Recap of Benefits Discussion Meeting

March 26, 2015

The following points are a summary of the discussion on Health & Welfare Benefits we had last week. Feel free to share these points with the groups each of you normally engage with on the topic of health benefits.

- The meeting was attended by:
  - Dee Acker, Staff Advisor to the Regents,
  - Greta Carl-Halle– CUCSA Chair (Elect)
  - Robert Wolfer, Secretary
  - Robert May, Faculty Senate Health Care Task Force
  - William Parker, Faculty Senate Health Care Task Force
  - Jelger Kalmijn, UPTE/On behalf of the Union Coalition
  - Timothy Mathews, Teamsters (CUE)

- Discussions were led by:
  - John Stobo, UC Health/UC Care
  - Lori Taylor, UC Care
  - Mike Baptista, Systemwide HR Benefits Program & Strategy

- Facilitated by Dwaine B. Duckett, Vice President, Systemwide Human Resources & Programs

The discussion on UC Care and the potential for a new offering resulted in the following conclusions.
• The meetings between Health Net and UC Care/UC Health about HMO options and mechanics concentrated on the commercial relationships between Health Net and UC Health in their roles as network administrator and provider respectively. Representatives from Systemwide HR & Benefits Programs and Strategy also participated.

• The result of these meetings is that there will be no changes to the basic structure of the Health Net Blue & Gold HMO option in 2016. This applies to network access configuration and insurer arrangements. What this means is that contrary to speculation, the Health Net Blue & Gold HMO will not be eliminated or fundamentally changed as a coverage option for employees in 2016. Conversations will continue to focus on 2017 and beyond on how to make the Blue & Gold program more efficient.

• Explore what additional control over cost, access and network development could be achieved using a broader self-insurance (or alternative funding) platform.

• The process has been enlightening for UC Health and Health Net affirming that the basic fundamentals of the plan have been moving in the right direction over the years but must continue to evolve. The discussions between Systemwide HR & Benefits, UC Health/UC Care and Health Net will continue with a focus on how to make improvements from an affordability and access perspective. This is critical as the healthcare and benefits landscapes undergo dynamic changes taking in to account the relationships between providers, care deliverers and plan participants.
There was also a conceptual presentation from Jelger Kalmijn representing the Union Coalition on America’s Agenda Health Initiative.

- America’s Agenda encourages the formation of accountable care organizations.
- America’s Agenda also focuses on outcome based performance recognition for providers and networks on terms of having a shared interest in having healthier members.
- The group agreed after seeing the presentation that many of these concepts are woven into the University’s HealthCare plans and that a more detailed presentation expressing how America’s Agenda might be different would be welcomed in the future.

Mike Baptista and Dwaine Duckett led a discussion on the University’s current wellness construct.

- There was agreement that further study of the effectiveness of the Systemwide Wellness umbrella should be undertaken
- Indications are that effective wellness programs are driven by localized efforts
- We will be engaging with our Systemwide Wellness provider to explore how we might reshape the program to leverage local wellness constructs that are the most effective in our system as soon as 2016.

Going forward a representative group of the EVCs and Provosts from the Santa Cruz, Los Angeles and Davis Campuses have agreed to participate in these discussions and help plan communications.