

February 10, 1992

REPORT ON THE EIGHTIETH FACULTY ASSEMBLY MEETING

The eightieth meeting of the Faculty Assembly took place at the General Administration Building February 7, 1992. Delegates and Faculty Chairs from the constituent institutions met with President Spangler and several of the Vice-Presidents of the University.

President Spangler reported that Vice-President Raymond Dawson was leaving the Administration to return to teaching political science at the University of North Carolina - Wilmington at the end of the spring semester.

Vice-President Jasper Memory is recovering from surgery for the removal of a benign brain tumor.

The General Administration is well along in preparation for the Short Session of the General Assembly. He stated that the revenue outlook is somewhat brighter and indicated that the first priority is funding of raises for university employees. There is a coordinating committee of the Board of Governors and members from the sixteen Boards of Trustees for a bond issue request for capital improvement.

Jay Robinson and R.D. MacMillan are meeting with the Select Committee of the General Assembly to keep informed on matters pertaining to the Health Insurance Program

The report on the Faculty Performance Audit should be forthcoming at the April Meeting of the Assembly.

Vice-President Dawson reported on the graduation rates and provided the Assembly with tables which are available in the Senate Office. This report included a review of how many students had graduated in four, five, six and seven years. He reported on the difficulty of tracking all transfer students and the growing opinion of some in the General Assembly that perhaps 12 hours is not the equivalent of a full load each semester. He said that each institution needs to be sure:

a) that necessary courses are offered so that students can get what they need for graduating in a four year cycle.

b) degree requirements are both demanding and reasonable to be achieved in four years

c) to advise students properly to get them through in four years.

President Spangler took questions, most of which related to the Health Insurance program. He said that there is no portion of this problem that will not be given serious effort and will attempt to keep benefits levels without too great an increase in premiums.

Chair Wilson reported that the Assembly will meet during 1992-93 on September 18, November 20, February 12 and April 16.

Paul Sebo of the Health Insurance Office spoke on the Health Insurance Plan during a working dinner. His comments were useful, though not encouraging. His discussion centered on the costs and the state's attempts at containment of these costs. Specifically he discussed the attempt to save 50 million dollars through what is called "Managed Care." The 5-8-5 discount program to save \$20 million on hospitalization and \$30 million through reduction of benefits for drugs with the "average wholesale cost" concept. What amounts to a "Wallet Biopsy."

COMMITTEE REPORTS

Academic Freedom and Tenure Committee is working on Resolution 90-5 and President Spangler will report on the General Administration implementation of

this resolution concerned with Standards for Renewal and Non-Renewal.

They are also looking at Teaching Evaluations and the 73 accrediting bodies each of which has their own standards which must be met and which impose on the curriculum, course structure and teaching. They recognize this as a long term project.

Budget Committee has found no solution to the problems inherent in this process; but did report that the General Administration will seek at least a 4% increase in 1992. They too looked at the Capital Improvement Bond Issue

Faculty Development Committee reported on two projects:

1) survey of unreimbursed professional costs and have sent out 2000 questionnaires. If you have received one, please fill it out and return soon.

2) Professional Development conference to be held June 6-8 at the Friday Center, by invitation. Chief Academic Officer and others.

Three other Faculty Development events are planned.

1) May 18-26 Retreat at Wild Acres near Little Switzerland, cost is \$85.00

2) June 1-5 New Faculty Seminar and

3) June 25-27 the Carolina Colloquy both of which are at Western Carolina University, contact Ben Ward at 704-227-7196 for additional information

Faculty Welfare Committee discussed the Health Insurance program, is beginning a study on Campus Violence and will bring information on a future meeting of the Benefits and Human Resources meeting on Optional Retirement Programs. A Resolution in support of the ECU Resolution on Preferred Providers was offered, amended and ultimately passed.

Governance Committee met with the Chairs of Faculty from the constituent institutions and addressed four issues

1) current economic circumstances as they impact faculty ability to function

2) enrollment increase without resources to cover additional costs of instruction

3) Increases in teaching loads without additional resources to facilitate research which is increasingly being required for raises and promotion

4) the addition of new programs without additional faculty or resources to cover them.

Had no solutions to these problems, but had discussed them and will continue to do so.

Planning and Programs Committee offered several recommendations.

1) that persons conducting SACS studies on campuses have some experience with visitation teams so that they better know what is being sought

2) Provided a comparison of academic calendars from the 16 institutions; though some information is incomplete. A copy is included with this report

3) Looking at a survey of upper division head count and graduation rates

4) Discussion of Remedial Courses and the fact that there has been a decreased number since the minimum admission requirements were implemented. However, there was also reference made to the number of contracted remedial courses being offered by Community Colleges and Technical Institutes, which was not clear. They will come back next time with the number of transfer students.

The meeting concluded with a Resolution in honor of Raymond Dawson and his return to the "honorable profession of teaching."

L.E. Hough
Delegate

N. C. TEACHERS' AND STATE EMPLOYEES' HEALTH BENEFIT PROGRAM

Prepared 11-6-91

BENEFIT OPTIONS: Self funded Comprehensive Major Medical Plan
 Blue Cross/Blue Shield of NC Claims Processing Contractor
 Kaiser Permanente (HMO), PARTNERS National Health Plan (HMO)
 Physicians Health Plan (HMO), PruCare of Charlotte (HMO)
 Flexible Benefit Program (IRC Section 125)

MEMBERSHIP

Membership by Benefit Option as of 10-1-91:

	Self Funded	Kaiser	PARTNERS	PHP	PruCare	Total
Active Employees	201,054	14,698	1,314	6,298	4,318	227,682
Retired Employees	69,802	823	102	164	552	71,443
Continuation	2,162	90	0	0	43	2,295
Total Employees	273,018	15,611	1,416	6,462	4,913	301,420
Dependents of						
Active Employees	131,611	11,004	1,101	5,163	3,430	152,309
Retired Employees	14,508	136	31	25	144	14,844
Continuation	935	66	0	0	23	1,024
Total Dependents	147,054	11,206	1,132	5,188	3,597	168,177
Total Members	420,072	26,818	2,548	11,650	8,510	469,597
% of Total Members	89.5%	5.7%	0.5%	2.5%	1.8%	100.0%

Self Funded Plan Membership by Employing Unit as of 10-1-91:

	# of Employing Units	Employees	Dependents	Total
Agencies & Hospitals	77	55,740	37,712	93,452
Universities	16	24,379	18,620	42,999
Community Colleges	58	8,424	6,270	14,694
School Systems	134	112,511	69,009	181,520
Retirement System	3	69,802	14,508	84,310
Continuation	-	2,162	935	3,097
Total	288	273,018	147,054	420,072

FINANCIAL STATUS

	Actual Year Ended 6-30-91	Actual Year Ended 6-30-90	Projected Year Ended 6-30-92
Contributions	\$454,693,349	\$426,584,415	\$570,000,000
HMO Risk Adjustment (note 2)	\$3,090,360	\$4,347,602	\$3,000,000
Investment Earnings	\$8,148,200	\$9,147,166	\$4,000,000
Total Income	\$465,931,909	\$440,079,183	\$577,000,000
Claim Payments	\$506,459,906	\$421,847,343	\$550,000,000
Administration (note 3)	\$9,573,299	\$8,669,178	\$10,136,643
Total Expenses	\$516,033,205	\$430,516,521	\$560,136,643
Plan Gain (Loss)	(\$50,101,296)	\$9,562,662	\$16,863,357
Beginning Cash Balance	\$92,808,626	\$83,245,964	\$42,707,330
Ending Cash Balance	\$42,707,330	\$92,808,626	\$59,570,687
Estimated Incurred but Unpaid Claims Reserve (note 4)	\$90,000,000	\$75,380,000	\$90,000,000

Note: Not included in the above financial data are contributions paid to HMOs and the cost of benefits provided by HMOs. Employer contributions to HMOs for the year ending 6-30-91 were approximately \$23,668,925.

Note 2: HMO Risk Adjustment is a recovery of losses due to the relative better risk of the Plan members who have joined HMOs.

* Note 3: Administrative expenses are roughly 2% of claim payments.

Note 4: Estimated Incurred but Unpaid Claims represents total outstanding claims; the Plan normally operates on a "pay as you go" basis which requires available cash to pay ongoing expenses plus an operating reserve of 7.5% of claim payments.

SELF FUNDED CLAIMS ANALYSIS

	Year Ended 6-30-91	Percentage of Total Claims	Year Ended 6-30-90	Percentage of Total Claims	Percentage Inc./ (Dec.) YE 6/90 - 6/91
Hospital Inpatient					
Hospital Care	\$ 189,679,186	37.45%	\$ 165,130,348	39.14%	14.87%
Physicians & Other Professional Care	53,501,446	10.56%	45,573,176	10.80%	17.40%
Skilled Nursing Facility	6,546,391	1.29%	5,839,290	1.38%	12.11%
Total Hospital Inpatient	249,727,023	49.31%	216,542,814	51.32%	15.32%
Hospital Outpatient					
Facility Fees	68,349,311	13.50%	52,552,520	12.46%	30.06%
Surgeon	18,758,212	3.70%	14,044,590	3.33%	33.56%
Physicians Fees	10,546,823	2.08%	8,341,537	1.98%	26.44%
Radiology	5,422,679	1.07%	4,556,346	1.08%	19.01%
Total Hospital Outpatient	103,077,025	20.35%	79,494,993	18.85%	29.66%
Physicians Office/Home Care					
Drugs	57,387,734	11.33%	44,517,719	10.55%	28.91%
Office Visits	35,268,242	6.96%	29,167,202	6.91%	20.92%
Office Surgery	9,898,996	1.95%	10,445,733	2.48%	-5.23%
Laboratory	13,121,178	2.59%	11,039,520	2.62%	18.86%
Radiology	8,520,052	1.68%	6,808,342	1.61%	25.14%
Chiropractic	5,312,209	1.05%	4,545,450	1.08%	16.87%
Home Health Care	5,907,684	1.17%	4,161,375	0.99%	41.96%
Private Duty Nursing	2,903,274	0.57%	3,191,405	0.76%	-9.03%
Chemical Dependency	200,995	0.04%	177,110	0.04%	13.49%
Physical Therapy	2,951,665	0.58%	2,096,432	0.50%	50.07%
Hospice	471,382	0.09%	314,103	0.07%	25.33%
Miscellaneous	11,712,447	2.31%	9,345,145	2.22%	
Total Physicians Office/ Home Care	153,655,858	30.34%	125,809,536	29.83%	22.13%
Total Claims	\$ 506,459,906	100.00%	\$ 421,847,343	100.00%	20.06%

ACADEMIC CALENDARS FOR THE UNIVERSITY OF NORTH CAROLINA

School	Fall 88	Spring 89	Total	Weeks	Fall 91 w/o exams & reading days	Fall 91 w/ exams & reading days	Spring 92 w/o exams & reading days	Spring 92 w/ exams & reading days	Total	Weeks
ASU	79	82	161	32.2		80		80	160	32
East Carolina U	78	79	157	31.4	70	76	70	78	154	30.8
Elizabeth Cty St	78	77	155	31	73	78	75	80	158	31.6
Fayetteville St U	74	84	158	31.6		[79]		[76]	155	31
NC A&T	78	86	164	32.8		[76]		[81]	157	31.4
NC Central U	80	81	161	32.2	72	80	69	78	158	31.6
NC Sch of Arts	76	88	164	32.8						
NC State U	79	77	156	31.2	72	80	71	79	159	31.8
Pembroke St U	76	78	154	30.8	74	80	73	79	159	31.8
UNC-Asheville	80	72	152	30.4		[81]		[76]	157	31.4
UNC-Chapel Hill	77	69	146	29.2		[79]	71	78	157	31.4
UNC-Charlotte	81	77	158	31.6		[78]		[78]	156	31.2
UNC-Greensboro	82	83	165	33	72	79	73	81	160	32
UNC-Wilmington	81	79	160	32		[79]		[77]	156	31.2
Western Carolina	78	78	156	31.2	71	78	73	79	157	31.4
Winston-Salem St	76	78	154	<u>30.8</u> 31.58	75	81	74	81	162	<u>32.4</u> 31.5