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**Senate Advisory Committee on University Affairs**  
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**MINUTES OF THE SACUA MEETING OF 14 NOVEMBER 2011**

**Present:** Barald (chair), Goldman, Kearfott, Koopmann, Lehman, Lusmann, Rothman, Staller; Schneider

**Absent:** Larsen

**Guests:** L. Thomas (Human Resources), T. Makowiec (Benefits), S. Sindlinger (Benefits), S. Hirshorn (Chair, Budget Study), *Daily* reporter, *University Record* reporter

Materials Distributed

1. Draft agenda
2. Draft minutes of the 7 November 2011 meeting of SACUA
3. SACUA/Senate Assembly Planning Schedule, updated 11 November 2011
4. Health Plan Incentives Task Force Report revised and endorsed by SACUA on November 7, 2011
5. Draft Senate Assembly Agenda
6. Strategy Team 2016 - Keeping the Well & At-Risk Healthy Sub-Group, draft updated 9 June 2011
7. Member Engagement Health Plan Committee draft final report, dated 8 Jun 2011.
8. Budget Study Committee 2010-2011 Report, submitted 12 May 2011

The meeting was convened by Chair Barald at 3:20 P.M. The proposed agenda was approved.

CONSIDERATION OF MINUTES

The minutes of 7 Nov 2011 were corrected and approved.

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ACTION OF SACUA 111411-1

REVISED HEALTH PLAN INCENTIVES

Professor Goldman moved (Kearfott seconded) that SACUA approves the Task Force report as revised at the 7 November meeting of SACUA (distributed item 4).

The Action was approved unanimously.

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## ANNOUNCEMENTS

K. Barald will address the Regents at their 17 November meeting. SACUA is invited to a reception with the Regents following the meeting at 4:30 P.M. at the President's conference room.

### VISIT OF LAURITA THOMAS: HEALTH BENEFITS MEMBER ENGAGEMENT

1. The guests joined the meeting at 3:30 P.M. After a round of introductions, Ms. Thomas said that her committee had received Senate Assembly's Task Force report (distributed item 4) and that its implementation plan was consistent with most of the principles and recommendations listed in it. She invited Mr. Makowiec to review the activities of the implementation plan. Mr. Makowiec outlined the main features of the plan, which paralleled distributed item 7.
2. The plan calls for employees to fill out a voluntary health risk assessment questionnaire in 2013, which if completed would qualify participants for a \$20 per month premium reduction in 2014. In 2014, participants would be expected to repeat their health risk assessment questionnaires and undergo or submit biometric screening data, such as blood work analytes. This would qualify participants for renewed \$20 premium reduction. The biometric data would be transmitted to a private vendor that would assign participants to one of three risk categories (low, medium, high). Individuals at elevated risk would be required to engage in remedial activities to qualify for premium reduction in 2015. Mr. Makowiec said that the Benefits Office expected the cost curve to bend toward becoming convex upward by 2016.
3. Ms. Thomas stated that U-M administration would not be tracking outcomes by individual, but only in aggregate. She said that the outside vendor would be decided by RFP. Mr. Makowiec said that the market is moving to outcome based plans, but Ms. Thomas said that the committee made it loud and clear that an outcome based plan is not acceptable to the UM community now. She said they might get there in 10 years or so. Mr. Makowiec added that all health risk assessment is based on self-reporting and that the Benefits Office will not insist on independent chemical analysis to confirm that an individual is a non-smoker, for example.
4. Ms. Thomas noted that many programs and facilities relevant to wellness exist locally and that the Benefits Office might be able to provide some help with membership fees. She pointed out that some bureaucratic obstacles exist that could potentially increase costs. For instance, there is a health information firewall between the university and the health system that potentially increases complexity and expense including duplication of test results.
5. Chair Barald asked if other qualifying adults would be included in the plan. Ms. Thomas said yes, and added that getting spouses and qualifying adults on board will be a challenge. She said that retirees are not included at present. Professor Koopmann suggested that if retirees are going to use facilities, they should be included from the start. He added that the U-M lacks suitable exercise facilities and they will entail great expense. He said that the administration

needs to fund this effort up front, and not expect to fund it through the premiums charged to non-participants. He explained that MHealthy has good programs but the schedule is inconvenient for many people. Professor Goldman cautioned that inactive people who start exercise activities are likely to experience injury. She suggested that only well-trained staff be identified to lead exercise groups.

6. Chair Barald remarked that many faculty feel disenfranchised by the confidentiality rules imposed on committee members. She noted that on nearly every front there has been an effective reduction in faculty compensation through cost shifting. She said that innovative ideas are limited by the expertise and world views that committee members bring to a closed table. She suggested that openness of committee work would not only improve the quality and effectiveness of wellness planning, but would increase the morale of the faculty, as well, and would increase the acceptability of decisions. Ms. Thomas thanked the chair for her perspective but replied that her office has learned how to engage the U-M community broadly under the current leadership team.

7. Professor Koopmann said that the Benefits Office was engaged in a piecemeal approach rather than a holistic one. He said that the U-M cannot claim to be the leaders and best in compensation. He explained that the Benefits Office continually picks categories where benefits are above average and reduces them down to average. He suggested that the U-M should be above average in all things, including benefits. He cited long term disability as a case in point where benefits have not been increased since the 1980s. He recommended that the Benefits Office publish comparison rankings of the U-M with other Big-10 schools as well as peer private universities like Harvard and Stanford.

8. Ms. Thomas replied that she appreciated the input. She said that benefits data are changing rapidly. She said that her office would improve its communication to faculty about the high quality of benefits here. She said that her office is controlling the cost of health benefits and will report that progress shortly.

9. Professor Rothman suggested that a pre-tax college savings program would be a great benefit, which currently does not exist. He said that there are additional ideas about actuarial ways of helping us in the future, and that more open communication would be helpful. He reiterated the chair's comments about faculty frustration at not being able to engage in discussion and exchange of ideas and information. Ms. Thomas replied that those ideas can be submitted to existing advisory committees. She said that she had limited capacity administratively and had to set priorities during the first 5 years.

10. Ms. Thomas said that she would like to return to SACUA in the future to talk about retirement choices and the desires of the community. Professor Koopmann pointed out that the U-M reported a 24% return on investments last year, and asked why that type of investment advice could not be shared with the faculty. Ms. Thomas said that law prevents the U-M from being its own retirement vendor.

The guests left the meeting at 4:36 P.M.

## VISIT OF DEARBORN-CESF AND BUDGET STUDY CHAIR

11. Professor Hirshorn joined the meeting at 4:37 P.M. He pointed out that he is currently chair of UM Dearborn CESF as well as chair of the Senate Assembly Budget Study Committee. He reviewed the activities of UM-D CESF regarding data collection, analysis and their resulting study. He said a report was produced and duly approved by Dearborn faculty governance in a timely manner. However, when he attended a Sub Committee Meeting of the Regent's where the report was to be presented; he discovered that he was permitted to meet with the subcommittee on personnel, compensation and governance, Regents Illich and Richener, not the full Board. He learned at this sub-committee meeting that the Dearborn Chancellor had prepared his own report and that the CESF report had been pulled from the agenda.

12. Chair Barald asked if a dispute arose about salary compensation of women faculty. Professor Hirshorn replied that his committee raised five serious issues in its report, two of which were gender equity and legacy issues that lead to salary inversion for long time faculty. He said that they had reported material in a manner that was neither accusatory nor inflammatory but factual. He said the UM-D CESF was trying to work seriously to understand and explain the observed facts. He added that this seems, according to Professor Fred Askari chair of Ann Arbor's CESF, to be the first time in the history of these reports that this has happened. The Chancellor claimed that the committee's methodology was flawed, data were poor, and that there were misinterpretations of fact.

13. Chair Barald asked if the Chancellor had used a different database. Professor Hirshorn replied that his committee has reviewed the data for both reports and will forward to SACUA what they learned as a result of their very detailed investigation. He said a major issue can be traced to the accounting for faculty administrators with fractional administration appointments, whose salaries are very elevated when compared to instructional faculty. He said that including those salaries in the mix inflates average compensations for faculty significantly.

14. Professor Rothman remarked that aggregate data of salary for men and women would be misleading if not adjusted for length of service. Professor Hirshorn replied that neither report made such adjustment but rather simply reported the data in unadjusted form. He added that his committee was not granted access to Form G lump sum payment data, but that he was told that those payments are much more common in Ann Arbor than at Dearborn. He asked that this rebuke of mandated faculty governance reporting not be permitted to pass unnoticed. SACUA members expressed the opinion that the Regents should welcome varied perspectives on existing data as illuminating, and should not suppress such reports.

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### ACTION OF SACUA 111411-2

Professor Rothman moved that SACUA invite Professor Hirshorn and the Ann Arbor CESF chair for a follow-up meeting after SACUA receives the reports described in the preceding discussion (Kearfott seconded).

The action was approved unanimously.

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The guest left the meeting at 5:05 P.M.

EXECUTIVE SESSION

The meeting entered executive session at 5:05 P.M. to discuss nominations for committees.  
The meeting resumed open session at 5:30 P.M.

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ACTION OF SACUA 111411-3

Professor Rothman moved that SACUA shall ask the Senate Assembly for nominations, advice, and instructions on participation in response to a request for faculty governance representatives on a new Keeping the Well & At-Risk Healthy committee, distributed item 6 (Kearfott seconded).

SACUA approved the action unanimously and approved amendment of the meeting agenda of the Senate Assembly to include the item.

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ACTION OF SACUA 111411-4

Professor Rothman moved that the Civil Liberties Board chair shall be designated an ex officio member of the Student Appeals Board (multiple seconds).

The action was approved unanimously.

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There was no unfinished or new business.

The meeting adjourned at 5:33 P.M.

Respectfully submitted,

John Lehman  
Senate Secretary

**University of Michigan Bylaws of the Board of Regents, Sec. 5.02:**

*Governing Bodies in Schools and Colleges*

Sec. 4.01 The University Senate

"...[t]he Senate is authorized to consider any subject pertaining to the interests of the university, and to make recommendations to the Board of Regents in regard thereto. Decisions of the University Senate with respect to matters within its jurisdiction shall constitute the binding action of the university faculties. Jurisdiction over academic policies shall reside in the faculties of the various schools and colleges, but insofar as actions by the several faculties affect university policy as a whole, or schools and colleges other than the one in which they originate, they shall be brought before the University Senate."

**Rules of the University Senate, the Senate Assembly and the Senate Advisory Committee on University Affairs:**

Senate: "In all cases not covered by rules adopted by the Senate, the procedure in Robert's Rules of Order shall be followed."

Assembly: "The Assembly may adopt rules for the transaction of its business. In appropriate cases not covered by rules of the Assembly, the rules of the University Senate shall apply."

SACUA: "The committee may adopt rules for the transaction of its business."

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