

HR/Benefits Review

Summer 1999

Labor Relations Update

Following a Public Employment Relations Board ruling last December that teaching assistants at UCLA were entitled to union rights under state collective bargaining law, teaching assistants and other students in academic titles at UCLA and seven other UC campuses have now voted for exclusive representation by affiliates of the United Auto Workers.

Students at UCLA were the first to vote for unionization in March. In elections conducted throughout the spring, students at UC Berkeley, Davis, Irvine, Riverside, San Diego, Santa Barbara and Santa Cruz have followed suit.

UC and the union will negotiate labor contracts spelling out the terms and conditions of employment for approximately 8,360 graduate students at the eight campuses.

Earlier this year, UC President Richard C. Atkinson said the University would respect the choice made by the students at each campus.

"If the students at a campus select union representation...the University will proceed to negotiate terms and conditions of employment for the represented students at that campus," Atkinson said. "At all campuses, however, the University will continue to make decisions about matters of academic judgment, which are central to our educational mission."

HR Legislative Update

In Sacramento, the Legislature is considering a bill that would affect many employees at UC and the California State University (CSU). The bill, SB 645, would require UC and CSU employees who are in a bargaining unit exclusively represented by a union to either join the union and pay its membership dues or pay a "fair share" fee, which would help cover the union's costs for negotiation, contract administration, and related activities.

The mandatory "fair share" fee deductions would automatically begin January 1, 2000, and would be made at least until

in this issue

Same-Sex Domestic Partners and Adult Dependent Relatives—Enrollment Update

UC San Diego USA Today Award

UCBenS Update

UCRS Board Election Results

... and more

2004. Beginning in 2004, affected employees would be able to vote on whether they accept the arrangement, which is commonly called "agency shop."

SB 645 has been approved by the state Senate and is being considered by the Assembly. The University is opposing the bill in its current form, arguing that employees should have a voice in determining whether deductions will be taken from their paychecks to support a

(continued on page 15)



Michele French and Lily Pang study bid materials.

University of California Selects California Medical Plan Carriers for 2000

The University of California has selected the companies to offer medical plans to UC employees, retirees, and their families beginning January 1, 2000.

Having completed a comprehensive 18-month evaluation process, the University has determined that Prudential will be

retained to provide coverage for UC Care, High Option, and Core, and will now also provide the prescription drug coverage under those plans. Behavioral health coverage for these three plans will be provided by United Behavioral

(continued on page 3)

UC-Sponsored California Medical Plans—Survey Results

How faculty, staff, and annuitants grade their medical plans and their major concerns regarding their medical coverage were the key questions explored in a recent survey. The survey was available on the UCbencom website from April through December, 1998. The survey was also mailed to annuitants in the event they did not have access to a computer. Through this survey, faculty, staff, and annuitants had the opportunity to rate various aspects of their UC-sponsored California medical plans, as well as provide specific comments on medical issues of interest to them.

The overall survey results indicated that respondents have a high degree of satisfaction with their medical plans, although the degree of satisfaction varies by plan. Respondents who are members of other plans were slightly more satisfied than Prudential High Option members.

Perhaps the most telling information came from open-ended comments provided by the participants. The key themes expressed in these comments include: a need for coverage of chiropractic care and other kinds of

alternative medicine, broader publication of formulary lists, expansion of mental health benefits, more choice, and more access.

The survey responses provided useful information on the medical plans that are currently available and the major concerns and needs of faculty, staff, and annuitants in preparation for the award of the new medical plan contracts.

Healthscope Survey

The Pacific Business Group on Health (PBGH) is an independent, nonprofit coalition of large health care purchasers that works to expand consumer knowledge about the quality of health care. The University of California is a member of PBGH.

PBGH produces the California Consumer *Healthscope*, a publication that summarizes a number of different surveys on the quality of health care. The surveys cover such subjects as consumer satisfaction with health maintenance organizations (HMOs), the extent of preventive care HMOs provide, physician groups, and hospitals.

The 1999 issue of *Healthscope* will be available in time for this year's November Open Enrollment.

UC-Managed Investment Funds

1999 First and Second Quarter Performance Results

Since January 31, 1999, the UC-managed investment funds have generated the following monthly unit values and interest factors:

AT	THE UNIT VALUE WAS			THE INTEREST FACTOR WAS		
	Equity	Bond	Multi-Asset	Savings	ICC	Money Market
1/31/99	\$254.341	\$116.407	\$26.047	.5075%	.5771%	.4370%
2/28/99	249.300	111.143	25.659	.4581%	.5210%	.3752%
3/31/99	260.443	112.580	26.203	.5043%	.5731%	.4137%
4/30/99	273.438	113.645	26.797	.4832%	.5514%	.3992%
5/31/99	271.529	110.440	26.630	.4914%	.5704%	.4127%
6/30/99	283.207	109.266	27.067	.4774%	.5523%	.3974%

Rates of Return as of June 30, 1999

	Annualized		
	1-YEAR	5-YEAR	10-YEAR
TOTAL RETURN FUNDS			
Equity	24.98%	23.86%	17.16%
Bond	-1.10%	13.93%	11.24%
Multi-Asset	11.17%	13.61%	N/A
INCOME FUNDS			
Savings	6.08%	6.30%	7.15%
Insurance Company Contract	7.16%	7.61%	8.16%
Money Market	5.29%	5.56%	5.66%

The investment returns shown here represent past performance and are not necessarily indicative of future results.

Participants with internet access can also get the latest investment performance results for the UC-managed funds by visiting UC's benefits website, UCbencom. To get there, go to www.ucop.edu/bencom and simply click on the Retirement and Savings button. The UC funds are valued monthly, and we post the new unit values and interest factors on our website around the 10th of each month.

All Those Surveys

UC HR/Benefits would like to thank all of you who have taken time out of your busy schedules to participate in one or more of our surveys. Besides the California Medical Plan Survey for the Year 2000 Bid, and the *Healthscope* survey, you may have been asked to return another survey sent by your UC-sponsored medical plan provider.

With your help, UC continues to strive to provide employees and annuitants with the very best quality health and welfare benefits available.

Thanks!

University of California Selects California Medical Plan Carriers for 2000 (continued from front page)

Health (UBH). UBH is one of the nation's top behavioral health care companies and is headquartered in San Francisco. A wholly owned subsidiary of United HealthCare, UBH has provided behavioral health care services to California employees and their families since 1979. The organization has a strong clinical focus and is progressive in areas of research and clinical studies. The telephone referrals are handled by master's-level clinicians, who are available 24 hours a day, 7 days a week.

As a result of the bid selection process, HMO coverage will continue to be provided by Health Net and PacifiCare.

California HMO plans that were not rebid, but will continue to be offered, are the Kaiser plans (North and South) and Western Health Advantage. (The BluePremier plans at Los Alamos National Laboratory will also continue to be offered.) The University will work with these plans, as well as those selected from among the companies that submitted bids, to obtain a consistent response to issues of concern to its members.

Even though there are relatively few changes in carriers, the University is confident that the medical plans chosen are the companies most qualified to deliver quality health care at affordable rates for UC's medical plan members. In addition, the bid selection process has resulted in improvements in a number of areas, such as containment of cost increases, better availability of relevant information to members, and commitments to improve access for members.

"This is good news for the University," said Judith W. Boyette, Associate Vice President of Human Resources and Benefits. "In today's health care climate, where mergers, acquisitions, and consolidation are commonplace, it's great to be able to provide stability to the UC community. We know that our plans continue to be the best plans available. Through the bid process, we found those health care plans that wanted to partner with us to provide excellent service and quality care at a reasonable cost to our members." Boyette stressed the important role that University faculty members, many with expertise in the health care field, played in the review process.

"The Faculty Welfare Committee was consulted extensively in the process," said Robert Anderson, Committee Chair and Professor of Economics and Mathematics at UC Berkeley. "Faculty expertise played a central role in the evaluation process, and I am convinced that the winning bidders provide the best medical plans available in California today."

Throughout 1998, a large team of UC administrative staff, under the leadership of Michele French, Director of Health and Welfare Planning and Analysis, consulted with thousands of UC employees and retirees statewide (in focus groups, written surveys, and internet questionnaires) regarding their satisfaction with their current medical plans. UC administration also consulted with the labor unions who exclusively represent UC employees. In addition, Senior Vice President Wayne Kennedy convened an

advisory group that included representatives from a broad cross section of the University community to consult with UC administration regarding the bid process. Findings through the various consultations revealed a high level of satisfaction overall, with a strong interest in improvements in certain key areas. These areas varied by individual member and by plan, but concerns often mentioned were a desire for better health education and easier access to providers.

In the bidding process, proposals submitted by medical carriers were evaluated based on their ability to provide affordable, quality health care, as well as:

- Inclusion of UC providers (doctors and facilities that UC members currently use, including UC medical centers);
- Provider networks at all UC locations;
- More flexible access to providers and plan benefits;
- Predictable costs over the next few years;
- Health management/education for UC members.

During the coming months, UC will negotiate specific performance standards with the plan carriers and complete the contracting process. More details about the year 2000 coverage will be announced in the coming months and in conjunction with Open Enrollment, so that members will have the guidance they need for selecting their medical plans for coverage to be effective January 1, 2000.

Making the Most of Your University of California Retirement Plan (UCRP) Benefits

UCRP Service Credit Buyback—Window Closing

UCRP members who are interested in establishing/reestablishing service credit for a leave of absence or from a previous period of UC employment, please be aware of this deadline: If you returned to UC employment July 1, 1997, or earlier, you must elect your buyback by July 1, 2000, at the latest.

In order to meet this deadline, several steps are involved, which include securing payroll/personnel records and obtaining buyback estimates. If you are interested, start looking into it soon. Buyback information is available on our website (www.ucop.edu.bencom).

Leaving UC? Protect your Interests

Career employees who came to UC 11/1/90, or later, and who plan to leave UC, may not realize they are entitled to future UCRP benefits because they were not required to contribute to the Plan.

If you are such an employee, please note: if you earned at least five years of UCRP service credit you are vested—eligible for future benefits when you reach age 50. You will be an inactive UCRP member, and you should be sure to keep UC informed of your current address before and after leaving UC employment.

Retiring? Check These Dates

If you want to continue your UC medical and dental benefits after you retire, make sure your retirement date is within 120 days of your separation from UC. No exceptions!

Also, if you were hired or rehired January 1, 1990, or later, you may be eligible for continued health benefits but you may receive less than the full UC contribution toward monthly plan costs. See the *UC Group Insurance Eligibility Factsheet* for more information.

Same-Sex Domestic Partners and Adult Dependent Relatives—Enrollment Update

One year after the University of California began to offer health coverage for same-sex domestic partners, domestic partner dependents, and adult dependent relatives, nearly 1,400 employees and annuitants have signed up for the benefits systemwide.

That level of participation—about 1 percent of faculty, staff and annuitants enrolled in the UC-sponsored health plans—is consistent with the University's original enrollment estimates, which projected participation in the range of 0.5 percent to 2 percent.

"We are very pleased to see UC faculty and staff participating in this program," said Judith W. Boyette, UC Associate Vice President for Human Resources and

Benefits. "We believe these benefits enhance the University's ability to attract and retain high-quality faculty and staff."

In November 1997, the UC Board of Regents voted to offer medical, dental, and vision (employees only) health benefits to UC employees and annuitants with a same-sex domestic partner, domestic partner's dependents or an adult dependent relative. UC held a special open enrollment period for these newly eligible family members in May 1998, and enrollment was offered again during UC's November 1998 Open Enrollment.

Currently, 1,224 employees and 157 annuitants have signed up for health benefits under this program. They comprise approximately 1.04 percent of the 133,000 faculty, staff and annuitants who are enrolled in UC health plans.

About 53 percent of those signing up have enrolled a same-sex domestic partner, while 46 percent have enrolled

an adult dependent relative and 1 percent have enrolled the child or grandchild of a same-sex domestic partner.

The annual cost to UC for providing health benefits through this program is estimated at \$1.85 million. The University originally estimated that providing health coverage to same-sex domestic partners would cost between \$1.2 million and \$4.9 million per year.

Campus	Number Enrolled	% Total Membership
Berkeley	169	0.96
Davis	145	0.86
Irvine	99	1.08
Los Angeles	413	1.66
Riverside	26	0.70
San Diego	133	0.94
San Francisco	211	1.85
Santa Barbara	43	0.86
Santa Cruz	65	1.93

Enrollment at Lawrence Berkeley National Laboratory, Lawrence Livermore National Laboratory, and Los Alamos National Laboratory equal less than 1%.

Prudential Service Centers

In an effort to optimize its customer service and claims operations, Prudential Insurance Company merged its 44 regional service centers into 4 in the summer of 1997. The transition period required major efforts, during which time Prudential staff did its best to maintain the quality of its services.

Michele French, Director of Health and Welfare Planning and Policy, worked closely with the Prudential Insurance Company during this transition, as part of an ongoing monitoring of services for all health and welfare plans and programs. UC's review showed problems developing in the last quarter of 1997 through late 1998. As a result, UC and Prudential created action plans to restore the customer service response levels. Although some parts of the implementation were especially difficult, all 4 of the service centers are now fully functioning and service levels for UC have topped previous highs.

French says, "When we see problems, we move to correct them. So far this year,

Prudential's customer service and claims processing has been greatly improved." Both French and Prudential will continue to work together toward better customer service and claims processing.

The following chart details the UC Care, Prudential High Option, and Core service statistics from January 1997 through March 1999.

	UC Care	Core/High Option
Customer Service — Calls answered in 30 Seconds		
1997	85.0%	83.3%
1998	71.3%	86.3%
1999	89.3%	93.6%
Claims — Percentage of Claims Processed in 15 Days		
1997	86.6%	93%
1998	69.3%	74%
1999	89.6%	98%
Customer Service — Call Abandonment Rate		
1997	1.6%	2.7%
1998	2.6%	2.2%
1999	1.3%	0.8%

UC Health and Welfare Planning and Policy will continue to monitor response level indicators and member satisfaction survey results to be certain UC employees and annuitants receive quality service from Prudential.



No VERIPs Planned

Mark Twain once said, "the reports of my death are greatly exaggerated." So are the reports that UC is planning another voluntary early retirement incentive program (VERIP). Every effort has been made to quell these rumors, yet they persist.

So here's the official word: No more VERIPs are anticipated at this time.

The Pacific Business Group on Health (PBGH)

PBGH recently announced the winners of the first annual Physician Group Blue Ribbon Awards. More than 150 physician groups—including both medical groups and Independent Practice Associations (IPAs)—were evaluated. Eight physician groups have demonstrated a commitment to participate in statewide quality of care projects and to pursue in-house

quality improvement activities, and in the case of several groups, have also demonstrated high performance on the PBGH Physician Value Check Survey, which measures patient satisfaction and quality at the group level.

Many of these provider organizations participate in numerous efforts to measure their own performance and continually strive to advance the quality of care. PBGH Blue Ribbon Awards are designed to recognize and award those organizations that stand out relative to their peers.

Awards were given to the following physician groups with headquarters in California:

- Alta Bates Medical Group, Emeryville
- Bristol Park Medical Group, Irvine
- Brown & Toland Medical Group*, San Francisco
- Hill Physicians, San Ramon
- Huntington Provider Group, Pasadena
- Palo Alto Medical Foundation, Palo Alto
- The Permanente Medical Group, Oakland
- The Southern California Permanente Medical Group, Pasadena

*UCSF Medical Center Provider Group

Illness Away From Home

By Janet and Gordon Groene®

Only one thing is worse than being sick or injured, and that's to be far from home when you are stricken. Whether the emergency is as simple as running out of a prescription medication, or as tragic as a life-threatening illness or injury, now is the time to have some sort of plan in place.

Before doing any extensive traveling, be sure to check with your health insurer to see if the company offers a medical hotline and how to get in touch when you're away from home.

While on the Road

As for services on the road, many hotels have a physician on call or a list of nearby doctors, dentists and walk-in clinics. Once you arrive at your destination, check to see what emergency services are available.

Another option is a service such as Hotel Docs, Inc., which is a medical network that serves more than 250 cities in the United States and Canada, 24 hours a day. By dialing 1-800-HOTELDR (468-3537), the service can have a qualified physician at your hotel door within the hour.

"Our mission is to help travelers no matter where they are," reveals Ian Becker, president. "If we don't have a physician in the city you're visiting, we'll help you find one or make contact with your home doctor."

The company also provides dental care, chiropractic, and specialists, including

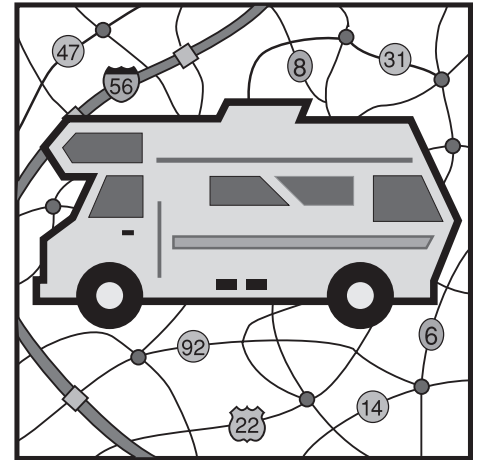
pediatricians and gynecologists, at a basic fee of \$150. Anyone can call the 800 number, no membership is required.

The ultimate emergency number, of course, is 9-1-1, but not all areas of the United States are on the system, and in other countries different numbers apply. Check the first few pages of the local phone book where numbers are usually listed for medical, fire and police emergencies. You also may see cell phone hotlines advertised along your route. Along Ohio highways, for example, motorists can hit the star key, plus a posted number, for immediate response from the highway patrol.

Be Prepared

For emergency purposes while on the road, somewhere in your travel documents carry:

- A list of any medications you're taking. And be sure to wear medical-alert bracelets for chronic illnesses or medication allergies in case you can't speak for yourself.
- The names and numbers of your home doctor(s), pharmacist and dentist.
- Phone numbers of family members who should be notified in case of an emergency, including numbers at home, work, or school.
- Neighbors who could feed your pets or otherwise tend your house if you were delayed.
- Your medical and auto insurance contacts.



- For travel out of the country, carry number of American embassies or consulates, which provide invaluable help in serious emergencies abroad.

On the Home Front

If you're the person staying at home, the more information you have about your family member's travels, the better. Know the itinerary, hotel numbers—not just the toll free reservations number—names and numbers of travel companions, and workplace travel coordinators. Before every trip, agree on a back-up contact, such as a neighbor or relative, where you can leave messages for each other, day or night, if other communication methods won't work.

Special Tip For UC Employees

If you will be out of your HMO's service area for at least two months, UC's rules allow you to switch to another medical plan—and to switch back when you return. Then you will be covered for mundane needs like the flu as well as for emergencies.

Health Carrier Contact Information for Travelers

More Information for Travelers

When you travel within the U.S., you can use your plan's toll-free (1-800) telephone number. Outside the U.S., however, most 1-800 numbers do not have "user direct." To place your call from outside the U.S.:

Call the international operator and ask to be connected with your plan's number shown in the chart at right.

Or you may direct dial, using a long distance carrier. For example, to use AT&T: Dial the AT&T Direct Access number specific to the country from which you are calling. Then dial your plan's number shown in the chart.

Before you travel, you can obtain a list of AT&T Direct Access numbers for the countries you will visit. On the Internet, visit: www.att.com and click on "Directories" and then on "Business Traveler Dialing Guide."

For information on other long distance carriers, call their toll-free number or visit their internet site.

Plan	Phone Number
BluePremier HMO New Mexico and HMO Nevada	1-800-711-3795
BluePremier POS PacifiCare Behavioral Health	1-800-711-3795 1-800-817-8811
Core	1-800-632-0524
Health Net	1-800-522-0088
Kaiser North/South	1-800-464-4000
PacifiCare	1-800-624-8822
Prudential High Option	1-800-632-0524 2
UC Care PAID Prescriptions Merck-Medco PacifiCare Behavioral Health	1-800-313-3804 1-800-875-3146 1-800-817-8811
Western Health Advantage	1-888-563-2251
Delta Dental	In CA: 1-800-777-5854 In NM: 1-800-999-0963
PMI Dental	1-800-422-4234



HR/Benefits Around UC:

UCIMC and UCSDMC—a Hundred Health-Caring Hands

Editor's note: The medical incident and hospital staff outlook presented in this article are based on our visits to the HR/Benefits Offices and hospitals at the UC Irvine Medical Center (UCIMC) and the UC San Diego Medical Center (UCSDMC) in the past year. These are two of the University's four medical center-teaching hospital complexes, which also include the UCLA Medical Center and the UC Davis Medical Center at Sacramento.

In addition, in November of 1997, the UC San Francisco Medical Center, including UCSF/Mount Zion, merged with Stanford HealthSystems to become UCSF Stanford Health Care, a benefit corporation designed to support the universities' shared mission of education, patient care, research, and community service.

Have you any idea how many UC professional and staff employees engaged in the delivery of health care at our medical centers might be involved in helping a single hospital patient?

For 8-year-old Alex C., it added up to about 100 different people who directly or indirectly handled his case over the 15 days he was hospitalized, beginning on the Sunday afternoon of last year's long three-day Labor Day weekend.

It was one of those gorgeous, bright, hot days of persistent late summer in the city of Orange. Around 4 p.m., while roughhousing with friends in the backyard as if to forestall the inevitable return to school, Alex accidentally tripped and toppled over the fired-up kettle barbecue, spilling white-hot coals on the grass.

In breaking his fall, the palm of his left hand landed squarely on a couple of the coals. His alert parents recognized the seriousness of what would be diagnosed as second-degree burns, bundled him into the car, and rushed him to emergency at the UCIMC trauma center less than 10 minutes away.

The trauma center triage team worked quickly to stabilize Alex, who arrived at the hospital shocked and in pain. He was transported from emergency to the onsite UCI Regional Burn Center within 30 minutes after arriving. In that first half-hour, at least 15 Medical Center employees, residents, and students had directly or indirectly attended to Alex's case. That number rose to about 100 over the next two weeks, during which time Alex underwent two surgical procedures to treat his damaged hand.

A diverse array of health care specialists and support staff mobilized to ensure Alex's recovery—among them physicians and specialists from the UCI College of Medicine; staff residents; RNs, vocational nurses, aides, and attendants; clinical and laboratory technicians; operating room medical and support staff; admitting, bookkeeping, billing, insurance, medical records, and other office staff; central supply staff; dietitians and food service staff; housekeeping, custodial, and laundry staff.

This real-life drama could just as easily have occurred 100 miles to the south at the UC San Diego/Hillcrest Medical Center trauma unit and Regional Burn Center. In what they do every day for patients like Alex, the five-score caregivers involved directly and indirectly in his case make the case for what the Human Resource Directors at UCIMC and UCSDMC say the focus of their work must be.

"We work 24 hours a day year-round," said Pat Thatcher, UCI Medical Center's Assistant Director for Human Resources. "People can die if we make mistakes, so our organization has to be fairly hierarchical to ensure the best patient care. And because judgment is paramount in everything we do, everyone working here needs the skills and tools to exercise the best judgment."

As a result, Thatcher explained, everything the HR/Benefits staff does—

recruiting the very best employees, training and developing employees to succeed, providing competitive compensation, ensuring that performance and conduct standards are understood, fostering effective incentive and reward programs, conducting labor relations, giving employees assistance and support they might need—is focused on helping UCIMC provide the highest quality patient care.

"The institution itself is our primary client," she said. "So, we may act more quickly than might be true elsewhere within UC to reward and, if necessary, discipline employees when their contributions or performance issues impact the quality of care we provide."

UCSDMC Director of Human Resources Operations and Compensation Manager Ann Skinner could not agree more. "The clinical departments at both of our sites are in the business of providing health. We are in the business of doing human resource work that helps this happen in the very best way possible," she said.

As Thatcher pointed out in Orange, Skinner reiterated in San Diego that the nature of health care demands a more focused, decisive, non-ambiguous approach to human resources than might be true elsewhere.

For example, "Our patients tend to be 'sicker' than those who go to the community hospitals," she said. "We have more acuity in our patients here—indigents, Medicare patients, level-1 trauma patients."

Complicating these circumstances, the Center has faced challenges in recruiting skilled intensive care unit nurses and other acute care specialists in adequate numbers. "So, we make this issue visible and of concern to everyone in the hospital," Skinner explained, "through our referral bonus program." Employees who refer successful candidates to fill recruitment-critical positions receive a

cash bonus for pitching in to help meet those hiring needs.

Employee incentives linked to achievement of the hospital's overall strategic goals are of enormous importance at both UCSDMC and UCIMC. At UCIMC, the entire organization mobilizes each year to emphasize achievement of a particular goal involving financial performance, customer service, or quality of care. "Because everyone is involved in helping to meet the goals, everyone shares in special monetary incentive pay if we meet our annual goal," Thatcher explained.

This year, the enthusiastic UCIMC goal is to boost customer satisfaction based on customer surveys from the 10th to the 90th percentile. "Our incentive program really motivates people to team up and help meet our goals," Thatcher said. The administration announced at the beginning of the year that "we will double the incentive awards if we reach the 90th percentile," she said.

At UCSDMC, the extensive employee incentive program, called "Healthy Future," comprises both team awards and individual spot awards. "The team awards reflect employee contributions to meeting the special goals that we establish each year for the entire UCSD Healthcare clinical enterprise," Skinner said. "We give spot cash awards for special individual performance that demonstrates our core values, such as teamwork, customer service excellence, or creativity and innovation."

The highly goal-focused incentive approach has evolved in part because the medical centers seek accreditation every three years from the Joint Commission for Accreditation of Healthcare Organizations (JCAHO), a national commission that accredits more than 19,000 healthcare organizations in the U.S. and abroad.

All of UC's medical centers/hospitals undergo the tri-annual JCAHO accreditation process in which performance and achievement of goals are measured

against national standards set by health care professionals. An accredited organization substantially meets JCAHO standards and continuously makes efforts to improve the care and services it provides.

UCIMC underwent JCAHO evaluation in 1997, garnering an impressive overall score of 98%. UCSDMC underwent JCAHO accreditation in November 1998 and scored equally impressive 95%. The HR component of the JCAHO audit at San Diego earned a perfect score. For the dedicated men and women at the medical centers, the accreditation process is not a cause for alarm. It is a way to affirm that they intend to meet the highest standards of patient care and public service.

And, attractive as the incentive programs might be, there seems to be a greater reward in working to help patients like Alex C. On the back cover of the brochure describing the "Healthy Future" incentive plan at UCSDMC, there is written, "We're glad you take pride and care in your work because the work of healing and helping people is the greatest work of all!"

Alex has recovered fully from his accident with the hot coals. Although his hand was too tender to allow the three-year youth baseball veteran to play during the spring season this year, he went to summer season tryouts in late May. He was selected during the first round draft to be first baseman on the team he hoped would select him.



UCI Medical Center The UCIMC is a 493-bed full-service hospital located in the city of Orange that provides comprehensive medical services to more than 100,000 patients each year. The only university hospital in Orange County, it has been designated as the county's only level 1 trauma center dispensing round-the-clock emergency and trauma care. Other specialized services include a nationally designated comprehensive clinical cancer center, the UCI

Regional Burn Center, the UCI Neuropsychiatric Center, perinatology and women's services, pediatrics, and transplant programs. The UC Irvine College of Medicine medical faculty and resident physician staff provide Medical Center professional care. UCI medical undergraduate and postgraduate students receive training at the Center, which is a teaching hospital. The Center's HR/Benefits staff serves some 2,400 staff and management employees, as well as 1,200 residents.



UCSD Medical Center comprises a 440-bed full-service hospital at the Hillcrest site in downtown San Diego, and the newer 120-bed hospital and ambulatory care center in La Jolla, an addition to the existing eye center at that site. It is the only academic medical center in the 9,000 square-mile region that it serves. The Hillcrest site met the medical needs of the nearly 153,000 in- and outpatient populations last year, and is San Diego County's only level I trauma

center. Hillcrest provides the specialized services of the Regional Burn Center, Cancer Center, Poison Information Center, Children's Pulmonary Disease Center, and Infant Special Care Center. The La Jolla site admitted nearly 3,000 patients during the past year. The Center teams with UC San Diego Medical School faculty, resident physicians, and undergraduate and graduate trainees. The Center's HR/Benefits office serves some 4,000 staff employees, managers, and residents.

UCBenS Update

In January 1999, HR/Benefits unveiled a new retirement process, and by all reports the implementation has been a great success.

The new retirement process was developed as part of the UCBenS (UC Benefit Systems) project—a major initiative in the HR/Benefits department's ongoing effort to deliver more efficient, cost-effective, and responsive services to employees, retirees, and campus/laboratory administrators.

Under the new process, retiring employees are no longer required to obtain an estimate of retirement income from the Office of the President before submitting their election forms. Instead, they obtain benefit information and make retirement elections directly through their local Benefits Offices.

"The new system has been great," said Allen Terry, Benefits Representative (BR) at UCSF. "It's like one-stop shopping for the employees. And as for the BRs—we're able to devote more quality time towards counseling members rather than completing forms."

Benefits Representatives now use a web-based computer application to calculate benefit estimates and generate retirement election forms. In addition to streamlining the process for retiring employees, the new system also cuts out unnecessary steps for the Retirement Plan administrators by utilizing an automated intelligent workflow that routes electronic files and performs calculations.

HR/Benefits staff are now hard at work on the department's second major process redesign effort, UCBenS Cycle 2, which is focusing on the voluntary distributions from UCRS. "Voluntary distributions" refers to payments from the UCRS plans—the University of California Retirement Plan, the Defined Contribution Plan (DC Plan), and the Tax-Deferred 403(b) Plan (403(b) Plan)—such as refunds of contributions and partial withdrawals.

After surveying customers, mapping the current process, and collecting information on best practices in other organizations, the Cycle 2 process team recommended a paperless method for requesting voluntary distributions via an automated telephone application. Not only would this eliminate the need for members to obtain, complete, and



Allen Terry, Benefits Representative at UCSF, counsels Norene Aganos about her retirement.

submit distribution request forms (and the need for Benefits Offices to return incomplete/incorrect forms), but it would also substantially curtail data entry and manual review procedures.

In late July, a new feature was added to *bencom.fone*—the Distribution Line. The Distribution Line enables participants to request distributions from the DC Plan and the 403(b) Plan from any touchtone telephone by calling 1-800-888-8267. With the implementation of the Distribution Line, most participants will no longer use paper forms to request DC Plan and 403(b) Plan distributions. For more information contact your Benefits Office or go to the UC *bencom* website at: www.ucop.edu/bencom

UCRS Board Election Results

Lori C. Stein, Assistant Director, Humanities, at the University of California Los Angeles, has been elected to the vacant non-Academic Senate seat of the University of California Retirement System (UCRS) Board. Her four-year term begins immediately and will run through June 30, 2003.

The UCRS Board serves in an advisory capacity to the President of the University on matters concerning the UCRS plans. These plans are the University of California Retirement Plan (UCRP), the

Defined Contribution Plan, and the Tax-Deferred 403(b) Plan.

The nine-member board includes: an officer of the University appointed by the President of the University; three persons appointed by the President of the University; the Treasurer of The Regents or the Treasurer's designee; two persons selected by the Academic Senate from the nine UC campuses; and two members elected, like Lori C. Stein, by those active members of UCRP who are not in the Academic Senate.

The current UCRS Board includes: Julia Armstrong-Zwart (Chair), Assistant Chancellor, Human Resources, UC Santa Cruz; Stephen Barclay (Vice Chair), Vice Chancellor, Administration and Finance,

UC San Francisco; V. Wayne Kennedy, Sr. Vice President, Business and Finance, Office of the President; Jacqueline Edwards, Benefits Manager, UC San Diego; Patricia A. Small, Treasurer of The Regents, Office of the President; Duncan A. Mellichamp, Professor, Chemical Engineering, UC Santa Barbara; Steve Sugarman, Professor, Law, UC Berkeley; Patricia E. Erickson, Senior Human Resources Specialist, Lawrence Livermore National Laboratory, and Lori C. Stein, Assistant Director, Humanities, UC Los Angeles.

The UCRS Board generally meets quarterly in Oakland at the Office of the President. Members serve without compensation, but are reimbursed for necessary travel expenses.

UCSD Wins RIT/USA Today Award

Human Resources at UC San Diego is one of the several Campus Business Affairs departments that have for the past six years played a vital role as teachers and users of innovative approaches to streamlining and improving business functions. Their successes have garnered a prestigious national award for the campus.

The senior management team responsible for San Diego Campus Business Affairs has won the Rochester Institute of Technology (RIT)/USA TODAY Quality Cup Award for its success in solving problems, increasing efficiency, and cutting costs over the full spectrum of business activities carried out on campus.

UCSD was the sole winner of the award in the education division, and one of only six organizations nationwide to receive the top award this year, presented at USA TODAY headquarters in Arlington, VA on May 7.

Introduced in 1992, the Quality Cup Award is a national competition sponsored jointly by RIT and USA TODAY to recognize team efforts in the management of private and public organizations that yield dramatic improvements in the quality of goods and services.

In awarding the Cup to the senior management team of UCSD's Business Affairs departments, headed by Vice Chancellor Steve Relyea, RIT/USA TODAY spotlighted the dramatic cost-cutting and boosts to productivity, customer satisfaction, and employee accountability and morale achieved by the campus. These results have been especially gratifying during the period of decreasing budgets and increasing service demands faced by San Diego and the rest of the UC system in recent years.

For Rogers Davis, Assistant Vice Chancellor-Human Resources and a member of Relyea's team, the campaign to optimize business excellence at UCSD "has been

and will continue to be a remarkable journey of continual self-awareness and improvement. We've introduced a performance-measuring methodology that really works and that pinpoints the areas of service where we need to do well," he explained. "We've been fortunate here in HR to not only use that methodology to improve our own services, but to also play a role in coordinating training for other departments to learn about and utilize quality improvement methods and tools. The leadership of Steve Relyea has been significant in imprinting the importance and value of this on our organization."

That performance measuring method—the "Balanced Scorecard," adapted by UCSD for application in higher education administration from a model developed in 1993 by a Harvard Business School professor and the president of a management consulting firm—has become the roadmap to business excellence traveled by all the areas that Relyea oversees. In addition to HR, his departments include Housing and Dining Services, Police, Administrative Computing and Telecommunications, Auxiliary and Plant Services, Controller and Business Financial Services, and Environmental Health & Safety.

The Balanced Scorecard method at UCSD involves an annual cycle in which the customers who use campus business services—faculty, students, and staff—assess and score the quality of those services. Administrators responsible for delivering those services also conduct self-assessment and scoring of process effectiveness.

The Balanced Scorecard Approach defines business success as the balance of four factors: employee motivation and morale, effective processes, customer satisfaction, and financial management. Thus, scoring of campus business performance proceeds along four vectors that include the employees'

perspective on innovation and learning opportunities, the internal process perspective of those responsible for productivity and effectiveness, the customer perspective, and the financial perspective of resource providers.

Armed with the scoring results, Business Affairs department heads work together to analyze the findings, target areas for improvement, and set goals for the coming year. The balanced scorecard approach has yielded more than \$6 million in campus savings and cost avoidance since 1994, according to Relyea.

"But it's not just about money," he said. "We've developed training programs that give employees the tools they need to improve our systems, we've re-engineered our business practices to become more productive, and we've used benchmarking measures and customer surveys to measure our progress year after year."

Relyea noted that UCSD's top institutional priority is academic excellence. "Every single activity conducted by the Business Affairs team must support that," he said.

Davis stated that "with the support and participation of campus academic departments and others, the Human Resources Department has used the process improvement team model for several core processes. These have included staffing, classification, conflict management, benefits, and disability management processes."

You can read a detailed UCSD news release, as well as the May 7 USA TODAY article, about the award by going to the UCSD Communications Office website: www-er.ucsd.edu/ucomm/newsrel/general/qualitycup.htm. The site has links to photos of team members as well as an excellent 25-slide presentation about process improvement and the Balanced Scorecard at UCSD.

Update on UC's Diverse Workforce

The University is firmly committed to achieving a diverse workforce that reflects a mix of the demographic groups represented in California's population—encompassing race, ethnicity, gender, religion, national origin, age, physical and mental abilities, marital status, parental status, sexual orientation, socioeconomic level, educational background, lifestyle, and all other demographic characteristics.

Recognizing that UC can benefit most from the contributions of a diverse workforce, The Regents stated in Resolution SP-2 our commitment to ensuring equal treatment in contracting and employment. The Regents' Resolution, as well as California Proposition 209, passed in 1996 and now Article 1, Section 31 of the State Constitution, prohibits the use of preferences in employment practices.

However, SP-2 and Proposition 209 both contain provisions allowing for those actions that must be taken to establish

or maintain eligibility for any federal program where ineligibility would result in a loss of federal funds. As a federal contractor, UC therefore continues to fulfill equal employment opportunity (EEO) and affirmative action responsibilities required by federal law, and to monitor the results of those efforts.

The University's affirmative action responsibilities include making "good faith" efforts to hire minorities, women, individuals with disabilities, and covered veterans. Under SP-2, the University must use race- and gender-neutral criteria in all employment practices.

UC's affirmative action efforts, which are important in helping to achieve workforce diversity, include outreach efforts to ensure minorities and women are included in job applicant pools, providing opportunities to employees to participate in training and development programs, and providing equal opportunity to all qualified individuals who apply for positions at the University.

In carrying out its affirmative action efforts, the University continually reviews its workforce to identify areas where minorities and women are underrepresented.

The charts show the composition of UC's full-time ladder-rank faculty and career staff workforces by race/ethnicity; the minority and gender representation of career staff employees; and the minority and gender representation of full-time ladder-rank faculty.

Additional workforce charts are represented at the following websites:

Faculty: www.ucop.edu/acadadv/datamgmt/welcome.html

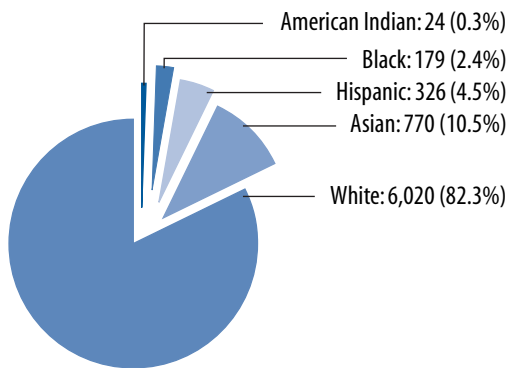
Staff: www.ucop.edu/humres/diversity/workforce

If you have questions regarding faculty information, please contact Ellen Switkes, Assistant Vice President—Academic Advancement, at 510-987-9479. For questions regarding staff information, please contact Mattie Williams, Director—Employee Relations and EEO/AA/Diversity, at 510-987-0865.

UC Workforce by Race/Ethnicity—October 1998

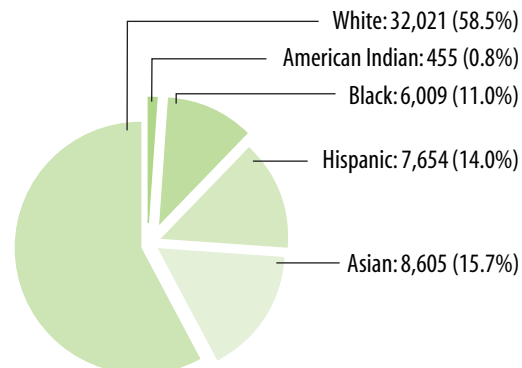
Full-time Ladder-Rank Faculty

All Ranks: Full, Associate, and Assistant Professors
Total = 7,319

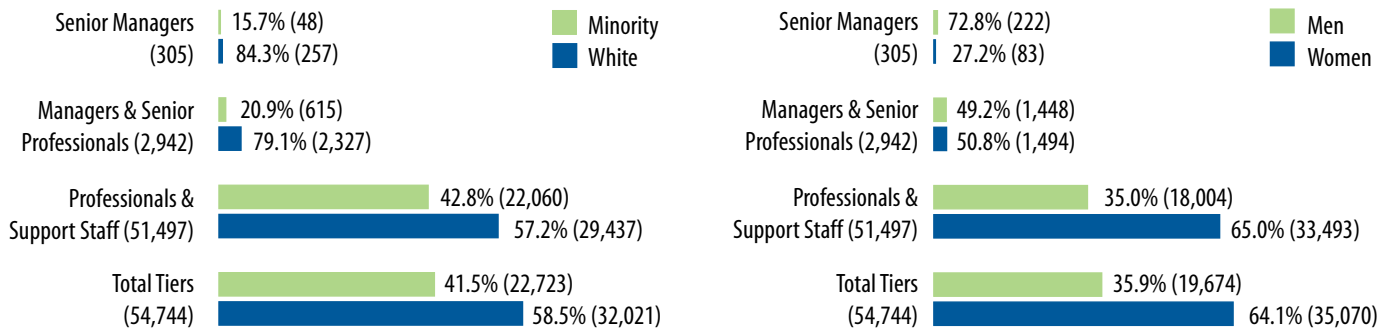


Career Staff Workforce*

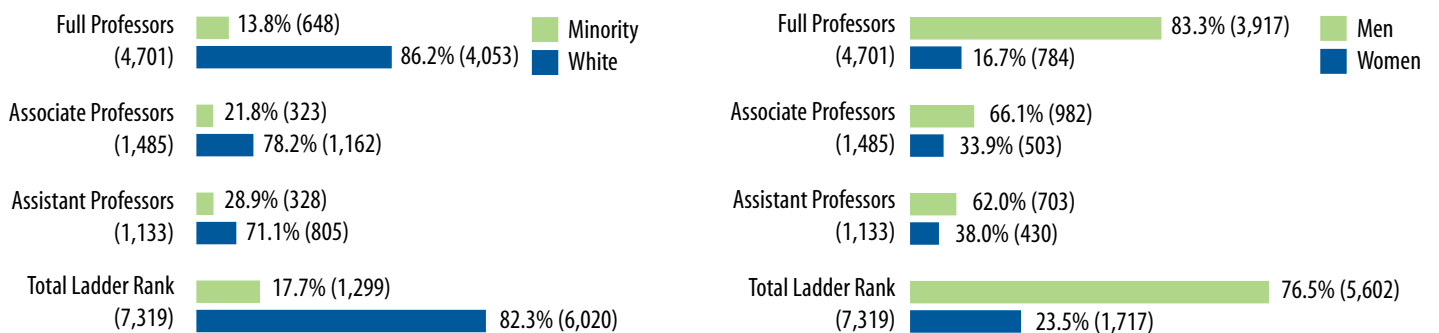
Total = 54,744
*Excluding DOE Laboratories



Minority and Gender Representation of Career Staff Employees—1998



Minority and Gender Representation of Full-Time Ladder Rank Faculty—1998



403(b) Plan and DC Plan

Two Ways To Enroll or Make Changes!

There are now two fast and convenient ways to enroll in or make changes to your accounts in UC's Tax-Deferred 403(b) Plan and Defined Contribution Plan. Instead of submitting a form, you can enroll online at www.ucop.edu/bencom (look for the penny icon). All the information you need is there on the screen.

If you do not have Internet access, you can call [bencom.fone](tel:8008888267), UC's interactive telephone service, and use the new Enrollment Line. The toll-free telephone number is 1-800-888-8267. Enrollment Line worksheets are available from the person in your department, laboratory, or medical center who is responsible for handling benefits.

Both options are available 24 hours a day, 7 days a week. Whether enrolling online or over the phone, eligible employees can take any of the following actions:

Tax-Deferred 403(b) Plan—

- start, stop, or change contributions
- change investment fund(s) for future contributions

Defined Contribution Plan Pretax Account—

- change investment fund for future contributions

Defined Contribution Plan After-Tax Account—

- start, stop, or change contributions
- change investment fund(s) for future contributions

Both the online and phone options allow you to review your current investment elections for each plan before you make

any changes. And they allow you to review all changes before you confirm them. All confirmed transactions will be effective when processed by your local Payroll Office. A written confirmation statement will be mailed to your home address.

If you cannot use the online or interactive phone options, please contact your local Benefits office.

Note—If you want to invest in Fidelity Investments or Calvert mutual funds, you must establish an account with Fidelity or Calvert before you enroll. If you do not already have an account, call the company directly to request an application:

Fidelity: 1-800-343-0860
Calvert: 1-800-368-2745

NEW! See the Distribution Line information in the UCBenS Update article on page 10.

Health Care Facilitator Program—Update

As of mid-June, UC Berkeley and UC Irvine have both begun to implement their Health Care Facilitator (HCF) Pilot Programs. Each campus has hired a facilitator to meet and counsel all UC medical plan members with complex medical concerns that need to be resolved.

The HCF Pilot Program is designed to augment the information, education, intervention, and referral services that local Benefits Offices provide. Available by phone or by appointment, the Health Care Facilitator will meet with UC employees, annuitants, and/or their family members who are enrolled in any of the UC-sponsored medical plans and who are in an unusual or difficult medical plan situation. These situations could involve such issues as access difficulties, need for coordination of health care services, disputes over plan coverage, and/or community services.

Professor Emeritus Sheldon L. Messinger, Chair of Berkeley's HCF Advisory Board, says, "Each of the two pilot HCF programs has an Advisory Board to provide guidance and act as a resource for the HCF. Berkeley's, appointed by the campus Vice Chancellor and Provost, has seven members drawn from Berkeley's active and retired faculty and staff. Irvine's, chaired by Professor Emeritus Julian Feldman, is similarly constituted.

A Brief History of the Health Care Facilitator Program

In 1995, Robert May, the chair of the UCI Academic Senate Faculty Welfare Committee, encouraged Ron Wilson, Campus Ombudsman, Gina Merriott, Benefits Manager, and Julian Feldman, representative of the Emeritae/i Association (EA), to consider ways in which UCI could provide active and retired employees with assistance on health care problems. The two major outcomes of these discussions were a coping with health care issues information sheet by Gina Merriott and a decision by the Emeritae/i Association to look for some help for annuitants.

In fall 1996, the UCI Emeritae/i Association passed a resolution requesting help on health care issues for annuitants. Consequently, this resolution was placed on the fall 1997 meeting agenda of the Council of University of California Emeritae/i Associations (CUCEA). At that meeting CUCEA passed a resolution requesting help, and Ralph Turner (then Chair) brought the resolution to the statewide UC Academic Senate University Committee on Faculty Welfare (UCFW). In January 1998, Shelley Glazer, Director of the UCB Retirement Center, and Sheldon Messinger, UCB representative on CUCEA, enlarged on the original UCI proposal to prepare a letter of intent requesting an external grant for a facilitator to help UC annuitants. Ralph Turner signed the request for CUCEA, and Adrian Harris, for the Council of University of California Retirees Associations (CUCRA). The letter of intent was

widely circulated, generating interest in the proposal. In particular, the letter came to the attention of Judith Boyette, newly appointed Associate Vice President of Human Resources and Benefits. With Assistant Vice President Lubbe Levin and Manager Deborah Larson, a member of Levin's team, Boyette met with Glazer and Messinger to discuss the proposal in spring 1998.

At about the same time, UCFW asked Robert May, incoming vice-chair of UCFW, and Richard Gable, incoming chair of CUCEA, to develop the earlier proposal into a plan for both employees and annuitants. May and Gable put together a planning group consisting of themselves, Feldman, Glazer, Harris, and Messinger. In August 1998, the planning group met with Boyette, Levin, and Larson to discuss a proposal for a pilot project. It was agreed to apply for staff development funds to fund a one-year pilot project, under the title of "Health Care Facilitator." In October 1998, staff development funding was approved by Director Mattie Williams for two pilot programs—one at UCB and one at UCI.

Since October 1998, in consultation with campus-wide Advisory Boards at UCI and UCB, Larson, Merriott, and Mary DeShaw, UCB Interim Benefits Manager, have teamed up to develop guiding principles, an implementation plan, and a job description. At this writing, both campuses have selected a Health Care Facilitator.

If proven successful, it is hoped that the Health Care Facilitator program can expand to include other UC locations.

Labor Relations Update

(continued from front page)

union. UC's position is that any legislative action on "fair share" fees should ensure that employees first have an opportunity to vote on "agency shop" before such an arrangement is implemented.

Other labor relations legislation pending in Sacramento includes SB 1279, which would extend coverage of the Higher Education Employer-Employee Relations Act (HEERA) to UC employees at the Los Alamos National Laboratory in New Mexico. Also, the state Senate Education Committee intends to hold a comprehensive informational hearing on HEERA in August.

UC and CNA

In late May, the University and the California Nurses Association reached agreement on a new one-year contract for nurses in UC's medical centers and student health facilities. The union membership ratified the agreement in early June. The new contract includes wage increases that will help UC stay competitive in California's nursing market.

UC and the Federated University Police Officers Association

A tentative agreement was reached in June on a contract for police officers at the University's nine campuses. The contract will be in effect through June 2001, and will include annual wage adjustments.

UC and CUE

UC reached agreement in late May with the Coalition of University Employees (CUE), which represents 18,000 clerical employees, regarding 1998-99 wage increases. The University will provide these wage increases in exchange for the union's first comprehensive set of contract proposals, which was provided by CUE in late June. Negotiations with CUE on a comprehensive first contract will continue.

HR/Benefits Review

Summer 1999

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In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer.

Inquiries regarding the University's affirmative action and equal opportunity policies may be directed to Ellen Switkes—Academic Affairs at 510-987-9479 (for academic employee-related matters) or to Mattie Williams—Business and Finance at 510-987-0865 (for staff employee-related matters).

Websites: www.ucop.edu/bencom
www.ucop.edu/humres



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