

Minutes*

SENATE COMMITTEE ON FACULTY AFFAIRS
Thursday, May 27, 1993
3:15 p.m.
238 Morrill Hall, Regents Room

Present: Carl Adams (chair), Carole Bland, Carol Carrier, Mary Dempsey, Ann Erickson, Ann Fallon, Roger Feldman, Richard Goldstein, Audrey Grosch, Morris Kleiner, Richard McGehee, Dianne Mulvihill, Michael Sadowsky, George Seltzer, Bernard Selzler, W. Donald Spring

Absent: Daniel Canafax, Derek Jensen, Steve Laursen, Roger Paschke

Chair's Report

Professor Adams opened the meeting by thanking committee members for their significant contributions to the committee and the University this year. A number of important recommendations were made and policies developed that ultimately were approved by the Administration and/or the Board of Regents. Several items, he said, will be carried over to fall quarter, including the sabbatical policy, private practice plans, and faculty compensation.

Minutes

The May 6, 1993, Minutes were approved.

Health Care Subcommittee

Professor McGehee, chair of the Health Care Subcommittee, reported that a number of important issues concerning the University's health care benefits had arisen recently, all of which could have negative consequences for employees of the University. The issues are currently under negotiation between the State management and the labor unions representing State employees and since University employees are covered by the same health benefits as State employees, the outcome of the negotiations determine the health benefits for University employees. The major issues are:

- 1) Medica has decided to withdraw the "Medica Choice Select" option and replace it with a new product called "Medica Premier." The new product has a gatekeeper, a referral network, and no out-of-network coverage.
- 2) The State has proposed reducing coverage in the State Health Plan by the introduction of a gatekeeper and by increasing deductibles and copays. Presently, the State Health Plan allows for "self-referrals," meaning an individual can go to any network physician,

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whether primary care physician or a specialist, by simply making an appointment--no referral is necessary. Under the proposed change, access to specialists require referral by the primary care physician.

The gatekeeper concept sounds like good medical practice, Professor McGehee said, until one investigates the details of how it works. There is a contract between the primary care clinic and the insurance company which typically provides financial disincentives for the primary care physician to make referrals to specialists. These contracts are notoriously difficult to uncover, and they certainly won't appear in the materials distributed to employees during open enrollment.

- 3) The State is proposing an across-the-board increase in employee contributions for those insured through the low-cost carrier. For single coverage, the employee contribution would change from 0 percent to 10 percent and for dependent coverage it would change from 10 percent to 20 percent.
- 4) Finally, the State is proposing to discontinue allowing individuals to add health care coverage if they do not choose to add it at time of employment. Employees with single coverage who have a legitimate change in family status would be able to add dependent coverage. However, employees who have not taken single coverage at time of employment, would not be allowed to add single or dependent coverage at any time.

Ms. Mulvihill emphasized that these are proposals by the State and that the University does not know at this time what the unions counter-proposals are.

One person inquired whether any kind of inflationary increase for health care benefits had been built into the appropriation bill? Ms. Mulvihill replied that it was not clear at this time how much or if any monies were being set aside for increased fringe benefit costs.

Professor McGehee said he expects that the unions will negotiate first for issues affecting out-of-pocket costs and that issues that might be of greater concern to faculty, such as the ability to go out-of-network, will not be as high on their priority list. Ms. Mulvihill will be meeting with the union leaders on May 28.

Several members recommended the out-of-network option be continued even at a greater cost to employees.

Others said it is very disturbing to think that employees might experience not only a salary freeze but an increase in out-of-pocket costs for health care as well.

The committee agreed it has an obligation to alert the faculty about the potential changes and that the Faculty Senate should urge the Administration to exert its influence with labor negotiators and State management leaders to minimize the impact on University employees. The University should not in any way consider itself powerless in this situation and should give this matter its fullest attention, said one person.

Professor McGehee agreed to prepare a resolution for consideration by the Faculty Senate at its June 3, meeting and to prepare an article for publication in *FOOTNOTE* apprising faculty of the potential changes. Professor Adams will prepare a letter to President Hasselmo.

As a follow up to this matter, Professor Adams said he believes the University needs to revisit the issue of developing its own health care plan or set of plans and suggested the SCFA add it to its fall quarter agenda.

Faculty Retirement Subcommittee

As a follow up to the May 6, discussion about changes in the way assets are held in the faculty retirement plan, Professor Goldstein, chair of the subcommittee, gave the following brief report:

- The Northwestern National Life Insurance Company (NWNL) funds will be transferred to Minnesota Mutual (MM) over a 10-year period.
- NWNL has agreed to guarantee an average annual interest rate of 6.61 percent over 10 years on the remaining NWNL assets.
- All money in the fund as of June 30 (the date transfers will begin) will continue to be guaranteed by both MM and NWNL--new money will only be guaranteed by MM.

One person inquired when and how faculty will be notified of the changes. Ms. Mulvihill said a mailing will be sent around June 2.

The subcommittee, Professor Goldstein said, has also discussed the issue of mandatory retirement and how it will affect faculty retention, faculty retirement, and the general state of the faculty over a long period of time. It believes, he said, given the number of issues involved with mandatory retirement, that a separate committee should be appointed and that the Faculty Retirement Subcommittee should continue to focus on its primary charge. One person suggested that careful consideration be given to the composition of the committee as the nature of the problem varies widely across the University. It was further suggested that the committee not only consider financial issues, but other issues as well (e.g. scholarly, social). One person reminded the committee of the work done by the Scallen task force a few years ago and recommended reviewing their reports and material.

At this time Professor Adams extended sincere appreciation to Professor Goldstein for his many years of service and outstanding work as chair of the Faculty Retirement Subcommittee. The faculty, he said, is indeed indebted to him.

Faculty Benefits Subcommittee

Professor Sadowsky, member of the Faculty Benefits Subcommittee, provided its year-end report. Three major issues were considered by the subcommittee during 1992-93, including:

1. Health benefit coverage to partners and dependents of gay and lesbian employees of the University. The subcommittee recommended that the SCFA endorse the proposal to extend coverage. [The proposal was ultimately approved by the University Senate May 20, 1993.]

2. Sabbatical leaves. The subcommittee considered a proposed sabbatical leave program that would provide one month's full-paid leave for every year of service for those individuals who are eligible. There appears to be strong endorsement of the proposal and the subcommittee is working with the Administration to work out implementation details.
3. Gun control on campus. The subcommittee has been collecting information regarding the differences between the University's student conduct code and how gun control relates to faculty and other members of the University community and will be considering whether to recommend a single policy be developed that covers the Twin Cities campus. At UMM guns are not prohibited on campus--it is a hunting area and guns can be in cars, but are prohibited in residence halls. At UMD the same conduct code on weapons is in force as on the Twin Cities campus. At UMC, the policy is identical to the Twin Cities--guns are prohibited in residence halls, but no other campus policy is in force for faculty and staff other than what is covered by state law. Discussion of this matter will continue into the fall.

Nomination of Faculty to Serve on the University Grievance Board and Hearing Officer's Panel

The committee voted to move into executive session to nominate individuals to serve on the University Grievance Board and the Hearing Officer's Panel.

Before adjourning one committee member brought up the possibility of developing a U of M faculty and staff newspaper and suggested the SCFA discuss it in the fall. The meeting was then adjourned at 5:00 p.m.

-- Martha Kvanbeck

University of Minnesota