

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
STAFF SENATE
MINUTES OF THE REGULAR MEETING
THURSDAY, APRIL 16, 1992
ROOM 102 - PHASE IV - VETERINARY MEDICINE

SENATORS PRESENT: Carolyn Alls, Pat Ballard, Clara Cox, Patrick Donohoe, Julie Hancock, Linda Haney, Barbara Hise, Doug Irvin, Sherilyn McConnell, Margie Murray, Pamela Orcutt, Charles Paige, Diane Patty, Fred Phillips, Rocky Price, Haywood Pyle, Peggy Rasnick, Kathy Reynolds, Widget Shannon, Buddy Shaver, Sonja Stone, Charlie Stott, Keith Tignor, Sarah Wheeler, Deb Williams, Pat Worrell

ALTERNATES IN ATTENDANCE: Janet Bryant for Janis Brown, Bruce Harper for Spencer Foster, Diane Kaufman for Doug Jones, Wyatt Sasser, Sherri Turner,

FACULTY SENATE LIAISON: Roy Jones.

GUESTS: Charlie Gills, Karen Board, Greg Ritter

CALL TO ORDER

The meeting was called to order at 5:35 p.m. by President McConnell, who welcomed guests, liaisons, senators, and alternates.

ANNOUNCEMENTS

President McConnell announced that Staff Senate Constitution and Bylaws would go before University Council this week. Senators Orcutt and Tignor will attend, and Senator Orcutt will present the documents to the Council for first reading. President McConnell asked Senators to supply input for President McComas' address to the staff in late May or early June. Congratulations were extended to Senator Stott for receiving the President's Award for Excellence.

APPROVAL OF MINUTES

The minutes of the March 19, 1992, Staff Senate meeting were approved with the addition of Rocky Price to the list of Senators present.

SENATE COMMITTEE REPORTS

- **POLICIES AND ISSUES**--Senator Stott, chair, reported that the committee has met three times since the 26th of March. Senator Stott said that Bill Aliff, chair of CSAC's Policies and Issues Subcommittee, suggested the committee consider addressing the following issues: pay for performance, performance evaluations, educational leave, parking, the new health care plan, and several health and safety issues. The next two meetings will deal with planning approaches to policies and issues.

- POLICIES AND ISSUES/STAFF ASSOCIATIONS--Senator Murray, chair, reported the committee has not met. Senators have been asked to review a list of all staff association officers.
- COMMUNICATIONS--Senator Cox, chair, reported that the issue of campus communications had been referred to the committee from Policies and Issues, particularly how to get information from mailings to deans, directors, and department heads distributed to staff. The committee has contacted Ann Spencer about the problem and will continue to pursue it. The committee also has drafted a letter to make new employees aware of Staff Senate and other opportunities for staff involvement in university governance. Following changes to the letter by the Senate, motion was made and carried that the letter be forwarded to Personnel Services for inclusion in the new-employee packet. Vice-President Orcutt recommended that the letter also be placed in the supervisor's packet for all new wage employees. Senator Cox also reported on highlights of the April 2, 1992, CSAC meeting: The CSAC final report was favorably reviewed by Minnis Ridenour and Ann Spencer. It will be available on the computer mainframe, will be placed in Special Collections at Newman Library, and will be presented to University Council on April 20, 1992. The report was published in SPECTRUM today and Senators were encouraged to read it. Representatives of CSAC were scheduled to meet on April 10 with Richard Alvarez, Ann Spencer, and Minnis Ridenour to discuss health and safety issues. CSAC will hold its final meeting on May 7, 1992.
- CONSTITUTION AND BY-LAWS--Senator Tignor, chair, reported that the committee's work is completed and that members will be absorbed into the Policies and Issues Committee.
- ELECTIONS AND NOMINATIONS--Senator Phillips, chair, reported that Senator Jones from the library has resigned, effective immediately, due to family conflicts and is being replaced by Diane Kaufman. Senator Phillips said that nine Senators have potential problems with their respective terms on councils and commissions. due to the length of their Senate terms. The Elections and Nominations Committee will be working with the area associations to alleviate this problem. A database of additional nominees from area associations may be compiled to ease problems with future nominations. The possibility of adding an alternate senator for the Northern Virginia Graduate School was discussed. The suggestion was made that the school form its own association and elect a senator and alternate even if they could only participate electronically. The addition of an alternate was discussed as probably the easiest solution since it would not require any formal structuring.

OLD BUSINESS

There was no old business.

NEW BUSINESS--Senator Williams made a plea for Senators to disseminate all information from the Senate meetings through their staff associations. She stressed the importance of the impression Staff Senate

makes on the staff and asked all senators to send information to area representatives as well as to staff association officers. She said that what the Senate accomplishes during the next three years will determine its standing as a viable governing body.

Senator Williams said she has new information about the AIDS/HIV virus. She can be reached via computer at DEBW on VTVM1 for a copy.

President McConnell shared a letter from Delegate Joan Munford concerning her dismay over the Key Advantage health care plan and noting that she would never have voted for such a plan if it had been presented to the House of Delegates.

PRESENTATION President McConnell introduced Ann Spencer and Doug Martin from Personnel Services to present information on the new Key Advantage health care package.

Ann Spencer opened the presentation by stating that she, Doug Martin, and all Personnel officers share staff's dismay and anger over the new "Advantage" plan. She provided some of the background for development of the plan. In 1991 the Appropriations Act directed a redesign of the health care plan, which referred to a preferred provider plan as a way to contain health costs across the state. The new plan will actually cost Virginia Tech more, and the cost will be recovered through tuition charges to students. The Key Advantage plan was developed by state administrators and added to the Governor's budget plan by the Compensation and Retirement Subcommittee. State legislators approved it as a line item under the budget bill as a \$64 million savings this biennium. The university administration had no input into the plan. Doug Martin and benefits staff attended a Department of Personnel and Training (DPT) information session in mid-March. The Virginia Tech Personnel Department immediately went into action. Their first concern was the inadequate number of physicians participating locally. Other concerns include the need for women to have more than one doctor and the mental health coverage.

DPT's response was poor, and the presidents from universities and colleges across the state established a task force, which is chaired by Minnis Ridenour, to try to resolve difficulties with the plan. Ann Spencer supplied Senators with a comprehensive list of issues that the task force is addressing. The task force met with the Deputy Secretary of Administration, DPT, and Blue Cross/Blue Shield personnel. They left feeling confident there would soon be a greater number of physicians in the New River Valley and that state officials would respond to the list of issues. An opportunity to get the General Assembly to take action on the plan could come when the legislators meet in a second veto session on May 27, 1992. The Governor implemented a 90-day transition period in which state employees should have time to make necessary adjustments. No penalties will be assessed for seeing any physician during the transition period. The sourcebooks describing the plan are ready for distribution, but the Benefits Department has held them with the hope of changes in the plan.

There are many concerns across the country about the growing cost of health care. The Commonwealth of Virginia is self-insured. Blue Cross/Blue Shield is only the underwriter. Other companies cannot competitively bid when they may lose the contract in three years.

QUESTION-- Senator Williams asked why we could not solicit another state's provider to remove the BC/BS monopoly.

ANSWER-- Doug Martin stated that technically, the state is self-insured and BC/BS serves only as an administrator. The administration portion of the plan is bid periodically. The contractual components of the health care plan are determined by state personnel and external consultants. One problem with getting other administrators is that very few companies have a staff large enough to administer a statewide plan that serves approximately 100,000 employees.

QUESTION-- Is it true that doctors will receive a kickback if referrals are kept to a minimum?

ANSWER-- Doug Martin stated this was true. Ten percent of charges are kept in a pool and at the end of the year doctors receive a share in the profits.

QUESTION-- President McConnell asked who chooses the committees that address health care insurance and how do we get representation on them.

ANSWER-- Doug Martin was unable to answer at this time; however, his office will be pushing hard to see that representatives from this area are added to the committee.

QUESTION-- Senator Ballard asked if other state agencies and higher education personnel offices are organizing to create a more united front.

ANSWER-- Most are doing things on an individual basis.

QUESTION-- Alternate Senator Sasser asked what is the "bottom line" or real purpose of the new plan.

ANSWER-- The state will save \$64 million this biennium. Virginia Tech contributes \$800,000 more next year, which will be covered through a tuition increase.

QUESTION-- Senator Stott asked if \$64 million in savings is just a "guesstimate."

ANSWER-- True, simply a projection.

QUESTION-- The question was asked if DPT was the "heavy" in designing the plan.

ANSWER-- Yes, along with a consulting firm.

QUESTION-- Charlie Gills asked if there was always the need to have the primary care physicians concurrence.

ANSWER-- Yes. Doug Martin also stated that it has been estimated that each physician can service 500 employees within a 30-mile radius. Estimates for Montgomery County are that only 22 physicians will be needed for 11,000 state employees. Each physician must also have a designated back-up when s/he is out of the office.

QUESTION-- Senator Stott asked if the legal and malpractice issues have been addressed.

ANSWER-- Yes, it is important that the physicians are re presented also.

QUESTION-- Senator Donohoe asked if doctors will will be picked.

ANSWER-- Unsure, they are posing that question now. The doctors have a strong agreement to refer patients within the Advantage network. If they do not, patients will be required to pay 25 percent of the difference for both visits. All hospitals will be participating. The only thing to watch with hospitalization would be to make sure the admitting doctor is participating or else the employee will find him/herself responsible for 25 percent of the hospital bill as well.

QUESTION-- President McConnell asked what happens with a mental condition if the subscriber is unable to call the 800 number.

ANSWER-- There is no good answer at this time.

QUESTION-- Charlie Gills asked for the rationale behind the plan.

ANSWER-- Doug Martin stressed they had asked to be provided with a savings break-down.

QUESTION-- A Senator stated that eventually the doctors will participate and other patients will probably bear the brunt of the costs.

ANSWER-- The people without insurance are carrying the load. State retirees will fall under the same rules as current employees.

QUESTION-- Senator Kaufman said she had been through this before and that the main thing is to always work through one's primary care physician.

ANSWER-- Yes, that is your safest bet. On another note, when traveling out of town you will be covered.

QUESTION-- Alternate Sasser asked if we could opt out of the plan now and come back in later.

ANSWER-- Yes, employees can come back in at any time; however, family members would have to wait until open enrollment.

QUESTION-- Senator Rasnick asked if the Basic people would now pay \$7 monthly.

ANSWER-- Yes, with pre-tax dollars.

QUESTION-- A Senator asked if records of the number of referrals would be public information.

ANSWER-- Blue Cross/Blue Shield can check patients' records now at any time. There is no mechanism for us to check doctors' records.

QUESTION-- Senator Stott asked why they even thought they could expect more doctors to sign up with such poor incentives.

ANSWER-- No real answers, with the exception that it would be profitable for new doctors or doctors with small clientele to sign on.

QUESTION-- Senator Wheeler asked if her primary care physician might be able to make a referral over the phone.

ANSWER-- Doug Martin said there is no answer to that at this time.

QUESTION-- Senator Tignor asked why each answer created more questions.
ANSWER-- Personnel and Benefits have asked DPT for more informative question-and-answer sessions and have been instructed they are being planned. The sourcebook and memo will be out in a few days, but there is still a concern that more details will change prior to October 1, 1992.

CLOSING COMMENTS-- Doug Martin stated the Prescription Card Plan is unchanged. During the 90-day transition, no penalties will be imposed. Sourcebooks will be distributed soon and should be read carefully. The referral process is the most complicated part. Employees do have the option to change their primary care physician on a monthly basis. Several information sessions will be held on campus to discuss the new plan.

Ann Spencer asked Senators to convey the administration's position in this matter. She said they have tried to represent the university's best interests and are extremely frustrated. They have been unable to get accurate information to distribute as it seems to be changing so rapidly. Senator Williams reiterated that Ann Spencer and Doug Martin have worked diligently to pass information along. She also urged Spencer and Martin to use the cost of the added workload among their staff as a reason to fight this plan.

OTHER BUSINESS-- Senator Stott presented a resolution to request reevaluation of the Key Advantage health care plan, of the process used to establish any future health care programs, of the selection of administrators for the programs, and of the determination of geographic representation on committees, board, councils, and other groups dealing with health care. The motion was made to forward it to DPT along with a cover letter inviting DPT to come to Virginia Tech and further address the issue. The motion passed unanimously.

The meeting adjourned at 7:45p.m.
Barbara Hise
Secretary