

Minutes *

Faculty Consultative Committee
Thursday, January 15, 1998
1:00 - 4:00
Room 238 Morrill Hall

- Present: Victor Bloomfield (chair), Kent Bales, Carole Bland, Gary Davis, Gary Gardner, Virginia Gray, M. Janice Hogan, David Hamilton, Russell Hobbie, Laura Coffin Koch, Leonard Kuhi, Marvin Marshak
- Absent: Mary Dempsey, Michael Korth, Fred Morrison, Harvey Peterson, Matthew Tirrell
- Guests: Robert Fahnhorst (Employee Benefits), Matthew Maciejewski (School of Public Health); Carolyn Williams (School of Public Health), President Mark Yudof
- Others: Martha Kvanbeck (University Senate); Maureen Smith (University Relations), a DAILY reporter

[In these minutes: report of the health care task force recommendations; sabbaticals; AHC issues]

1. Report of the Health Care Task Force

Professor Bloomfield convened the meeting at 1:00 and turned promptly to Professor Hamilton for a report from the health care task force, an item of considerable concern to many.

Professor Hamilton reported that the task force met regularly over the past several months and has largely completed its report; he provided copies of the executive summary. The outcome of the recent open enrollment period saw a decline in the number of people who enrolled in the State Health Plan, especially families, and an increase in enrollment in other plans.

The two major issues before the task force were whether the concerns of faculty and staff could be met through the State Health Plan, and if not, should the University find another way to address them? Other issues were access to University providers, out-of-area coverage for those on sabbatical and early retirees, a non-managed care option, spousal coverage and cafeteria benefits, a larger provider network for mental health coverage (especially access to University psychiatrists and other staff), University contributions for health coverage for retirees, and coverage for domestic partners (which the University funds in other ways, not through the state).

The outlook, the task force realized, is that because of the time required to set up a new set of options, nothing can be done for calendar year 1999. The state has a Joint Labor Management Committee (JLMC), which is studying options for the year 2000, and which has, because of FCC/AAUP/SCFA

*These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration, or the Board of Regents.

activity, provided additional University representation. This is quite positive. Also positive is that the University is negotiating with Blue Cross/Blue Shield to become primary care providers in the State Health Plan Select for 1999, which will solve some of the major problems for that year. Access to University providers will remain in doubt for 2000, however.

The task force recommendations are these:

1. The positive developments within the JLMC and the indication University providers may become part of the State Health Plan Select option, plus the shortness of time, all lead to the conclusion the University should not separate from the State Health Plan for 1999.
2. The task force is optimistic the state will address many of the issues of concern to the University, and is encouraged by the addition of two University representatives to the JLMC, so recommends the University continue to work closely with the state. The University now has 5 of the 32 members of the JLMC and 3 of 12 members of a working group dealing with these issues.
3. Despite its optimism, the task force recommends the University not commit to remaining with the state for 2000. It should do market research, talk with vendors, obtain actuarial data, and be prepared by July, 1998, to make a decision about separating from the state in 2000. Second, the University may not be able to improve health care coverage by separating from the state, so the University should consider supplementary insurance to meet needs the state does not cover (e.g., out-of-area coverage for faculty on sabbaticals and early retirees).

The task force hired a graduate student, Matthew Maciejewski, in Health Services Research to provide a report on comparisons of the cost and coverage of health care; copies of the report and a two-page data summary were distributed to the Committee. The report looked at alternatives among companies, employers the University must compete with, and other universities. Mr. Maciejewski explained the data in the tables.

4. The last recommendation of the task force was that the University should accelerate the process of getting University providers better positioned in the health care marketplace, given that there is uncertainty whether University providers can take advantage of developments for the year 2000. In particular, the Academic Health Center should renew negotiations with the Buyers Health Care Action Group (BHCAG), a large group of collective purchasers of health coverage (including 3M, Target, Cargill, Minnegasco, NSP, and so on), which is a major player in health care and is being considered by the state as an option.

At present there is the UCare HMO, owned by the Family Practice department. UCare will become part of the larger University of Minnesota Physicians' group on January 1, 2000. The task force is urging the process be accomplished earlier so the University can be a primary care provider and more effectively compete in the market.

Does FCC need to act on this report, Professor Bloomfield inquired? Professor Hamilton suggested that it ask the task force to continue. Professor McGeehee will be on the JLMC, as will a P&A staff member; there need to be recommendations by July, 1998, about what the University will do in the future, and continuity and institutional memory will be important. This is not a static situation; things

change constantly. The task force has done well and should continue. Its full report will be ready January 29.

Mr. Fahnhorst commented that this was a very complicated issue, and no matter what happens, things will be difficult for University employees. Some think that if the University separates from the state, there will be more choice, lower premiums, and more providers; there is no guarantee that is true.

Asked if the University could stay with the state but provide other options, Mr. Fahnhorst reported that in the past the state had insisted the University stay with the State Health Plan and take the options available; it would not permit the University to offer a plan AND allow participation in the State Health Plan, because that would shift the risks. In 1990, it took the position that if the University left the plan, ALL must leave; it is backing off that position, and might permit a plan whereby faculty and P&A separate, which could lead to similar plans with different premiums and different providers. The state does not have a problem with different classes of employees separating, but does not want individual changes, because of the shift in risk.

Mr. Fahnhorst expressed a concern that if the University separated from the state, and the faculty went with the BHCAG model, which the state is also looking at, it could have different groups of employees with different providers and about the same premiums.

Comments about these issues, and the task force, can be directed to Professor McGeehee at www.geom.umn.edu/usenate, or to McGeehee directly, and should be made within the next two weeks.

Professor Hamilton reported that the task force report does not deal with employees at Crookston, Duluth, or Morris. Mr. Fahnhorst said that the state is encouraging BHCAG to expand coverage in this respect.

Professor Hamilton noted that there are items requiring prompt action contained in the recommendation concerning market and actuarial information and dealing with BHCAG. He also commended Mr. Maciejewski for his work in preparing the report.

Professor Bloomfield commented that this was an excellent example of a lot of people in the University working together--the AAUP, Employee Benefits, the administration, and faculty governance--and a good model for recognizing a problem and going to work on it. He asked for and received a motion to continue the task force, which was seconded and unanimously approved.

Fund will be needed for gathering the required data, and the effort must start now, Professor Hamilton pointed out; Professor Bloomfield said the administration recognizes the importance of the problem and is willing to help. He suggested the Committee raise this issue when President Yudof joined the meeting.

Professor Bloomfield thanked Professor Hamilton and Mr. Maciejewski for the report.

2. Committee Reports

Professor Bloomfield turned now to the committee chairs for reports.

Professor Kuhi reported that the Research Committee is dealing with ICR funds and the impact of IMG thereon and will also meet with Senior Vice President Cerra to discuss grants management.

Professor Bloomfield inquired if the Research Committee had any temptation to get into more intellectual areas, such as where the University should be going. Professor Kuhi said it would be happy to do so, but noted that their Fall Quarter agenda had been driven almost exclusively by external pressures.

Professor Bland asked about the issue of faculty indemnification; Professor Bloomfield said that General Counsel Rotenberg has promised to provide a clearer policy.

Professor Gardner maintained that the impact of IMG, and directing funds directly to colleges, depresses interdisciplinary research. Professor Kuhi agreed, and said that the issue extends beyond interdisciplinary research; if a department wants to do something that needs additional funding, those who had those funds to distribute no longer have them. Professor Bloomfield commented that the President is sensitive to these issues and will look at them.

Professor Gardner said that on the issue of faculty indemnification and insurance, his frustration is that the deductible for the policy has been passed to the department. An enormous number of faculty given substantial contributions to the University to support University work. Passing on insurance costs can cut the amount of that funding that is available for departments to do their work simply because the General Counsel may reach an unjust settlement in a case, something that harms all faculty.

Professor Bales next reported for Faculty Affairs, which has been working in subcommittees. The SCC discussion of the policy on nepotism and consensual or romantic relationships has led to revisions in the policy to respond to the objections.

The full committee is today discussing a new sabbatical (leave) policy, but "clouds are filling the sky" because it will be difficult to fund the policy; no source of money has been identified. There has been talk of an endowment to fund it, but are now hearing that many faculty cannot take leaves at the same time. They do not know how to reconcile these two problems, but want an attractive leave policy, so are urging that the funds be found.

The Committee discussed with Professor Bales how sabbaticals are now funded, whether or not new funds would be needed (departments now retain the half-salary that is not paid to those on sabbatical to hire replacements), whether or not the policy should provide for full salary while a faculty member is on leave (service could be banked, with an entitlement to leave on full salary, the length of leave dependent on time banked, with a cap of 9 months for B faculty and 11 months for A faculty).

The fundamental philosophical issue, Professor Bloomfield said, is that the University does not now invest enough in faculty development at a time when faculty are turning over and fields are changing; it is in the interest of the University to provide more opportunities for faculty to learn anew, do research, write, and keep up. The costs of the sabbatical policy in the past have NOT been covered, he maintained, and the new policy is a statement that they should be if the University can do so. This is an investment in the future the University should make.

Discussion continued: on the need for full salary (many cannot afford a sabbatical on half-salary), that finding external funding is easier in the sciences than the humanities, what "full salary" means in the context of the tenure code (it is "total compensation," explicitly), the potential problems for clinicians and clinical departments, and the process for certifying who would be eligible for and receive a leave.

Professor Bloomfield at this point asked that this discussion be ended and the Academic Health Center issues be taken up.

3. Executive Session

At the request of Professor Bloomfield, it was moved, seconded, and unanimously voted to close the meeting for a discussion of issues related to the Academic Health Center (AHC). The DAILY reporter present asked that the minutes record her objection to being excluded; she was informed that Senate rules permit the Committee to close its meetings. Those present at the closed session included FCC members, staff, and, by invitation, Associate Professor Carolyn Williams, School of Public Health (and President, Twin Cities Chapter, AAUP).

Professor Bloomfield explained that the focus of the discussion would be on faculty rights and how the problems in the AHC can affect the University as a whole (and are thus of concern to this Committee). In his view, he said, there are big issues in the AHC that require attention, and that may require a number of discussions with the central administration, if the Committee believes action is required. He noted that President Yudof would be joining the discussion in an hour, and suggested the Committee focus upon the issues it wished to raise with him when he arrived. President Yudof joined the meeting after the Committee had discussed the issues for an hour.

The Committee had received earlier a copy of a memo from Senior Vice President Frank Cerra concerning funding of faculty lines in the School of Public Health. Professor Hamilton reported that the AHC Faculty Consultative Committee had discussed the memo and had grave concerns about it.

Professor Williams explained the background of the memo. State (0100) funds for the School of Public Health have been cut in half, and ICR funds have been substituted for 0100 funds in paying the salaries of tenured faculty. In addition, the memo from Dr. Cerra provides that Public Health faculty will be expected to raise sufficient grant money to pay their own salaries, plus more, which would significantly increase the amount of research funding each faculty member must obtain. Professor Williams told the Committee that there had been no consultation on these arrangements, and the faculty were alarmed at both the substance and the process.

In the ensuing hour, Committee members touched upon a number of related issues:

- the requirements of circular A21 governing the use of ICR funds, and issues associated with effort certification
- the wisdom of allowing tenured faculty salaries to be funded by non-recurring (e.g., ICR) funds, the implications of doing so in the event there were insufficient such funds available in the future,

- and whether FCC should consider recommending to the administration and regents a policy requiring that all tenured and tenure-track faculty be paid only on recurring (0100) funds (recognizing at the same time that there would be a significant problem in providing such funds to many tenured faculty already in place)
- the question of whether faculty should be expected to raise through grants all the money required to pay their salaries, and what that would mean for demands on faculty time for teaching, advising, and so on
 - how IMG has had a sharply adverse impact on the School of Public Health, and whether or not adjustments in the ICR system should be made to accommodate the needs of units that are harmed by it (i.e., whether the assumption of risk implied by IMG could be spread more evenly across colleges, rather than placing some units at much greater risk of funding fluctuations than others)
 - the management style in the AHC
 - whether the pressure to produce revenues in the clinical departments has affected the ability or willingness of those units to carry out their academic mission
 - whether department heads in the Medical School should presumptively hold their positions indefinitely, and whether turnover at some interval would not help to reinvigorate departments
 - the need to identify leading academic medical centers around the country and to obtain advice from people in comparable situations, in part to respond to President Yudof's question about whether the University of Minnesota's medical center is any worse off than its peers; this could include reviewing data assembled by the Association of American Medical Colleges about funding and tenured faculty; Professor Bland agreed to obtain and provide the information to the President
 - the need to involve Provost Bruininks in these issues

The President and FCC agreed that the discussion had been productive, and that they would return to the matters after each had accomplished certain tasks.

4. Other Issues

Professor Bloomfield turned to other issues. He reported that the summary of the health care task force report had been received, and that certain information was needed in order to make a decision; to obtain that information, some resources would be needed. President Yudof promised to provide the funds or staff, as appropriate, to obtain what was required.

On the graduate and professional teaching award, Professor Koch reported that the only issue remaining is funding. President Yudof said he would provide the funding because he did not believe the teaching faculty received sufficient visibility, remuneration, or esprit. He said he was not concerned if the academy concept was the mechanism by which to achieve the objectives; he only urged that something

Faculty Consultative Committee
January 15, 1998

7

serious be done to provide the recognition. Professor Koch agreed to move forward quickly.

Professor Bloomfield adjourned the meeting at 4:00.

-- Gary Engstrand

University of Minnesota