

Faculty Welfare Committee

Retirement Systems (RASC) Concerns

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January 19, 2023

Susan Cochran
Chair, UC Systemwide Academic Senate

Re: Retirement Systems (RASC) Concerns

Dear Chair Cochran,

At its meeting on January 12, 2023, the Executive Board considered the attached letter from the Faculty Welfare Committee (FWC) expressing concerns about the ineffective functioning and service of the Retirement Systems (RASC). The FWC letter includes a letter from Professor Scott Waugh, Chair of the Emeriti Association, and an October 2022 CUCRA/CUCEA letter about these matters.

Executive Board members share the concerns that retired UC faculty members continue to experience challenges accessing their retirement benefits. Although they understood, and appreciated, that efforts are underway at the systemwide level to improve the services, clearly the service level is not close to where it needs to be. Indeed, the evidence suggests that not enough is being done. With attention to inclusion, members are especially concerned that these failures harm elders in our community who may be medically and financial vulnerable. Members voted to share these concerns, and their dismay, with the systemwide Academic Senate, and agreed that I would work with you to explore the best way to convey the issues to President Drake.

Sincerely,



Jessica Cattellino
Chair
UCLA Academic Senate

Encl.

Cc: Phillip Bonacich, Faculty Welfare Committee Chair, UCLA Academic Senate
April de Stefano, Executive Director, UCLA Academic Senate
Andrea Kasko, Vice Chair/Chair Elect, UCLA Academic Senate
Monica Lin, Executive Director, UC Systemwide Academic Senate
Renee Rouzan-Kay, Senior Policy Analyst, UCLA Academic Senate
Shane White, Immediate Past Chair, UCLA Academic Senate

December 16, 2022

Jessica Cattelino, Chair
Academic Senate

Re: Retirement Systems (RASC) Concerns

Dear Chair Cattelino,

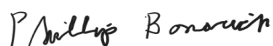
At its meeting on December 13, 2022, the Faculty Welfare Committee (FWC) discussed concerns about the retirement systems specifically the UC Retirement Administration Service Center (RASC).

The Faculty Welfare Committee has received many complaints about the treatment by (RASC) of newly retired faculty. There are delays in receiving first pension checks, continuing health insurance, survivor benefits, and merely attempting to contact and speak with a live human being.

The FWC has learned that this is a problem faced by all campuses and that RASC has resisted pressures to improve its service. The Committee empowered me to call a meeting of a small group of interested and knowledgeable faculty. Scott Waugh, Chair of the Emeriti Association, agreed to write a letter to the Academic Senate Leadership and the Executive Board as well as Executive Vice Chancellor/ Provost Darnell Hunt, expressing the necessity for improvement. Enclosed, I forward Scott Waugh's letter and the Joint Benefits Committee Report CUCRA/CUCEA, which elaborates on the concerns listed. The Faculty Welfare Committee petitions the University to solve this vexing problem.

Thank you in advance for your consideration of this request. If you have additional questions, please do not hesitate to contact me at bonacich@soc.ucla.edu or via the Committee analyst, Renee Rouzan-Kay, at rrouzankay@senate.ucla.edu.

Sincerely,



Phillip Bonacich, Chair
Faculty Welfare Committee

Enclosures:

cc: Andrea Kasko, Vice Chair/ Chair Elect, Academic Senate
Shane White, Immediate Past Chair, Academic Senate
April de Stefano, Executive Director, Academic Senate
Renee Rouzan-Kay, Senior Policy Analyst, Faculty Welfare Committee
Members of the Faculty Welfare Committee

Phillip Bonacich

From: Scott Waugh
Sent: Tuesday, November 22, 2022 12:10 PM
To: Hunt, Darnell; Jessica Cattelino; Jessica Cattelino
Cc: Dixon, Ayesha; Rouzan-Kay, Renee; Phillip Bonacich; David Lopez; Elaine Fox (efox818@yahoo.com)
Subject: Ongoing Problems with RASC
Attachments: jbc_report_ucb_fall-2022.pdf

Dear Darnell and Jessica,

The Retiree and Emeriti Associations, as well as the Faculty Welfare Committee continue to have grave concerns about the operations of RASC and the treatment of potential retirees, retirees and surviving spouses in the UC System. The problems that Reynaldo Macias encountered over the last six months as he attempted to retire from UCLA provide a dramatic example of the treatment that individuals routinely receive through RASC. The attached report summarizes many of those issues. Unfortunately, we do not have any confidence that those problems are being addressed systematically and effectively, despite having been raised repeatedly by individuals and our organizations.

We believe that the situation will only be remedied if the administration and Senate take the issue directly to UCOP, through the Academic Council and the Council of Vice Chancellors, and demand that the problems be resolved quickly. As the retirement system has been centralized, campuses have lost not only effective input into the operations of the system but also any meaningful way of helping individuals who have been mistreated by the system. For those individuals, RASC all too often appears oblivious to their problems.

We strongly believe that the current situation is no way to retreat long-standing, loyal employees of the UC. We would be happy to meet with you both to discuss these problems, to answer questions and urge you to engage with your colleagues to find real solutions.

Best wishes,

Scott

Joint Benefits Committee Report CUCRA/CUCEA Virtual Joint Meeting at UC Berkeley October 26-27, 2022

The JBC is focusing its Fall 2022 report on three issues: RASC (Retirement Administration Service Center), Via Benefits (Medicare exchange for out-of-state Medicare retirees), and Navitus (Pharmacy Benefits Manager, PBM).

It is commonly known that UC Human Resources has instituted numerous improvements to RASC for retirement planning, health plan enrollment, and survivor benefits. However serious communications and processing delays still plague client interactions (pension, healthcare, and survivor benefits) with the Service Center. We also discuss the “no lapse in pay” program and the continued need for better onsite resources for retirement planning.

The JBC report also reiterates its observations that the UC reimbursement amount for out-of-state Medicare coverage provided through Via Benefits needs to be revisited. Although the original Regents authorization specified annual review, the original monthly subscriber benefit of \$250 has not changed since 2013. We also continue to ask that UC analyze the inclusion of a group Medicare Advantage plan for out-of-state retirees. We note that we are only talking about Medicare retirees so planning for their care should not affect active employees. Pre-Medicare or non-Medicare retirees’ health plans will not be affected.

We continue to express our concern about the problems with Navitus. The roll out of this program was especially difficult for Retirees and Emeriti, and we believe that better crafting of RFPs (Request for Proposals) could have anticipated the ensuing problems. We believe that similar problems will plague other UC projects unless better planning and consultation with stakeholders such as CUCEA and CUCRA are adopted.

We are looking forward to working in the future with the new Associate Vice President of Total Rewards, Jay Henderson, and we would like to arrange a meeting with him at his earliest opportunity.

I. RASC

The CUCRA and CUCEA Leaderships continue to have an active dialogue with RASC about ongoing service issues and are aware of the efforts of the RASC Executive Director Bernadette Green and her management team to strengthen the organization and improve processes and responsiveness. The 2022 July 1 retirement cycle application processing throughput saw some marked improvements as a result of the broadening of the “no lapse in pay” program and the investment in increased staffing and process

improvements. As compared to 2021, when only 63% of July 1 retirees received their first pension distribution on-time, in 2022, the RASC improved this result to 90% for those whose applications were submitted by June 1. The CUCRA and CUCEA Leadership is also aware that consultants have been engaged and a Steering Committee has been formed to assist the RASC in developing process improvement recommendations to improve the survivor process and the retirement counseling process. We are also aware that efforts are underway to hire additional staff for the call center and a third-party vendor to assist in responding to “Tier One” calls such as password resets, confirming document receipt, etc.

Ongoing Significant Concerns Expressed by Locations

While there have been some improvements in retirement processing, significant issues in the call center, retirement processing and survivor processing remain to be resolved. JBC queried the UC Faculty Liaisons, Health Care Facilitators, and Retiree Center Directors to get an update on their most recent experiences with retiree concerns regarding the RASC. The feedback received was very consistent and identified the following themes: a.) inability of retirees to get questions answered due to long wait times on the phone and lack of timely responses to phone callback requests and secure messages; b.) cessation of healthcare benefits or delays in healthcare enrollment as a result of delays in processing (e.g., life changes, retirement, and survivor processing); and c.) significant delays in survivor processing that impact continuation of pension and healthcare benefits.

Inability to Reach RASC and Lack of Responsiveness

The inability of retirees to reach RASC personnel by phone and to receive timely callbacks or responses to secure messages forces retirees to reach out to other University personnel (e.g., Retiree Centers, Health Care Facilitators, etc.) to obtain answers. These inquiries have increased noticeably over the past few months while RASC has been engaged in processing the July 2022 retirements. One campus reported that their Retirement Center staff is now spending upwards of five hours per day trying to resolve issues for retirees because they cannot reach the RASC. Simple questions such as where to send documents, who to notify about moving out-of-state and the implications for healthcare, password reset requests, etc. are among these inquiries. The JBC is aware that RASC leadership is negotiating with a third-party vendor to assist with these types of requests and is actively recruiting to fill open positions in the call center. We feel strongly that service level response times posted by the RASC need to be honored. In addition, we strongly believe that having clear and concise information available to retirees on the RASC website, such as Frequently Asked Questions, or a chat function using artificial intelligence to provide relevant information would assist in reducing the frequency of these types of calls and provide a quicker resolution for

retirees. The JBC is very concerned that if significant improvements are not made by the time of Open Enrollment, it will be nearly impossible for the RASC to respond to the additional inquiries they will receive, and retirees may not have the information they need in time to make informed decisions about their healthcare.

Impacts on Benefits of Processing Delays

The impact of processing delays on continuation of healthcare benefits is of grave concern to the JBC, particularly given the ages of retirees and the likelihood of greater healthcare needs as one ages. Timely communication with applicants about processing delays is essential. Activation of the Benet software, currently in testing, would help meet this need. These delays seem to span various processes that affect health care benefits including processing life changes, retirement processing and survivor processing. We received one horrific example of a survivor undergoing cancer treatments whose healthcare benefits were terminated upon the death of her spouse. The survivor was unable to reach the RASC by phone despite multiple phone calls and being on hold for several hours. The survivor called the campus Health Care Facilitator to intervene who was able, after a two-month delay, to get a temporary 90-day extension of her healthcare benefits. However, due to RASC processing delays, her healthcare benefits were cancelled a second time at the end of the extension period. This required another tearful call to the Health Care Facilitator who had to intervene to get the benefits reinstated, which finally was resolved three weeks later. We have also heard about another case where a survivor tried to call the RASC to report the death of a UC retiree and was unable to get through to speak to anyone. We are aware that the RASC will staff a team soon to reduce the backlog in survivor processing and has engaged a consultant to review that end-to-end process. The JBC cannot stress strongly enough how important it is to improve the timeliness, responsiveness, and human compassion in this process.

The JBC strongly recommends that the RASC review the UCRP plan regulations and the group insurance regulations to find a way to get survivors partial compensation, at a minimum, and continuation of health benefits pending final resolution of their claims, particularly if loss of income and health benefits is going to provide hardship to those individuals. We understand CalPERS has such a mechanism in place to assist retirees when there is a delay in processing their retirement applications.

Need to Further Extend “No Lapse In Pay” Program

The JBC acknowledges that the “no lapse in pay” program has been beneficial to those retirees who qualify. There remains a population of retirees for whom the “no lapse in pay” program is not an option for a variety of reasons. The JBC strongly recommends that the “no lapse in pay” program be further extended to a broader population of retirees with the Spring 2023 retirement season, even if that means the

option of providing partial compensation and access to health benefits, as appropriate, while the final resolution of their case is being undertaken.

Need to Provide Locations with Onsite Retirement Counselors and Tools to Assist Retirees

Finally, the JBC heard clearly from the campuses that having retirement counselors at their locations with access to UCRAYS would make a significant difference in the ability to get timely and informed responses to retiree concerns. The JBC strongly recommends that this be considered when the RASC is studying process improvements related to retirement counseling. Also, providing campus Health Care Facilitators, Retiree Center Directors, and Faculty Retirement Liaisons with the tools to truly collaborate with RASC in answering basic questions and initiating retirement and survivor applications would be beneficial to everyone involved.

II. Via Benefits

Since the first interaction in 2011 with Extend Health (rebranded as OneExchange in May 2014 and to Via Benefits in March 2018) representatives from the JBC, CUCEA and CUCRA have repeatedly expressed concerns about outsourcing health benefits with Extend Health, OneExchange or Via Benefits in its semi-annual reports. JBC has received no written responses.

JBC History shows:

- In its **Fall 2013** Report, JBC mentioned receiving several very negative reports from individuals about their specific experiences.
- In its **April 2014** Report, JBC noted that “at least 20% of the affected population was “dissatisfied” or “very dissatisfied” with their experiences in enrolling with a new insurance provider via Extend Health/One Exchange,” according to a UCOP preliminary report through 12/31/13.
- In its **Fall 2015** Report, JBC requested that the next Medical Plan Satisfaction Survey include Via Benefits recipients. There has been no response.
- In its **April 2020** Report, JBC made two recommendations: “We suggest that UC increase its HRA (Healthcare Reimbursement Account) payment to \$325 per month for each Medicare subscriber”, having noted the lack of a COLA or age adjustment since 2014, and “We also request that UC do a thorough investigation to determine if enrollment in the new Medicare Advantage PPO plan can be extended to Out-of-State retirees.”
- In its **Fall 2020** Report, JBC reiterated the need to adjust the \$3,000 payment and questioned if this had ever been reassessed by Deloitte, as instructed in the Regents 2013 item.

- In its **Fall 2021** Report, JBC noted that it had sent a letter to Rachael Nava and Cheryl Lloyd, asking that the University revisit the \$3,000 Via Benefits payment to retirees and it also asked, if it were possible to include out-of-state retirees in the new RFP for United Healthcare.
- In its **April 2022** Report, JBC stated in its opening sentence: “JBC would greatly appreciate an Executive Officer providing a formal response about the concerns we have expressed regarding Via Benefits after a number of years of posing many questions.” The Report followed with a lengthy analysis and six questions that needed answers. The concluding paragraph stated: “These questions are all related to the impact on this group of retirees who lost the ability to have the University negotiate for them. The JBC and others have asked many of these questions over the years without receiving answers from the President’s Office.”

With over 10 years of non-response, it is time for a reckoning on why UCOP will not respond to the UC Retiree and Emeriti Associations about these obvious issues. Over this period of time, the number of retirees using Via Benefits has grown to 12.2% of the health plan enrollees. The issues raised need a response from Senior Executives, or the next step will be to take Via Benefits directly to President Drake.

III. Issues related to new pharmacy benefit manager: Navitus

The complaints about Navitus as Pharmacy Benefits Manager continue since its introduction in January 2022. The transition to a new pharmacy benefit manager for some health plans is perceived by emeriti and retiree leadership as nothing less than a systemic failure. President Drake promised CUCEA/CUCRA leadership in April that the problems would be resolved, but in the ensuing months, we continue to receive complaints.

Unknown principles

While it is assumed an RFP for a new pharmacy manager was undertaken to manage or reduce costs, no principles for this modification were explained to the very community that was to undergo this change. And, while retiree representatives may have been involved in reviewing RFP responses, there was no engagement on what criteria would be used in such evaluations. We strongly recommend in the future there be discussion about the need for new vendors, what principles will be used when assessing the need for change, and how such proposals will be evaluated.

Lack of coordination

It appears as if one unit within UCOP initiated this change and oversaw selection of the new vendor (Navitus). Yet it seems equally clear there was not sufficient outreach to the Retirement Administration Service Center (RASC) which has an

essential role in the administration of such changes. It was well known at the time that the RASC was already in deep operational trouble due to COVID and shortcomings in benefit administration software (Redwood). That Navitus would be adopted without first Beta testing such systems suggests major gaps in project management and oversight.

Secondary effects

This lack of coordination between UC Health and the RASC created secondary effects and major levels of service degradation. The management team at RASC has engaged emeriti and retiree leadership in rebuilding its program and improving service levels. It seemed that just as we were seeing progress, RASC was overwhelmed with calls related to pharmacy issues. This then impeded its ability to provide timely service to retirees on other matters. An example: a new widow attempting to implement survivor benefits must now wait even longer for processing because of organizational flaws in the implementation of a new pharmacy benefits manager.

Also troublesome is that retiree centers on each campus were overwhelmed with calls about Navitus problems. As a result, the time needed to address this issue meant that the campus centers could not focus on their other services.

Disruption

We acknowledge that any change in a pharmacy benefit manager (PBM) will cause disruption to a portion of our community. However, this was the 5th PBM change affecting Medicare retirees in the past 7 years. The volume of disruption and the seeming inability to nimbly respond to issues as they arose was troubling. Every concern seemed to be addressed as a “one off” and there was no well-known central system to process problems. We strive to keep emeriti and retiree engaged with the university; this becomes a challenge when members get the sense the administration would let problems linger and not rapidly respond to a fundamental need for retirees to have continuity in their prescriptions. Any major change to pharmacy drug formulary should be reviewed with the affected groups in advance of any such changes. People at UCOP making decisions about “disruption” need a better understanding of what such changes mean to the retirees on the receiving end of the changes.

When we polled campus Healthcare Facilitators, they detailed an enormous number of complaints, yet no one knew if such complaints were being responded to or even acknowledged at UCOP.

Insufficient communication

Throughout this process there was insufficient communication with our community. As previously mentioned, principles for this change were never shared. Many of our leaders and members raised issues and examples of concerns, yet it was never clear who was responsible and whether such concerns were heard. A joint letter was issued by UC Health and UC Human Resources, but subsequent communication was not forthcoming. Even after President Drake acknowledged problems with Navitus at our Spring conference, we have had no communication related to follow-up or any indication that changes have been made. This leaves us disheartened, distrusting and, frankly, sad. How is it that such a fundamental program within our health insurance plans — that is, the ability to readily obtain needed medications — seems so lacking in empathy?

Flaws in governance

We know and respect the leadership within the Office of the President. And we know there is caring and respect for emeriti and retirees. That brings us to the conclusion that the problems and process experienced with the recent implementation of the new pharmacy benefits manager must be related to organizational structure and governance. Having two units oversee the administration of health insurance is flawed. There is neither adequate coordination nor a unified set of principles guiding these decisions and processes. This contract is an exemplar of a broader need to bring needed change to the administration of health insurance programs. We feel this would assist the University in reassuming its stewardship role in caring for its retirement community, which has seemingly been lost in the recent past.

Respectfully submitted by the Joint Benefits Committee:

Eric Vermillion (UCSF)	Appointed by CUCRA
Joe Lewis (UCOP)	Appointed by CUCRA
Dan Mitchell (UCLA)	Appointed by CUCEA
--Open--	Appointed by CUCEA
Louise Taylor (UCB)	Selected by JBC
Lawrence Pitts (UCSF/UCOP)	Selected by JBC
Chair, Roger Anderson (UCSC)	Selected by JBC
John Meyer (UCD)	CUCRA Chair
Jo Anne Boorkman (UCD)	CUCEA Chair
Sue Abeles (UCLA)	CUCRA Chair-Elect
Joel Dimsdale (UCSD)	CUCEA Chair-Elect