeles (UCLA)	CUCRA Chair-Elect
John Meyer (UCD)	CUCRA Chair
Joel Dimsdale (UCSD)	CUCEA Chair
Amy Block Joy (UCB)	CUCEA Chair-Elect

Appendix: Influential University of California Agencies and Information Available within them

Retirees are frequently perplexed by the host of overlapping committees and offices that influence their continuing relationship with the university. For these reasons, we have compiled a brief description of CUCEA, CUCRA, JBC, ERAC, Academic Senate, Assembly, Academic Council, UCRS AB, RASC and provided more information on the groups in the Appendix to this report.

CUCEA (cucea.org)

Council of University of California Emeriti Associations is a consortium of the Emeriti Associations of ten University of California campuses, Berkeley, Davis, Irvine, Los Angeles, Merced, Riverside, San Diego, San Francisco, Santa Barbara, and Santa Cruz. The website has a wealth of information about the campuses, their Emeriti Associations, the Council's members, biannual meetings, reports and archives.

- Website includes Archives: (Jo Ann Boorkman is organizing CUCEA files at UCLA Retirement Center and will store them in the archives.)
 - History, Members, Awards, Meetings, Reports
 - Campus Emeriti Associations
 - JBC
 - UC Campus Websites
 - Letters
 - Emeriti Surveys
 - LLNL Law suit *Contains lawsuit documents related to a claim that retirees at Lawrence Livermore National Lab had a vested right to certain health benefits.*

CUCRA (cucra.ucsd.edu)

Established in 1993 and comprised of representatives from UC campus, UC lab, UCOP, and UC Law San Francisco retiree associations. CUCRA's goal is to provide a single organization that can speak for the many University and laboratory retirees on issues affecting retiree benefits and privileges. Each campus, Laboratory and Office of the President/Regents retiree association has

one representative and one alternate who attend CUCRA meetings twice a year (fall and spring) at the various UC locations.

- CUCRA's specific purposes are:
 - to obtain, enhance, and disseminate appropriate and meaningful information among its constituents;
 - to encourage each campus and national laboratory to organize and maintain an active retiree's organization;
 - to be an advocate for all retirees of the University;
 - to foster further study of benefits and privileges of staff retirement;
 - and to maintain mutually supportive relations between the University and retirees.
- The above information can be found on the **CUCRA website**. The website also contains the following information about CUCRA and related organizations:
 - The by-laws and standing rules
 - List of current officers (as well as those of CUCEA and CUCSA (Council of UC Staff Assemblies))
 - Campus retiree association contact info and CUCRA representatives
 - For meetings for the current year and the past four years, the addenda, meeting documents, campus retiree association reports, and JBC reports
 - Results of the latest CUCRA survey
 - Travel trips organized by CUCRA for current and following year.

Joint Benefits Committee (cucra.ucsd.edu) See: Records/JBC Reports
<https://cucra.ucsd.edu/records/jbc-reports.html>

The Joint Benefits Committee (JBC) was formed in 1994 in response to the need for the interests common to both emeriti and retirees to be articulated more effectively to UCOP. Its ongoing purpose is to consider and make recommendations to CUCEA and CUCRA regarding the University's pension and benefit programs, and policy issues related to health insurance and delivery systems, and other benefit programs.

ERAC Retiree/Emeriti Advisory Committee (website tba)

ERAC engages with university officials (as a part of their stewardship responsibilities to UC annuitants), in a manner to facilitate open communication, clarify program objectives and promote efficient and effective program administration.

- Responsibilities

- Engage with, provide assessment for, and provide counsel to the Vice President of Systemwide HR regarding benefits to retirees and emeriti
- Review of the suite of medical plans offered to retirees
- Assist with communication and outreach to retiree and emeriti community

Academic Senate (senate.universityofcalifornia.edu/index)

The Systemwide Academic Senate and the ten Divisional Senates provide the organizational framework that enables the faculty to exercise its right to participate in the University's governance. The faculty voice is formed through a deliberative process that includes the Standing Committees of the Senate, the Academic Council, the Assembly of the Academic Senate, and their Divisional counterparts. Consultation with the senior administration occurs in a parallel structure: at the systemwide level between the Academic Council Chair and the President; and on the campus level between the Divisional Senate Chairs and the Chancellors.

Assembly <https://senate.universityofcalifornia.edu/assembly/index.html>

The Assembly of the Academic Senate represents the faculty of the University in the governance of the University as mandated by the Standing Orders of the Regents. Assembly members include the chairs of the ten Senate divisions, chairs of eight major systemwide Senate committees, and 40 faculty representatives appointed or elected in proportion to the number of Senate members in each division. The Assembly meets up to four times per year to consider and take official legislative action on matters that

Academic Council ([senate.universityofcalifornia.edu > committees > council > index.html](https://senate.universityofcalifornia.edu/committees/council/index.html))

The Academic Council is the administrative arm of the Assembly of the Academic Senate and acts in lieu of the Assembly on non-legislative matters. It advises the President on behalf of the Assembly and has the continuing responsibility to request committees of the Senate to investigate and report to the Council or to the Assembly on matters of University-wide concern. Occasionally, the Academic Council will empanel a task force to address an issue that either does not fit within the charge of a single committee and/or involves intensive work beyond the workload constraints of a standing committee.

- Committees [http://\(senate.universityofcalifornia.edu/committees/council/index\)](http://(senate.universityofcalifornia.edu/committees/council/index)
 - University Committee on Faculty Welfare (UCFW)
(senate.universityofcalifornia.edu/committees/ucfw/index)

Considers and reports on matters concerning the economic welfare of the faculty including salaries, benefits, insurance, retirement, housing, and conditions of employment.

- Task Force on investment and Retirement (TFIR)
<https://senate.universityofcalifornia.edu/committees/tfir/index.html>
<https://senate.universityofcalifornia.edu/committees/tfir/index.html>

The University Committee on Faculty Welfare (UCFW) Task Force on Investment and Retirement (TFIR) was formed in May 1999 to monitor policies and proposals relating to investment and retirement issues at UC. Meetings generally are conducted via videoconference. Read the [charge PDF](#).

- Health Care Task Force (HCTF)
<https://senate.universityofcalifornia.edu/committees/hctf/index.html>
<https://senate.universityofcalifornia.edu/committees/hctf/index.html>

The Health Care Task Force (HCTF) is a subcommittee of the University Committee on Faculty Welfare (UCFW). The HCTF is charged to (1) review and analyze UC employee health plans; (2) advise on issues of faculty welfare in academic, research, and clinical settings at UC Health Systems; and (3) advise on the management of the UCOP Division of UC Health, and of UC Health Systems.

University of California Retirement System Advisory Board (UCRS AB)

<http://ucnet.universityofcalifornia.edu/benefits/understanding-your-benefits/details-retirement-benefits/uc-retirement-system-advisory-board/> *The UC Retirement System (UCRS) Advisory Board develops ideas or new approaches to the provisions of UCRS benefits and communicates them to the President of the University. The UCRS Advisory Board discusses concerns relating to all Members, Participants and their Beneficiaries. The major retirement plans of UCRS hold assets of \$125 billion and are comprised of:*

- University of California Retirement Plan (UCRP)
<https://ucnet.universityofcalifornia.edu/wp-content/uploads/forms/pdf/403b-summary-plan-description.pdf>
- Tax-Deferred 403(b) Plan (403(b) Plan)
<https://blink.ucsd.edu/HR/benefits/financial/plans/403b-tax.html>
<https://blink.ucsd.edu/HR/benefits/financial/plans/403b-tax.html>
- 457(b) Deferred Compensation Plan (457(b) Plan)
<https://ucnet.universityofcalifornia.edu/wp-content/uploads/tools-and-services/administrators/docs/457b-deferred-comp-plan.pdf>
- Defined Contribution Plan (DC Plan)
<https://ucnet.universityofcalifornia.edu/wp-content/uploads/tools-and-services/administrators/docs/defined-contribution-plan.pdf>

RASC Retirement Administrative Service Center - UCOP <https://www.ucop.edu/human-resources/units/rasc/index.html>

*The **Retirement Administration Service Center (RASC)** counsels members of the University as they transition into retirement and provides long-term pension and retirement health benefits support.*

- Highlights <https://www.ucop.edu/human-resources/units/rasc/rasc-highlights.html>

Oversight Committees

Customer Care

- Conducts retirement counseling
- Educates members about UCRP
- Provides retiree health & welfare benefits support

Fulfillment Operations

- Performs retirement, survivor and special claims processing
- Manages UCRP disability claims
- Completes financial transactions

Business Controls

- Provides learning & development opportunities and employee engagement initiatives
- Maintains quality assurance programs
- Produces metrics & reporting