

UNIVERSITY OF MICHIGAN

SENATE ASSEMBLY

Minutes of Regular Meeting of 21 January, 1985

ATTENDANCE

Present: Aberbach, Ascione, Bailey, Bassett, Beutler, Briggs, Bulkley, Burdi, Catford, Chudacoff, Cohen, Thornton, Easley, King, English, Eschman, Green, Glover, Grosse, Hanks, Hilbert, Hopwood, Jacobs, Janecke, Hacker, Kaplan, Weigel, Larson, Lehman, Lorey, Lougee, Loup, Lusk, Deshpande, Margolis, McClamroch, Meyer, Moerman, Nadelman, Radine, Reed, Veroff, Rutledge, Sanders, Scheele, Sears, Simon, Snyder, Solomon, Lewis, Stapp, Stebbins, Taylor, Whitehouse, ~~KUSNER~~

Absent: Barald, Boyd, Burt, Dahlke, Danielson, Farley, Fellin, Gulari, Herbert, Howe, Kahn, Kelsey, Knudvig, Lawrence, Leonard, Lockwood, Ludema, Mermier, Mosher, Payne, Powell, Rae, Rucknagel, Schauer, Schteingart, Warshausky, Zweifler, Yocum

CALL TO ORDER

Professor Hilbert convened the meeting at 3:24 p.m.

MINUTES

Professor Briggs clarified item 1 of New Business of the Senate Assembly Minutes of 12/17/84 (page 6), on the matter of reimbursements for travel. He noted that the current IRS ruling is that any travel payments in excess of IRS-allowable amounts must be reported as income; that is the university must issue a W-2 form for this payment. If you had a legitimate claim (for travel expenses over the IRS-allowable per mile rate), then you can make it to the University IRS.

In reference to the SACUA minutes of its December 20, 1984 meeting with Vice President Sussman, Professor Sanders asked about Professor William L. Williams's (chair of the Research Policies Committee) not attending the meeting, and whether he would have come if he had been in town. Professor Hilbert noted that the Research Policies Committee had already made its decision. He said that SACUA agreed with Professor Williams in that they, too, did not want to usurp the role of the Research Policies Committee.

Professor Bulkley observed that in the SACUA minutes of its November 26, 1984 meeting that "An Analysis of Salaries Paid to the University of Michigan Instructional Staff 1984-85" was distributed to the SACUA members and he asked if they are available to others. Professor Hilbert responded that they are available and that interested people should contact the Personnel Department for a copy.

The Minutes of the Senate Assembly Meeting of December 17, 1984 were approved with Professor Briggs's clarification.

REMARKS BY CHAIR

Kenneth Mortimer, Executive Assistant to the President of Pennsylvania State University will speak to the Senate on excellence in undergraduate education at its next meeting. He wrote an article by that title in the October 24, 1984 issue of the *Chronicle of Higher Education*. SACUA and the Senate Assembly will be looking at issues of quality of undergraduate education.

REPORT OF THE BOARD IN CONTROL OF INTERCOLLEGIATE ATHLETICS

Don Canham, Athletic Director, addressed the Senate Assembly, speaking on four issues: policies in regard to bowl invitations; violations and cheating; the television situation; and the move to establish a national championship for football. He said a national championship for football is nonsense and we will oppose it. Football is different from basketball--in the latter you can play at any time.

1. The bowl situation. This year was the first time that UM's bowl game was during final exams. In the 1969 Rose Bowl, we had no place to practice as the rules specified that we had to be out there two weeks prior to the game for promotional purposes. The Board in Control discussed this and the professors agreed to change the final exams time. This had worked out for every bowl game, however, this year we expected to be invited to the Aloha Bowl in Hawaii, but we were not invited. Because we had expected to go to the Aloha Bowl, we had turned down an invitation to the Sunbowl in San Antonio. When the Holiday Bowl invited us, it was a sudden invitation: they called us and gave us 15 minutes in which to respond. We accepted that Bowl--and this would be moot for the future--the Holiday Bowl was moved later. It was the only one of 16 bowls that was in the finals period.

We purposely charter planes on Friday afternoons so that football players do not miss classes. Our graduation rate is outstanding. However, there is a new problem: the NCAA's new degree rule says if an athlete is in striking distance of a degree, he can sign with the pro's. As a result, in January and February, there is wholesale signing. He said that he didn't know what we can do about it.

2. Violations. Wisconsin, Illinois, Southern California, Arizona, Georgia, Clemson, Florida and a host of other universities are on probation. UCLA and Stanford have been on probation. There is no way the Big Ten and NCAA can stop violations. They have no subpoena powers. Violations can only be stopped by university presidents. UM has 150 coaches--President Shapiro came and said, "if you cheat, you're fired." Another example of how the responsibility rests with the university presidents is the attitude toward assistant coaches. As long as the attitude is simply, "Can he recruit?" and that the only way to get a reputation is through recruiting, there is a likelihood of violations. Assistant coaches are the main problem. Clemson set the world record for cheating: 80 violations were cited. (An example of cheating would be a \$1000 gift to a prospective student to sign a scholarship agreement.) But, Clemson won the national championship. Wisconsin, which has good standards, had an assistant coach who, wanting to get a good reputation, paid for some airplane fares (for other than the prospective athlete) and a violation resulted.

Another issue is alumni recruiting help. Alumni who give gifts, such as plane fares, for the athletes' families are representing the university and this could be a source of violations. Another example is a school with 81 violations whose president said we have a great coach but lousy [league] administration, so let's review NCAA rules.

There is no pressure from parents, alumni, or faculty to pressure the coaches to stop the violations.

There are some signs that things are improving, however. On Bo Schembechler's recent trip to Florida, he made 11 visits to homes of prospective athletes, and he found that fewer athletes this trip asked for what is available above the scholarship (for example, \$1000 a week summer jobs or travel expenses for parents).

Courts do not penalize enough (or at all). Rather, they overturn citations.

3. The TV mess we are all in is a major problem. Until the recent Supreme Court decision, the NCAA controlled TV college football by restricting televised games to no more than three per year for each school. Universities' biggest football income is from seats, not television. This fall, UM sold \$8 million in seats, but the most we ever got in television was \$700,000, and this year it was only \$400,000. We do not bounce around our starting times for television's schedules.

Now, it is a big problem in having too many games on television. One can see eight games on a single Saturday---why go to a game and miss something. Stanford, which sells gate tickets only, is down 40% in seat income; as a result they had to drop six sports this year. It is a critical problem for UM as we support 21 different sports with this income. Football and basketball are the only sports that make money. Hockey now breaks even. But none of the other sports even breaks even. We do not use other (university) funds for these sports, so television will cost us.

Professor Stapp asked about trends in student-athletes' graduation rates, and how UM compares with other Big Ten school in how many athletes actually graduate. Mr. Canham replied that athletes cannot compete unless they enroll for 12 credit hours. He felt the situation is pretty good at this point and that Bo is "on them" for that. Besides, the program has great counselling. But one can find, at other schools, athletes who play one year and then leave. That does not happen at UM; freshmen should not be playing before they are familiar with school. University of Minnesota has not graduated a single student (basketball-player) in nine years.

Professor Bulkley asked 1) if there is a report available on football starters' graduation rate over the last five years and 2) who pays the recruit to come to visit UM. Mr. Canham said that UM pays, but not for parents. Furthermore, we can only pay once and we can visit the student at home only three times. There are many rules for student-athletes: they cannot play in church games, high school-sponsored games, camp games nor alumni games.

Professor Moerman asked for comment on the procedures the athletic department followed in its recent decision in regard to the UM tennis coach. [This was apparently a rules violation case.] Mr. Canham returned that the coach must be responsible for informing athletes of the rules. UM has 600 athletes. For example, an athlete cannot play in competition when a course is dropped, leaving less than 12 hours. The coach must tell the athlete all of this. This is difficult to monitor. Mr. Canham concluded his talk and Professor Hilbert thanked him for sharing the problems he faced and invited him to call on the Senate Assembly at any time.

UPDATE ON HEALTH CARE BENEFIT OPTIONS

N. Harris McClamroch, chair of the CESF sub-committee on Health Benefits, addressed the Senate Assembly. This was an update on the November, 1984 presentation to the Senate Assembly and this talk discussed two issues: 1) changes in health care options and 2) the evolution of the changes, specifically the effects of faculty input.

I. New programs. There are three HMO options that are newly available:

1. Health Care Network, a Blue Cross HMO
2. Health Plus, An HMO from a Flint group.

3. Health Plan, an HMO offered by the Catherine McAuley Health Center

You can select one of these to replace Blue Cross/Blue Shield. The last new alternative to the present health care benefit package is to retain the Blue Cross/Blue Shield coverage, but to replace the Major Medical coverage with the University Hospital's M-Care.

In February, there will be an open enrollment period and whatever new alternative you choose will take effect on March 1, 1985.

Your decision among these choices should be based on:

- 1) Coverage options
- 2) Physician panels
- 3) Cost

The University will continue with its current cost and any additional amounts will be paid by the individual.

Information on options will be disseminated in several ways.

1. A series of three articles in the *RECORD*. This will be a general overview, but there will be some specific information.
2. The CESF Newsletter, which has just been mailed out.
3. A brochure called New Options published by the Office of Staff Benefits. It is being sent in the mail now to each faculty and staff member.
4. A number of meetings set up by Staff Benefits with providers. Five meetings are scheduled for Ann Arbor. The dates are on the inside cover of the brochure. Three of these meetings will be in the Rackham Amphitheatre and two will be in the North Ingalls Building.
5. All vendors will have phone numbers for questions. Groups or organizations may request special meetings. One meeting will be explicitly directed to a combination of HMO's with Medicare.

There are three items to be aware of in looking at these materials:

- a) Useful comparative charts
- b) For many providers, a list of physician panels. Not all specialists are included. More information may be available directly from the providers.
- c) Cost of various options by the number of family members.

Speaking of the content of the options, this is, in sum, a positive change. It allows choice by faculty members and colleagues should be urged to become informed.

II. The second topic discussed is the evolution of the changes and how it was affected by faculty input.

These options were initiated by the Committee on Staff Benefits, an administrative committee that included no faculty members. It included William Lemmer, Labor Attorney, Office of General Counsel; Charles Allmand, Assistant to the Vice President for Academic Affairs, Personnel; James Thiry, Personnel Director of the University; and C. W. Matthews, Controller of the University.

CESF found out about the changes indirectly, although the Staff Benefits Committee had been talking about this for about a year. CESF set up a subcommittee to explore the varieties of health care coverage.

It is ironic that CESF has people with backgrounds in health administration, yet the University Administration did not use their expertise. Requests for involvement were denied, but the University Administration agreed to keep us informed.* But how well will this work with only bi-yearly meetings?

We anticipate several benefit plan changes. CESF has considered:

- Tuition waivers
- Prescription coverage
- SRA investment options
- New health options (HMO's)
- Flexible benefits

Unionized staff at the University have direct input through the collective bargaining process. But the faculty do not. The faculty must be more closely involved.

Professor Bailey asked, in reference to the *RECORD* article, whether faculty may choose to have no health coverage and if so, would they be compensated? Professor McClamroch said no. Professor Bailey asked if Professor McClamroch said that the Major Medical coverage that we already have would not be the choice of many. Professor McClamroch said not exactly: if you had decided to have an HMO, it would be expensive to have both. Professor Bailey asked further how financially attractive the M-Care program would be and if the University was trying to encourage this. Professor McClamroch responded that the University has several clients and it wants the University Medical Center to be viable, therefore it has promoted it. But it is an attractive option. The University does not restrict choices in this area.

Professor Grosse asked about the open enrollment period: what provisions were there for changing options as time went on. Professor McClamroch said that the options would be open on a yearly basis, ordinarily in October. This February decision time is only a transitory phenomenon.

Professor English asked what relation there was between a PPO and an HMO. Professor McClamroch responded that M-Care really replaces Major Medical coverage; it is a PPO (Preferred Provider Organization). The others are HMO's and replace Blue Cross/Blue Shield.

Professor Stapp said there are too many options to serve as any guide as to what would be best for you. Professor McClamroch observed that we have shifted from no options to many. The brochure will help, but it will be a difficult choice. If uncertain, one should stay with what one already has and wait and see. Professor Stapp asked what Professor McClamroch would choose and the response was that he didn't know yet.

Professor Bassett asked if these options could be put into the UM computer system. Professor McClamroch said that was a good idea and that he would refer it to Staff Benefits. But the usual response would be that there is too little staff. The HMO's are changing in cost and coverage as they develop.

Professor Bassett asked if the options had a focus of preventative medicine. Professor McClamroch said that is an advantage of HMO's. Office visits of a preventative nature depend on whether the physician sees it as important. In principle, all HMO's

* Direct membership of CESF on the Staff Benefits Committee has not been accepted, but they have agreed to keep CESF informed.

encourage making use of prevention practices before problems arise. Professor Bassett responded that he could not get a clear sense of whether preventative measures were offered through the programs. It mostly seemed directed to symptoms. The faculty's Periodic Health Appraisal was a good idea. He added that he had tried since May to work with Staff Benefits in regard to cardiovascular [screening as a benefit] but the conversations were mostly one-way; he did not know if other plans were being developed, and suggested that faculty members look to their prospective plans to see if there are such preventative programs. If not, one should go to Staff Benefits. Professor McClamroch said that it may turn out to be up to the individual--if one pushes one's physician to do that, it might be considered.

Professor Nadelman asked why CESF representation on the Staff Benefits Committee was denied. She asked about going higher in the University structure to arrange for representation. Professor McClamroch said that the reason given was that this committee was also a personnel committee. Professor Reed said that it was not quite accurate that representation was denied. Rather they came back with an alternative [being kept informed]. Professor McClamroch agreed, saying that the request for representation was informal.

Professor Kaplan noted that on the budget deliberations, the chair and vice chair of SACUA were invited. This could be a useful model for health benefits discussions.

Professor Bulkley asked how similar these plans are in terms of costs. Professor McClamroch read the following comparisons of monthly payments for a family.

| BC/BS Major Medical | Health Care Network | Health Plus | Health Plan (McAuley) | BC/BS M-Care |
|---------------------------|---------------------------|----------------|-----------------------------|-----------------|
| \$29.52 | \$12.56 | \$2.94 | \$37.86 | \$29.52 |

Professor Cohen asked if the subcommittee on Health Benefits had been on the Staff Benefits Committee, would it have offered something different. Professor McClamroch said that it would have. The University passively asked the HMO's to set up a plan and then the University would offer it. There was no aggressively asking the HMO's to come up with what we needed, such as prescription coverage. *

Professor Bailey asked if there was any difference between what an HMO gives to the University and what it would give to, for example, Ford or GM. This issue comes back to whether the plans adapt to our perceived needs and here would be an area in which faculty involvement would be justified. Professor McClamroch said Staff Benefits expects the cost of HMO's to be less than the BC/BS/Major Medical coverage and to rise less quickly. Over a year or two the providers will modify their charges. The University views this as a free enterprise system...there are various choices. The Health Care Network (Blue Cross's HMO) coverage is roughly the same as the others, but there are some differences in coverages and fees. M-Care and Health Plan (McAuley) are both new, therefore there is no way to compare them.

Professor Rutledge said that an expert was hired to evaluate needs in the Ann Arbor area and found that 25,000 subscribers would be necessary for an HMO to be able to work out. But in the present instance, we are talking about a much smaller population, hence some of the HMO's will fold. Professor McClamroch said that study, which was done five years ago, was based on a closed panel of physicians. In contrast, all of our options are IPA's (independent provider associations).

Professor Meyer asked about the effects of these changes on retirees, noting that it may take many hours to get information in regard to annuitants. Will the CESF Newsletter have information on annuitants? How will retired faculty get this information? Ms. Savory said that 200 copies are going to the annuitants' association. Professor Meyer said there are 700 retirees and that they should be sent this information directly. Ms. Savory

* There was a request that HMO's not provide prescription coverage

spoke of the need for CESF to have a retirees' mailing list.

Professor Lusk, noting that in the past, enrollment periods were rigidly adhered to, asked whether the faculty would be able to shift plans if one of the plans folded. Professor McClamroch said they would.

Professor Reed commented on the move toward flexible benefits, an early CESF objective. Members of CESF have seen big corporations and big law firms become very interested in flexible benefits because that puts caps on health care benefits by billing employees for the extra differences. That frees up money for spending on other benefits. So CESF backed off on this objective because it could result in smaller benefits for faculty or cost us more.

Professor Lusk asked why the time frame between announcement of the options and the deadline for making decisions was so short (a month). Professor McClamroch agreed that it was quite short. Professor Moerman asked if there was an enrollment period every six months. Professor McClamroch said that it is yearly, after the first, start-up year.

Professor Nadelman noted that mental health problems were poorly covered presently and asked about the new options. Professor McClamroch said M-Care is equally bad and that the rest is spelled out in the brochure.

Professor Eschman said that the special session for people close to retiring is during the Spring Break, when it would be difficult for people to attend. He suggested bringing up the issue of scheduling [to Staff Benefits].

Professor Bassett moved that the Senate Assembly advise the University Administration that a longer time span be provided for the decision-making process for faculty. The motion was seconded and passed unanimously.

Professor Whitehouse noted that the Medical School has an interest in how many people sign up for its program and asked how many subscribers would the University Hospital need to offer M-care. This issue affects the well-being of the University. Professor Hilbert said there is concern for utilization of University resources. Professor Whitehouse responded that CESF should make a recommendation such as, if you are ambivalent, choose M-Care.

Professor Kaplan announced the AAUP Chapter's upcoming talk on "Retirement and Health Benefits". The speaker will be Sy Axelrod; the talk will be on February 12 at noon in the Michigan Room of the League.

Professor Meyer asked if representatives of the HMO's could come to the Senate Assembly to discuss each plan. Professor Hilbert said that we could postpone changing health care options until October [and have such presentations before that time]. Professor McClamroch said that if people are still confused during open enrollment, then we should discuss how successful the information dissemination process was. Professor Hilbert said that CESF would like to know how many people sign up for the various new options. Professor Green said it is standard in the field for such providers to come to the facility to discuss their plans. But such presentations may not be very helpful. Professor Moerman noted the comparison with telephone system ads in that they never provide complete comparisons across plans and asked CESF to keep the Assembly informed about health care options and costs. Professor Hilbert said the computer system could be useful in arriving at such comparisons.

Professor Reed said that adequate counselling time and lead time are essential for making decisions about benefits. We should communicate to the University that this short lead time is a serious problem, so that future benefit options won't be presented this way.

OLD BUSINESS

Professor Lusk asked about travel reimbursement. Professor Green explained that the travel office felt they had no option and felt it would not be worth the trouble to issue W-2 forms for overages on travel reimbursement. They sent a memo to deans and directors and that was how they notified the faculty.

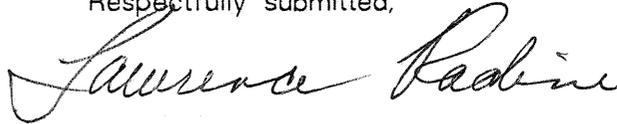
NEW BUSINESS

Professor Sanders suggested the issue of faculty governance as an agenda item in a future meeting: how advisory or non-adversarial is the system of faculty governance. The issues raised at this meeting suggest concern about this matter. Professor Easley said that issue is part of the State of the University message from SACUA. Professor Hilbert noted that the February agenda is already full and the issue should be discussed later within the Winter, 1985 term.

ADJOURNMENT

The meeting was adjourned at 5:06 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lawrence Radine". The signature is written in dark ink and is positioned above the printed name and title.

Lawrence Radine
Acting Senate Secretary