

With the presentation of the seven reports in this pullout section, the Secretary of the University Council completes the publication of the Year End Reports of Committees for 1997-98. In addition to those given here, Council published six 1997-98 Year End in Almanac on the following dates:

Community Relations, November 10, 1998
Facilities, November 24, 1998
Pluralism, April 21, 1998
Recreation and Intercollegiate Athletics, April 21, 1998
Safety and Security, April 21, 1998
Student Affairs, November 10, 1998

Bookstore

Efforts by the Bookstore Committee to meet in the Fall term [1997] were frustrated by the administrative incompetence of the support staff provided by Barnes & Noble. That issue was resolved in the Spring, when Marie Witt graciously volunteered a member of her staff, the able Corinne Bui, to schedule meetings. By the time we were able to meet, however, the usefulness of the first project we had set ourselves for the year, advising the Bookstore on the kinds of merchandise and services that would be offered in the new store, seemed moot. Most decisions had been made in the Fall. Nevertheless, we devoted our first meeting to the new store and its possible configurations, but we turned thereafter to two other concerns that had been raised by members of the community, pricing and service.

Both issues bear especially on the Computer Connection. To focus on that part of the Bookstore operation, which is separate from Barnes & Noble, the Committee organized a subcommittee, with Professor Ted Chinburg as its chair. The subcommittee has listened to complaints about service and has gathered information on the Computer Connection's merchandising and pricing policies. Perhaps more productive than relaying complaints or gathering specific data, however, is the simple act of conveying to the management that someone is attentive to what is going on in that area. We believe that the charge of the Committee in the future should be to explicitly make the Computer Connection a part of its area of oversight, since the computer retail shop and the detached and independent service facility are not related to Bookstore management.

On the issue of pricing policies, we have found both the Computer Connection and the Bookstore more than ready to share information with us, but in neither organization do we detect any elasticity on prices to be charged. Mike Knezic, the Bookstore's able manager, assures us that best-sellers will be marked down in the new store, but what is of primary concern to us is text-book pricing, because that is what is of particular concern to Penn's students. Having discovered last year that faculty resistance to market competition is pronounced, we doubt if any measures to promote price competition for new books can be effective. Nevertheless, we urge faculty members to negotiate the issue of price when selecting the booksellers with whom they place their orders. On the issue of used text-books, however, we believe that the wider dissemination of information might result in changes that could leave our typical undergraduate a hundred dollars richer at term's end.

If the Bookstore knows in April what texts will be used at Penn in the Fall, it will buy them back from students at 50%. If a book is priced at \$40, a student will receive \$20 for it. Another student will buy it in the Fall for \$30—and that student will have the opportunity to re-sell it again in December for \$20. If, on the other hand, no teacher at Penn has indicated in April or earlier that the text is to be used again in the following semester, the buy-back price will be \$10, since that text will in theory have to be shipped elsewhere for re-sale; and if no teacher at any university served by the system has indicated the book will be used, it cannot be repurchased at all.

At present, seventy percent of book orders for the Fall reach the Bookstore in August or later—not in time for 50% buy-back. Orders are even less prompt for the Spring term. If the faculty can be brought to understand the economic implications of this issue for our students, we are confident that they will alter a long-standing pattern of behavior. We include this matter in our report in hopes of bringing about a change in ordering dates, but we shall also in the next two weeks send individual letters to the teachers of the largest courses using the Bookstore urging them to expedite next term's orders so that next month students complet-

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ing examinations can re-sell their texts at attractive prices and so that in September used texts will be available for all who prefer them.

Membership of the Bookstore Committee, 1997-98

Faculty: Robert Regan (*Chair*), English; William R. Brennen, chemistry; Ted Chinburg, mathematics; Phillippe Met, Romance languages; Daniel Raff, management; Ruth York, nursing. **Students:** Robin Grossman, Heidi Tarshis. **Administration:** Joanne Lyon, office manager, Nursing; Michael Ryan, dir., Special Collections; Adam Sherr, mkt./meal contract coord., Dining. **A-3:** Loretta Miller, Student Information & Systems. **Ex Officio:** Michael Knezic, director, Bookstore.

Communications

Background

The Committee met six times during the academic year. The major topics addressed and our recommendations concerning them are presented in separate sections below. The first four sections cover the five specific charges (two combined into one section) given to the Committee by the Council Steering Committee; the next five report on additional issues brought to our attention. In addition to these we received reports on a number of lesser issues during the year, for example a minor recurrence of pilferage of Quad mail in the fall, and, concluding that they were being addressed appropriately and effectively, took no further action on them.

The PennNet "Public Utility Commission"

The Task Force to Restructure Computing Services Across Penn (see *Almanac* insert, May 7, 1996) recommended that PennNet be operated as a regulated public utility, governed by a "public utility commission". Such a group was formed, but rapidly discovered that the PennNet operating budget was not sufficiently well defined or distinct from other activities of Information Systems and Computing (ISC) to permit this form of operation. The group therefore reconvened itself as a Network Planning Task Force (NPTF) and assumed the task of understanding and rationalizing budgeting for PennNet. The NPTF was intended to complete this task in a limited period of time and then be replaced by the originally planned commission (with, however, a different name, since there was concern that calling it a public utility commission would have unintended legal consequences). We met by invitation with the NPTF at its "state of the union" meeting. We concluded that the task undertaken by the NPTF was a necessary and appropriate preparation for the operation of PennNet as a utility. We were concerned however that NPTF membership included insufficient representation of students or faculty, and recommended that the group that will soon replace it be more representative of these "tariff payers."

The Pennsylvania Gazette; Electronic Communications with Alumni

We devoted one meeting, with the Editor of the *Gazette*, the Director of Development and Alumni Relations Services, and the Director of Alumni Relations as guests, to these two charges. We noted that the *Gazette* is now available on the Web (in a form that we approved) and is also sent to international alumni, thus obviating those aspects of the first charge.

The principal function of the *Gazette* is outreach to and maintenance of contact with alumni. Our discussion of it centered on the selection of content. It was noted that the wide range of ages represented among the alumni, and the changes in the complexion of the student body that have occurred over time, represent a substantial challenge in this respect. It was also noted that the extension of electronic communications with alumni is likely to aid in fulfilling the *Gazette*'s mission, especially with more recent

graduates. We concluded that both the process of selection of material and the outcome—a balance of features extolling achievements with forthright coverage of current events, often controversial and sometimes potentially negative—are appropriate. Several members noted that the *Gazette* compares favorably with their own alumni magazines.

We learned that the Office of Alumni Relations has created a task force charged to develop proposals for “building an online alumni community.” Extensive input is being sought from alumni and students (future alumni). Many new services will be possible with the redesign and extension of PennLink, which was among the first alumni Web sites. Potential services include an online directory, various e-mail services—e.g. “listservs,” alerts, forwarding—chat rooms and other interactive services and Web-based delivery of much that is currently paper-based. They would serve a wide range of social, recreational, educational—including distance learning—and career development functions. The task force is expected to define and prioritize these services. We approved this initiative.

High Quality Digital Images

The Vice Provost and Director of Libraries reported on this issue. He pointed out that digitization of images can be looked upon merely as a means to the end of their convenient communication, and existing copyright law can appropriately be applied to them. Publishers’ associations have, however, tried to assert a greater degree of copyright protection over such images and are pressing Congress to enact stronger legislation.

Individual publishers have proved amenable to negotiating agreements for the dissemination of images of their copyrighted materials that are revenue neutral or positive. The Association of Research Libraries has draft litigation prepared to counter the restrictions proposed by the publishers’ associations. Tools are now in place that permit authentication of users and restriction of access to digital information that replicates current copyright protection of print materials. The University Libraries are planning to implement an image server operating under these conditions to supply digital images, most from copyrighted materials—some created internally—to the Penn academic community, using standard authentication. We endorse this initiative and recommend that the University be prepared to resist any attempts to enforce more restrictive copyright protection, including urging its representatives in Washington to work towards retaining the application of existing copyright law in the digital arena.

Penn Web Redesign

The original Penn Web design was in 1995 and its content has shown rapid growth of volume and complexity since. Experience of its use, particularly feedback from users and providers of information and the results of an extensive online survey, and advancements in Web technology and techniques led to a redesign in 1997. It was of particular concern that the “views” structure on which the 1995 design was based did not lead to the large redundant menu trees that had been envisioned, and consequently navigation and ease of use—the highest priorities of most users—were sometimes suboptimal. The new design therefore took a topical menu structure as its backbone, but retained the “views” for the benefit of those who had become accustomed to using them. The goal was consistent and predictable navigability without reliance on a knowledge of the University’s organizational structure. User comments on the new design have been largely favorable. Even more telling perhaps is the fact that, despite steadily increasing usage, Webmaster mail complaining of confusing entries and inability to locate items sought has declined to about a third of its prior volume. We congratulate the Penn Web group on a job well done.

Pennsylvania Current

The Director of University Communications described a survey that was conducted to analyze communications within the University and the subsequent decision to discontinue the Compass insert in *Almanac* and establish *Pennsylvania Current*. The survey suggested that the most important unmet communications need was from the central administration to students, and to a lesser degree staff. *Pennsylvania Current* was designed to fulfill this need within prevailing budgetary constraints and had recently begun publishing. It was recognized that no single source of information would meet all needs, so *Current* was designed to complement existing publications. It is hoped to move from bi-weekly to weekly publication at some future time. Early issues, despite some distribution problems, had appeared to be well received. Members made several suggestions of possible enhancements.

Data Sources for PennCard

The Director of Campus Card Services and a Senior Data Analyst made a presentation on the new PennCard, with particular emphasis on the data

used and its sources. In response to questions it was pointed out that the Committee had approved an ad hoc policy governing the privacy protection of digital photographs the previous year, which included provision for their release on request for valid academic purposes, such as the identification of students in a class. The bulk of the information on individuals is obtained or validated from Human Resources/Payroll and the Student Records System. Many are not aware of some of the criteria for validation, for example that a student must be registered for at least one course. This occasionally results in confusion and ill will; several avenues to make it better known were suggested. There are also many persons, for example visitors and other affiliates not on the University payroll, for whom the PennCard database is the primary source of information. There has been considerable discussion in the past of the creation of an inclusive “people database” and we recommend that Campus Card Services and ISC reinstate its active consideration. Defining the resources required to create and maintain it, the benefits expected and the issues raised should be the initial goal.

Commercial Use of PennNet;

Use of PennNet by Non-University Organizations

The Committee had several discussions of these two related issues, with a view to amending the Policy on Acceptable Use of Electronic Resources (*Almanac*, April 29, 1997) to address them; and the chair asked for feedback on them in his interim report to Council, but received none. In the course of these discussions a bewildering variety of scenarios that might be regarded as infractions were suggested. It became clear as a result that, given the rapid pace of change of what is technically possible and our fortunately very limited current experience with attempts to test the boundaries of what is acceptable, any efforts to anticipate developments and craft legislation to regulate them would be likely to miss their target. Instead we recommended that the Vice Provost for ISC utilize the discretion granted him by the acceptable use policy in regulating these activities until specific areas which require its expansion become clear.

Inappropriate E-mail and Web Site Content

Following an incident that became known to a member of the Committee, we asked the University Information Security Officer to describe the steps that are taken when offensive material in e-mail messages or Web pages is reported to him. We concluded that the procedures used in handling such incidents are appropriate and show proper regard for the level of freedom of expression expected in an academic community, while duly enforcing existing laws and the Policy on Acceptable Use of Electronic Resources.

The Penn Video Network

The Coordinator of the Penn Video Network (PVN) described it to the committee. PVN serves as the source of cable television services for those in on-campus residences. With the completion of ResNet last year it is available in all dormitories and with GreekNet will extend to fraternities; it is also accessible in fifty or more non-residential campus locations. Its primary mission is to support the social and entertainment needs of those in the residences, but it also acts as a source of University information (events calendar, for example) and carries some political, current events and other educational material. There are sixty-five channels that could readily be expanded if sufficient need arose. The selection of services provided and some individual items—e.g. movies—is guided by volunteer student committees. PVN is sometimes used for on-campus video-conferencing and relaying special events to overflow crowds. We believe that as it becomes a mature service extending to all campus residences it presents a currently underutilized opportunity to contribute to campus intellectual and cultural life and recommend that this be considered whenever plans for these areas are developed. We commend PVN for its level of student involvement, but suggest that as it matures it may find the need for a more formal governance structure.

Membership of the Communications Committee, 1997-98

Faculty: Martin Pring (*Chair*), physiology/medicine; James Corner, architecture; Gerald Faulhaber, public policy & management; Ellis Golub, biochemistry; Steven Kimbrough, operations & information management; David Mozley, radiology & psychiatry; David Smith, anesthesia/medicine; **Students:** Jennifer Chayo, Joanna Fuyo, Paul Goydan, Elvin Montero. **Administration:** Donna Milici, director, Academic Computing. **Ex Officio:** Ken Wildes, director, Communications; Larry Moneta, associate vice president, Business Services; Paul Mosher, vice provost & dir., Libraries; Steven Murray, vice president, Business Services; James O'Donnell, vice provost, Information Systems & Computing.

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International Programs

The University Council Committee on International Programs met six times and addressed the following charges for the 1997-98 academic year:

- Working with the Office of the Vice Provost for University Life to develop a comprehensive list of services, including student organizations and clubs, currently offered to international students and scholars, and make appropriate recommendations.
- Based on the 1996-97 committee report, further develop suggestions for the University to recognize the unique needs and support mechanisms for international students and scholars.

The first charge was carried out with the assistance of the Office of the Vice Provost for University Life and the Office of International Programs. To address the second charge, the Committee divided itself into subcommittees to look into the following more specific issues:

- Integration of international students and scholars into the University community.
- Postdoctoral students.
- Short-term housing.

In addition, the issue of study abroad programs was also considered in the first few meetings of the Committee, but, due to lack of time, this important issue was tabled and is recommended for consideration by the Committee next year.

The active membership of the Committee consisted of eight faculty, two graduate students, two undergraduate students and one member from the administrative staff. A representative from the Office of International Programs (OIP) also served as an ex-officio member. In addition, several members of the community at large participated as guests in our meetings. These included Ms. Barbara Cassel, Assistant Vice Provost for University Life, Dr. Trevor Penning, Associate Dean for Postdoctoral Research Training and Dr. Shalini Bhutani, Advisor, Office of International Programs.

Services Offered to International Students and Scholars

In addition to the considerable list of services provided to the international student/scholar community by the OIP, the Office of the Vice Provost for University Life also provides a number of programs and services for international students. The following services and programs are provided by the appropriate offices:

- Academic Support Programs presents a workshop series, "Academics Plus," for international students. The workshops focus on writing issues, cross-cultural learning issues and reading.
- Career Planning and Placement (CPPS) organizes a program—the Penn International Employment Resource Site (PIERS)—which addresses employment issues, including visas and other work permission matters. The webpage is www.upenn.edu/CPPS/piers/piersmain.html
- Penn Women's Center (PWC) has programs on safety. PWC developed a support group for international women students and continues to render services to individuals addressing a variety of personal issues.
- The Office of Health Education gives classes on sexual health/sexual violence and distributes promotional and educational materials on alcohol and other drug concerns.
- *The Faculty Resource Guide to Student Services (1995-96)* suggests routes to take when it is discovered that a student has a problem—academic and otherwise.
- Counseling and Psychological Services. International students routinely take advantage of the services of this office.

Further details on the above services [were] appended to this report. However, the University's major resource for international students and scholars is the *Handbook for International Students, Scholars and Families*, available from the OIP. In general, it was the sense of the Committee that the University is making good progress in terms of providing services and resources to the community of international students and scholars.

Integration of Students/Scholars into the Penn community

This issue was judged by the Committee to be one of the most important facing the University. To a large extent due to its size, the University community is perceived to be rather inaccessible to international students and scholars, especially for those that are here for shorter periods of time. Several meetings were devoted, in part, to discussions relating to this complex issue. Among the Committee's findings and recommendations,

there are two of special interest. The first is to endorse last year's Committee recommendation that the University declare an International Students' Day. Such an event would not only serve to help international students and scholars find points of contact in the University, but, perhaps more importantly, it would also be very helpful in making the community at large aware of international students and scholars at Penn. The second is to try to develop new ways of bringing international students and scholars into contact with other members of the University community. One idea that gained particular favor with the Committee members was the development of programs that would involve students and scholars in service roles with international missions. An example would be the creation of a club to help libraries and schools in other countries acquire books, teaching and writing materials, computer software and hardware, etc. The Committee recommends that the Committee's deliberations on this issue be extended into next year.

Postdoctoral Students

Postdoctoral students constitute a special class of international students/scholars, because they are particularly vulnerable to loss of status and because they often make little contact with the University community. Recently, a University-wide Postdoctoral policy has been implemented (*Almanac* April 30, 1996) and a new Office of Postdoctoral Programs has been instituted in the School of Medicine with the goals of improving the quality of the postdoctoral programs and to provide support for postdoctoral students. In particular, this office has implemented orientation sessions for these students in an effort to facilitate their transition into the community at large. While this program is currently available to affiliates of the School of Medicine (and to select departments in other schools engaged in biomedical research), the Committee recommends that similar services be made available to postdoctoral students in other departments and schools.

Short-term Housing

There is a perceived need for appropriate short-term furnished housing for scholars who are visiting on campus for periods of two weeks to several months. Such scholars, often international visitors here to do collaborative research with University faculty, have few housing options at present. The University currently provides only three types of short term housing: 1) Guest Suites in Grad Towers (Nichols) at approximately \$1100-\$1200 per month, 2) One bedroom apartments in Mayer Hall at \$230 per week, and 3) dormitory rooms with shared bath in Grad Towers (Nichols) at \$115 per week (\$445 per month). The first two categories are quite expensive (they are most appropriate for the most senior visitors) and many single less senior foreign visitors would find the cost prohibitive. We consider the third category of accommodation unsatisfactory for professional research visitors. A higher level of comfort and ambiance should be provided for our visiting colleagues who often work until late hours in Penn research laboratories and libraries. The only current other option in the West Philadelphia area is the Divine Tracy Hotel, which is not suitable for many visitors (e.g., women may not enter the hotel unless they are wearing a skirt or dress and stockings!).

The Committee on International Programs has discussed possible additional housing options. It is recommended that the University provide an additional grade of housing for short-term visiting scholars. A simply furnished but comfortable room with private bath should be priced at \$500-600 per month (\$120-200 per week) for our visitors. The Committee could not readily identify a current site in existing University buildings for such rooms. However, it is recommended that the University consider the following options:

- A number of rooms in existing dormitory buildings might immediately be converted into single rooms with private baths.
- As the University renovates dormitory buildings in the coming years, provision for such guest rooms could be made.
- The University could set aside a group of rooms in the Sheraton Hotel or the Penn Tower Hotel as special visiting scholar guest rooms at the above suggested monthly rate.
- An existing campus building could in part be used for visiting scholar housing and perhaps also for a center for International Programs and related activities.
- The University could contract with an outside Realtor or hotel franchiser to have a facility built in University City that would provide nice short-term housing in the price range suggested above.

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Recommendations

1. The Committee recommends that the University institute an International Students' Day to be celebrated as an annual University event.
2. The Committee recommends that provisions similar to those that have already been implemented for postdoctoral students in the School of Medicine, through the Office of Postdoctoral Programs, also be made available to other postdoctoral students in the University.
3. The Committee recommends the creation of an adequate number of low-cost housing options for short-term visiting students and scholars. This could be either by appropriate modification of already existing University facilities or by a contract with an external realtor or hotel franchise.
4. The Committee recommends further deliberation into the next

academic year on the integration of international students and scholars into the University community with particular emphasis on the development of clubs/community groups with an international service mission.

5. The Committee recommends continued deliberation on study abroad programs, in particular to address cost and equivalency issues.

Membership of the International Relations Committee, 1997-98

Faculty: Pedro Ponte-Castañeda (*Chair*), mechanical engineering; N. Bulent Gultekin, finance; Roberto S. Mariano, economics; Thomas Safley, history; Harold F. Schiffman, S. Asian Studies; Arie Schinnar, public policy and management; Richard Waterman, statistics; Eric Weinberg, biology. **Administration:** Lois Ginsberg, Organizational Dynamics. **Students:** L. Berman; Chioma Ogbuokiri; Brian Tsung-Han Tsai; Jonathan Zilberstein. **Ex Officio:** Ann Kuhlman, International Programs.

Library

The Library Committee and key Library staff members discussed a number of issues during the past year:

Faculty Users Survey

In the 1996-97 academic year, the library administered a users survey to the faculty, graduate/professional students, and undergraduates. The faculty portion of the survey was sent to all members of the standing faculty. Of the 1,940 surveys issued, only 301 or 16% were returned. The returns were heavily weighted (40%) from the medical faculty (who make up 49% of present Penn faculty). A number of key points in the survey were discussed by the Committee. The availability of increased amounts of networked information is leading to fewer library visits by faculty and 60% of those surveyed access library resources from their home or office more than once a week. When asked to rank how library resources should be concentrated, the faculty prioritized journals first, networked citations and abstract databases second, and books third. When asked to rank the overall strengths of the library, collections were ranked first and networked resources second.

The survey revealed a *high* level of overall satisfaction—nearly 80% of faculty responders said that they were satisfied or highly satisfied with the library, but when asked to compare the Penn library with the last library they used, 40% of responders rated Penn's library inferior. This discrepancy appears to be related to library expenditures—which led the Committee to another major area of discussion and concern, namely, funding for the library.

Advocating Increased Library Funding

Among 107 academic peer institutions in the Association of Research Libraries (ARL), Penn ranks near the top in Education and General Expenditure moneys—we are number four behind Stanford, Harvard, and the University of Michigan. On the surface, that looks terrific, but unfortunately, Penn is near the bottom of the list on the percent of those General Expenditures allocated to the library. (Mean = 3.14%; Penn = 2.16% [1996 survey]), Penn's library has ranked in the 20's among the 107 academic libraries for volumes in library (22), volumes added (23), total staff (25), current serials (24) and materials expenditures (17). This appears to contradict the top-ten aspirations of Penn's *Agenda for Excellence* and there appears to be no indication that the University intends to increase the library's funding.

The 5-year budget proposed by the University for the library for the period 1999 thru 2004 proposes a *0.1% decrease* in the library budget each year for the 5 year period. Thirty percent of the library's budget is information, meaning journals, books, and databases. The Higher Education Price Index figures show that we should expect that the cost of such information is going to increase approximately 7% each year. This budgetary conflict will leave the library in the position of having to make some very difficult decisions such as processing less information or teaching fewer courses.

The Committee spent a great deal of time discussing library funding and we believe that choices such as those above will be unacceptable to the constituency served by the library. Some allowance must be made in the library budget for the increasing costs associated with acquiring information. We ask that this issue be referred to the appropriate Senate Committee for a more in depth examination.

Library's Assistance-in-Residence Program

The Committee was updated on the progress and future goals of the library advising component of the 21st century college houses Academic Programs in Residence. A pilot project was trialed in Van Pelt House in 1996-97 and this year the program began providing support to 11 First Year Houses. The overall goals of the program are: to provide residence-based support for library/information resources when it is needed by students (usually after hours & when library is closed) and to have undergraduate students who are trained by the library act as liaisons for the library. Because student members of the Library Committee expressed particular interest in this project, future Committee plans will include the formation of a student subcommittee to work closely with the library on this venture.

Year 2000—250th Anniversary

In the year 2000, the University of Pennsylvania library will celebrate its 250th anniversary. Committee discussions on this topic began this year and will continue until the celebration. A resolution and endorsement from the Committee to pursue development issues related to a 250th celebration was conveyed to Paul Mosher and the library staff. On March 11th, Paul Mosher met with President Judith Rodin, Interim Provost Michael Wachter, and Virginia Clark, Vice President, Development & Alumni Relations, to begin discussions on this topic.

Committee Terms

Eight members of the present Committee expressed an interest in serving on the Library Committee again next year. This request was delivered to the Council Committee on Committees by Karin McGowan. We believe that service terms for this Committee should be longer than one year and staggered among members to encourage greater familiarity with library issues and to maximize this Committee's efforts and the efforts of the library directors and staff.

Future Committee Plans

While the mission of the Library Committee is to advise the directors of libraries on policies, development, and operations, we do already have plans for future discussion and work for the Committee. These include:

- preparing for and working with the library directors and staff for the 250th anniversary celebration,
- continued discussion of the library user survey results, particularly those pertaining to graduate/professional students and undergraduates, and
- formation of a student subcommittee which will interface with library staff and offer suggestions concerning issues related to the Library Advising component of the 21st century college houses Academic Programs in Residence.

Membership of the Library Committee, 1997-98

Faculty: Karin L. McGowan (*Chair*), pediatrics; William Brennan, chemistry; Robert Gaiser, anesthesia; Ellis Golub, biochemistry-dental medicine; Donald F. Morrison, statistics; Philippe Met, Romance languages; Amos Smith, chemistry; **Administration:** Wesley Proctor, Office of the President. **Students:** Michelle McClaskey, Alexander Thein; Michelle Tucker. **Ex officio:** Paul Mosher, vice provost & dir., Libraries; Elizabeth Slusser Kelly, dir., Biddle Library. **Guest:** Patricia Renfro, library public services.

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Open Expression

The Open Expression Committee met five times during academic year (1997-98).

The charge to the Committee this year was to review any complaints of violations of the Open Expression Guidelines, and to work with the Safety and Security Committee to review their proposed guidelines on closed circuit television and video monitoring.

We reviewed four complaints this year.

Committee members also attended numerous events as Open Expression observers.

The Open Expression Committee is recommending a minor change to the Open Expression Guidelines, and an interpretive comment that we will propose be appended to the Guidelines as a footnote (also forthcoming). Both are a result of our review of the Closed Circuit TV guidelines.

Appended [was] a list of the events where monitors and Open Expression Committee observers were present, from ex officio member, Associate Vice Provost for University Life Barbara Cassel.

Membership of the Open Expression Committee, 1997-98

Faculty: Dennis Culhane (*Chair*), social work; C. Edwin Baker, Law; Mary Morrison Psych; Pamela Sankar, Bioethics; Howard Stevenson, GSE. **Administration:** Dennis Mahoney, Wharton; Winnie Smart-Mapp, Community Partnerships. **Students:** Miranda Berge, Jeremy Katz, Don Marks, Galya Ruffer. **Ex Officio:** Barbara Cassel, associate VPUL.

Personnel Benefits

The Committee devoted most of its time to review of the second phase of Benefits Redesign. After adequate discussion of each proposal, the PBC endorsed the report of the Benefits Advisory Committee. The PBC's discussions are summarized below.

Health Plans

The major change in the health plans is a reconfiguration of the lifetime maxima for PENNCare. The proposal is to change from the current combined in- and out-of-network lifetime maximum of \$2M to no limit on in-network care and a maximum of \$1M for out-of-network care. These changes are anticipated to have no impact on the overall cost of the PENNCare plan, or on premiums.

Major trends: The revisions in the health plan offerings are driven by two major trends which should continue to influence University Health Insurance policy in the future. These trends are continued inflation in health insurance costs, exceeding the level of general inflation and unprecedented competition in the medical marketplace faced by the University of Pennsylvania Health System.

Health care cost inflation/managed care: Although there has been a slowing of medical inflation in the last few years, national medical expenses have continued to rise more rapidly than the CPI. Further, current predictions anticipate an acceleration in medical cost inflation. The major factor controlling medical cost inflation in the recent past has been the rise in managed care. Nationally, most people who have health insurance receive it through managed care plans. This is also the case at the University. As is typical of large employers, the University continues to offer a range of health care options, including HMO's, as well as Point Of Service, preferred provider, and traditional indemnity plans. The more managed options have proven successful in limiting the costs of care for participants, as compared to traditional indemnity insurance. Although managed care organizations use a variety of approaches to accomplish this, important for this discussion are aggressive negotiation of lower prices from providers, coordination of care, and limits on utilization of high cost treatments. In the Philadelphia area, the major indemnity insurance provider has also engaged in aggressive price negotiations, therefore, the unit price difference is not a significant factor in relative costs of care under indemnity versus HMO plans. However, HMO plans exert far greater control over utilization, including access to specialists, surgery, etc. In catastrophic cases with very high life time costs, these differences can lead to substantial differences in the overall cost of care.

Managed care prices at Penn: The popularity of managed care plans with employers has been due to their ability to restrain healthcare costs. Ironically, the current plan pricing at Penn prevents the University from realizing these cost savings. In effect, all of the cost savings from managed

Research

The Committee was not given a charge from the President. However, we decided to continue last year's Committee work of exploring the issue of the postdoctoral experience on campus. We invited Professor Trevor Penning, the Associate Dean for Postdoctoral Research Training at the Medical Center, to join us for the work.

The Committee acknowledged that there are several different models of post-doctoral training on campus. Few of the current models provide postdoctorates with educational experiences, unless the postdoc is part of a federal training program. Most postdocs come to work in a particular lab, with little attention to the rights or needs of these trainees.

We will continue to work on a grievance system for the trainees; explore methods of organized educational experiences; and explore possible ways to measure outcomes from this work. Our committee will hold its last meeting in April.

Membership of the Research Committee, 1997-98

Faculty: Barbara Medoff-Cooper (*Chair*), nursing; Nabil Farhat, electrical engineering; Anthony Kroch, linguistics; Peter J. McCleary, architecture; Mark R. Rosenzweig, economics; Brian Strom, medicine; Barbara Weber, hematology-oncology/medicine; Arjun G. Yodh, physics. **Students:** Joanna Fueyo, Sameer S. Sonkusale. **Ex Officio:** Ralph Amado, vice provost, Research; Anthony Merritt, director, Research Administration.

care, and more, are passed on to employees. This occurs because of a conscious decision to vary the level of University subsidy for plans by the nature of the plan. For example, for Plan 100, the University contributes approximately 63% of the total cost for each employee, or family. In contrast, the University pays 94% of the cost for single or family coverage under the HMO plans. Although this difference is in part due to the higher costs of Plan 100, the actual dollar amount contributed to the HMO plan, per employee under single or family coverage, is higher than comparable amounts for Plan 100. PENNCare and POS are intermediate between these extremes. Thus, when an employee migrates from Plan 100 to an HMO, the University's costs go up.

The current pricing structure implies certain, potential, perverse effects. If a large number of employees were to switch from HMO's to indemnity insurance, University costs would go down. At the extreme, if all employees were to switch to Plan 100 (an extraordinarily unlikely occurrence) then the University contribution to health coverage would drop from 82% to 63%. Increases in the level of subsidy to this plan would be required to maintain the 82% subsidy level. Conversely, if all employees were to switch to HMO's, then the University contribution to health plans would rise to 95%, unless reductions in the HMO subsidy were made. Thus, the built-in cost incentive to select HMO's works only so long as not too many employees take advantage of it. Similar, although weaker, subsidy effects are present in the price of the POS.

Lifetime maxima in indemnity plans: A major tool for indemnity plans for controlling the costs of care is the existence of a lifetime maximum. This is important not because patients are abruptly cut off from care once the maximum has been reached. Instead, it becomes the basis for a negotiation between the health insurance provider and the patient, leading to a discussion of managed approaches to care as costs mount. Participants who have accumulated large lifetime costs undergo more careful scrutiny of their care by traditional indemnity insurers.

Although the indemnity insurers have little direct control over the choice of treatment and providers, they can and do deny coverage for medically unindicated care. However, they will provide coverage for medically indicated care which may not be the least expensive or most cost effective option available. For low-cost cases, the insurers accept this inefficiency. For very high cost cases, it may be possible to reduce expenses by instituting managed care approaches, favoring lower cost providers, negotiating special rates for patients who will consume large amounts of services, etc. In the absence of lifetime maxima for coverage, the indemnity plans have limited means for persuading patients to cooperate with such managed approaches. When patients confront the possibility of exhausting their lifetime coverage, they become more likely to engage in discussions of managed approaches to their care and to cooperate with the suggestions of the insurance provider.

For these reasons discussed above, traditional indemnity plans almost

always include lifetime maxima. The old University Comprehensive plan discontinued last year, was most unusual in that it was an indemnity plan which included unlimited lifetime benefits. Although the actual experience in this plan did not reveal a large number of high-cost cases, this appears to have been due more to the low risk of participants who selected the plan, rather than plan design. The University's consultants recommended that the University should not offer an indemnity plan with unlimited lifetime benefits. Consequently, the Comprehensive plan was discontinued.

Effective maxima at Penn with plan switching: The effectiveness of lifetime maxima for encouraging patients to accept managed options in plans with indemnity features may depend upon the level of these maxima. Maxima on the order of \$1 million—as proposed for the out-of-network component of PENNCare and as currently exists for the Point-Of-Service plan—are typical. At this level, the maxima have little influence on the healthcare received by the vast majority of participants; they become significant only for those with a high life time cost. The University plan permits participants to switch plans annually. The lifetime maxima are tracked within each plan, but are not carried over from one plan to another. Therefore, a patient may consume all of the care available out-of-network under PENNCare, then switch to the POS and consume all of the self referred care available under that option.

By continuing to switch plans, under the current plan design, a patient could consume \$2 million in out-of-network care under Penn Care, \$1-million under the Point Of Service plan, \$500,000 of self-referred care through USHealthcare HMO, and the lifetime maximum under Plan 100. The Blue Cross/Blue Shield Plan 100 does not have an overall lifetime maximum. It does incorporate a \$1 million maximum under the Major Medical component of this plan. Since it would be essentially impossible for a patient to accumulate all healthcare expenses under Major Medical, the true maximum under this plan will be greater than \$1 million. So far, the highest recorded life time expenditures for a single participant within Plan 100 have approached \$2 million, at which point the Major Medical expenses were \$800,000. Using the most conservative figure of \$1 million for the lifetime maximum under Plan 100, the total available for out-of-network self referred care is \$4.5 million under the current University plan design. This exceeds by a wide margin the highest expense cases the University was able to detect in a review of actual experience in recent years. To the extent that \$1M underestimates the coverage available under Plan 100, \$4.5M underestimates the total coverage available to each employee. Any participant who exhausted all of the indemnity benefits could continue to receive care under the HMO arm of the POS or the traditional HMO plans which have no lifetime maxima. Therefore, employees cannot outlive their coverage.

A reduction in the out-of-network maximum under Penn Care from \$2 million to \$1 million will reduce the overall maximum from \$4.5 million to \$3.5 million. This remains well above the level any participant is likely to consume. At these high levels, it is unclear whether the existence of a lifetime maximum will influence patient behavior. If participants realize that the possibility of reaching the lifetime maximum is remote, even for patients with serious chronic diseases, the incentive for accepting managed options under indemnity programs may be ineffective.

Financial pressures on the Health System/Incentives for employees to use UPHS providers: The medical marketplace has become extremely competitive nationally, and in the Philadelphia area. Reductions in compensation by government and private insurers have placed the Health System under unprecedented financial pressure. The introduction of PENNCare was an attempt to encourage University of Pennsylvania employees and their families to obtain their healthcare from UPHS. As it was originally introduced, PENNCare provided an extraordinarily high level of benefits for care received in-network. This level of benefits was so high that it is essentially impossible to increase it to provide further incentive for employees to select UPHS providers. Already, nearly all services are covered at 100% when they are received from UPHS. When PENNCare was introduced, the UPHS network was small and it was not realistic to expect that a significant proportion of participants could receive most or all of their care in-network. It was made clear at the time this program was introduced that, with the expansion of the network, there would be reductions in out-of-network benefits. Given the high levels of in-network benefits, such reductions in out-of network benefits are the only avenue available for encouraging participants to select UPHS providers. The network is now quite large and the process of reducing out-of-

network benefits is underway. At the moment, the only reduction proposed is a reduction in the lifetime maximum for out-of-network care. At the same time, the previous cap of \$2 million on in-network care will be eliminated. Thus, participants who remain within the PENNCare network can receive indemnity coverage without a lifetime maximum. This is possible because of managed components built into the PENNCare plan. As discussed above, given an overall \$3.5 million lifetime maximum, the reduction of the out-of-network maximum to \$1 million under PENNCare may have little effect upon participant behavior. Informed employees will realize that they have little risk of consuming their entire \$1 million out-of-network maximum and essentially no risk of consuming their \$3.5 million overall indemnity maximum. Since healthcare plans tend to change over time and are revised every few years, it is yet more unlikely that a participant would consume several million dollars worth of care before the next revision of the healthcare plans. For these reasons, participants are unlikely to confront exhaustion of their health care coverage under the revised PENNCare. Of course, any participant who approached exhaustion of benefits could choose to receive, to the extent possible, care in network under PENNCare, which will not be subject to a maximum.

A number of steps could be taken to strengthen the incentives for managed care under the indemnity components of the plans or to select UPHS providers. For example, the ability to switch plans without carrying over previous lifetime expenses could be eliminated. The out-of-network maximum under PENNCare could be further reduced. Annual deductibles and out of pocket maxima for out-of-network care could be increased and the coinsurance level could be increased. Such changes are not part of the current proposal. It is unclear whether any of these will occur in the future. In part, this will be determined by the evolution of the local healthcare marketplace and the extent to which participants in University plans select UPHS providers.

Overall effects of 2 years of Benefits Redesign on health plans: Do these changes represent enhancements or reductions in the health plan options available to employees? The net effect might be characterized as a mild reduction. Out-of-network, self-referred care was available to employees and their families with no lifetime maximum until 7/1/97, while the Comprehensive plan existed. The lifetime maximum per participant declined to \$4.5 million for the 1997-1998 plan year. Under these revisions, it will decline to \$3.5 million for the plan year beginning 7/1/98. However, there is now available unlimited coverage for care received in-network under PENNCare. For the reasons discussed above, employees were at nearly no risk of exhausting their lifetime indemnity coverage before July 1, 1998, and the risk remains negligible under current plan design. Although unlimited in-network benefits are now available, the likelihood of exceeding the current \$2M limit on in-network care is also negligible. To the extent that UPHS offers the care required, and participants are willing to use it, then they have been placed in a position slightly better than that available under the old Comp plan. The superiority is due to the higher level of benefits for in-network care under PENNCare than was available under Comp. For participants who cannot, or choose not to, receive their care from UPHS, there has been a reduction. However, as noted above, no known participant has approached the level of the new, reduced, lifetime maximum.

Therefore, the overall effect of this change has been to institute a reduction that is extremely unlikely to affect any participant and an enhancement that is even less likely to affect a participant. In summary, this is a minor change.

Although minor at this point, the change raises questions of the appropriate policy for offering and pricing healthcare plans.

Questions for the Future

- Should the University incorporate incentives to use UPHS into its healthcare plans? This appears to have been widely accepted by the University community, and was endorsed by the Benefits Advisory Committee and by the Personnel Benefits Committee.
- How strong should these incentives be? There has been little discussion of this question. This is an area which employees should consider in the future.
- Should there be further reductions in benefits for care received outside UPHS? This may become an issue of discussion in the near future if participants in University health plans do not switch a large enough portion of their care to UPHS.
- Should the University continue to offer indemnity plans with high lifetime maxima? The PBC considered the availability of such plans as a

major factor in its endorsement of the current healthcare provisions. These plans retain strong support among employees.

- Will there be substantial changes in the structure of health insurance premiums charged to employees? Last year the BAC recommended that the HMO plans continue to charge the lowest premiums, in recognition of their historic popularity among lower-paid employees. In order to maintain the overall University cost sharing of ~82%, this results in the indemnity plans remaining “overpriced.” It would be possible for the University to maintain its overall contribution of 82% of costs, while increasing premiums for the HMO plans and reducing them for Plan 100 and the POS plan. This would make the premiums charged to employees more closely reflect the value of the benefits offered, while reducing the large subsidy to the HMO plans. The PBC endorsed the BAC’s proposal to retain the current features of plan pricing, including the very low premiums for HMO plans. The availability of low cost plans has been a long-standing goal of the PBC as it reviews health plan costs.

Health Plan Prices: The PBC also reviewed the proposed prices for health plans for 1998-99. The proposal is to maintain the same proportional allocation of costs between the University and employees. The PBC agreed with the current practice of more heavily subsidizing the HMO options, with the lowest subsidies for Plan 100. This was because the HMO options tend to be most popular with lower income employees who may most need the subsidy. Plan 100 tends to attract predominately higher income employees. If the overall University proportion of health costs were to remain the same, providing the same subsidy for all health plans would require a large increase in HMO premiums. The PBC agreed that this would represent a hardship for employees who have chosen those plans.

Conclusion: Since the proposals preserve plan switching, high levels of lifetime indemnity self-referred care, and meaningful choice of plans, the changes will have little effect upon the health insurance options available to employees. The health plan prices conform to those which have been in place in the past. The PBC endorses these proposals.

Mental Health Plans

The PBC reviewed the proposals to bring the University plans into compliance with the Mental Health Parity Act (MHPA), without making any enhancements in coverage beyond those required by law. The PBC also considered the possibility of recommending increases in coverage, perhaps up to the level of true parity with medical benefits. However, the PBC did not recommend such an enhancement. The PBC’s conclusion was due to the very high estimated costs of full parity and concerns that these large costs may not be accompanied by proportionate true benefits, even for those participants who use these services. Since there are few, or no, large employer plans with full parity, the PBC was concerned that reliable cost estimates could not be made, and it was possible that the realized costs might be considerably higher than projected. The current University mental health provisions are acceptable within competitive norms, somewhat more generous in the HMO and POS plans than in Plan 100 and PENNCare.

The PBC endorsed the proposals to amend the mental health coverage provisions to bring them into compliance with the MHPA, while making no further changes.

Long Term Disability

The proposed changes to the Long Term Disability (LTD) program would include 2 enhancements and 1 cutback. All are described in the BAC report.

Benchmarking: As part of its work, the BAC reviewed a consultant’s report indicating that, when compared to peer universities and to private employers “in the areas of eligibility, income replacement levels, benefit amount, employer subsidy and benefit flexibility, Penn’s plan ranked above the mean.” For this reason, and due to the high long-term costs of the program, certain changes were in order in order to bring Penn’s program down to the mean.

Health Insurance premiums during disability: The cutback will reduce the University contribution to health insurance for employees who receive disability payments. This will reduce the full protection from inflation in health insurance costs, currently provided. Under the new policy, the University will provide the full cost of coverage only for the HMO options. Employees who choose the POS, PENNCare, or Plan 100 will pay the difference in cost. Benchmarking data reveals that Penn’s

policy of paying the full cost of health insurance for employees on LTD is unusual. Most employers continue the same arrangements and requirements for employee contributions as for active employees. Thus, although it is a reduction from current policy, the new policy will remain more generous than the benchmark institutions. This revision will reduce costs to the University and bring its LTD policy closer to competitive norms.

Employees Affected: The new policy will apply only to newly-disabled employees. Those employees currently on LTD will continue to receive their current benefit with the full cost of health insurance paid by the University. This change will apply to all currently active employees as well as to those hired in the future. However, since only a small fraction of employees ever receive long term disability payments, this change will actually impact only a small number of employees. This reduction in benefits should save a small amount of money initially, with the value of the savings increasing over time as a larger proportion of the employees receiving disability payments are covered by the new policy.

Inflation Protection/Indexing: The disability program will continue to offer no protection from inflation. Although the benchmark study did not report the practices elsewhere, this lack of inflation protection reportedly is typical of employer LTD programs. Payments from the University will be fixed at the time of initial disability and will not increase for the term of disability. Other sources of disability income, such as Social Security Disability Insurance (SSDI), may be indexed to inflation. Although University disability payments are reduced to reflect income an employee may receive from SSDI, under current practice, this offset occurs only once, at the start of disability payments. Future increases in disability income arising from indexing of SSDI payments do not result in reductions of University disability payments. Therefore, a disabled employee who receives income from the University and SSDI will experience increases in income each time there is an indexed increase in SSDI payments. If SSDI payments equal the full 60% of pre-disability income, an unlikely occurrence under SSDI rules, then indexing would apply to the full disability income. If SSDI payments are less than 60% of pre-disability income, then indexing would apply to only a portion of the disability payment. Under these circumstances, a disabled employee’s income would progressively fall farther behind inflation with each passing year.

Earnings Covered by the LTD Program: Employees who have significant earned income beyond their base University salaries may find that 60% of their base salary is considerably less than 60% of their total earned income. This situation affects certain faculty members who are on 9-month appointments and who work at the University or elsewhere during the summer, as well as any other University employees who also have part-time jobs. The University disability policies contribute to the Employee Benefit rate charged to the Federal Government on grants and contracts. For this reason, the University has little flexibility in altering the manner in which these benefits are calculated. Employees should review their PennChoice documents, which include information about the level of disability income for which they are eligible under the University plan. Individual employees who consider this level of income, or indexing provisions, to be inadequate may wish to investigate private disability insurance to cover any perceived shortfall.

The enhancements represent significant benefits upgrades for the small number of employees affected.

Maximum LTD Income: The first enhancement is an increase in the level of income the University will provide to disabled employees. The benchmark study revealed that Penn’s \$60,000 annual maximum is tied for the lowest among the peer universities studied. Most have maxima that are much higher, or no maxima at all. Penn’s low annual maximum disadvantages those employees who have remained at the University long enough to reach this income level and can be an impediment to recruiting of senior faculty and administrators. The current limit of \$60,000 of maximum disability income will be increased to \$90,000. This will affect only those employees with incomes of \$150,000 or greater. Experience at the University, and at other colleges and universities, suggests that long term disability claims are extremely rare for employees in this income range. There are currently no employees at this salary level who are receiving disability benefits. Therefore, this enhancement is expected to have no appreciable impact on benefits costs.

Eligibility Period Equalized for All Employees: The second enhancement eliminates a difference in waiting periods for eligibility for disability coverage between A-3 employees and other employees. This difference

was unusual in the benchmarking data and was felt to be unfair for those employees affected. None of the benchmark institutions had a waiting period as long as the 3 years which currently applies to employees at the PA8 level or below. The enhancement will reduce this waiting period to the same as that required of A-1 employees and faculty members. It is anticipated that disability claims from A-3 employees will not rise as a result of this change. Therefore, this enhancement is expected to have no appreciable impact on benefits costs.

University Contributions to TDA during LTD: Although unchanged, it is noteworthy that the University maintains a practice of continuing contributions to the TDA plan on behalf of disabled employees. Employees who are working must enter into a salary reduction agreement with the University and make their own contributions to the plan in order to receive the University payments. The University waives this requirement for employees who are on disability. This generous benefit was unusual in the peer group analyzed. Most permit disabled employees to continue in the retirement plans, but do not waive contribution requirements. Since a disabled employee will face a 40% loss of income, this waiver of contribution requirements is a valuable part of Penn's disability program which will not change.

Long-Term Care

The new long-term care program will make this coverage available to employees and their families at a very competitive price which has been achieved through group purchase discounts. The costs of the program will be borne entirely by those who choose to participate. Therefore, this enhancement is expected to have no impact at all on benefits costs. Long-term care insurance, and planning for chronic illness are complicated and it is difficult to predict how many employees will benefit by opting for this coverage. There will be an educational program to assist employees in deciding whether LTC coverage is appropriate for them.

Vision Care

The PBC reviewed a preliminary proposal for a group vision care program. It appeared that it would be of benefit to those employees who preferred to receive their routine eye care from participating optometrists, rather than from ophthalmologists. A number of details could not be resolved in time for the final report of the BAC, and the vision care program was not included. Since the final form of the vision care program is unknown, the PBC will not review its discussion of the proposed program in this Report.

Retirement

Changes in TDA plan: The background for the retirement proposals is discussed in the BAC report. IRS regulations do not permit the University to maintain its retirement programs without undertaking certain changes. A number of potential alterations in the plans were discussed and the change proposed by the BAC appears to best satisfy the legal requirements while not disadvantaging current employees. Although there is some concern that the 1 year delay before new employees become participants in the Tax Deferred Annuity plan may hamper recruitment, the PBC accepted the argument that enhanced salary, professional opportunity, or first year bonuses may compensate for these losses. This may reduce costs for the University if salary enhancements and first year bonuses do not match the savings on contributions to TDA accounts. Since the primary purpose of this change was not to save money, but to comply with federal law, the financial implications were not critical in BAC recommendation, or in the PBC endorsement of this proposal.

Mandatory Cash Out: The BAC also proposed an increase in the mandatory cash out amount. As explained in the BAC report, mandatory cash out protects the University from the obligation to maintain retirement records for many decades for employees who work here for brief periods of time. It also saves the University the Pension Benefit Guaranty Corporation (PBGC) premiums of \$19 each year which are required to be paid on behalf of participants maintained on its records. Those who have accumulated only small amounts of retirement funds will receive this money when they leave. This saves administrative costs and permits the departing employees to invest this money themselves. The amount of mandatory cash out is set by law and had not been indexed. Increasing it is appropriate in light of inflation since it was last fixed. This change benefits both departing employees and the University. Employees who

remain at the University are affected only indirectly, by the administrative savings indicated above.

Other Issues

The PBC considered these other issues, not related to the BAC report.

Mental Health Drug Coverage: Under current University health plans, mental health drugs are treated differently than costs for other medications. The prescription plan that now applies to all University health plans covers 80% of the cost of most medications. However, for mental health medications, the plans pay 50% of the cost. There have been suggestions that this figure should be increased to the same 80% value used for other medications. The PBC discussed these proposals in light of the following considerations.

1. The recent inclusion of all HMO enrollees in prescription plans is expected to lead to a substantial increase in University cost for prescription medication.
2. Price increases for mental health drugs have raised the costs for all plans.
3. There have been recent, dramatic increases in utilization of these medications nationally, on the order of 20-25% per year.
4. Increasing the proportion of cost paid by the health plan would be expected to increase utilization here at the University.
5. Wider use of mental health drugs, particularly antidepressants, may result in reductions in other health care costs, reductions in suicide attempts, and a more productive workforce. The magnitude of such benefits are impossible to estimate. It is not clear whether they would compensate for the higher costs implied by 1-4, above.
6. The current policy of lower reimbursement for mental health drugs is unusual in health plan designs. Most health plans treat mental health medications no differently than any other drugs.

Therefore, absent a change in the current policy, large increases in mental health medication costs are anticipated. There was a concern that producing further increases by enhancing mental health medication coverage would be prohibitively expensive. The PBC agreed to maintain the current 50% coverage policy for the moment, and revisit this issue as further data about these costs becomes available.

Administrative Amendments to the Tax-Deferred Annuity and Retirement Allowance Plans: The PBC reviewed and endorsed a number of administrative amendments to the these retirement plans. These were required to comply with new laws, or to reflect changes in University policies. The list of changes [was] appended to this Report.

Travel Insurance: A member of the PBC raised the concern that overseas travel can involve risks not experienced in the US, including the need for medical evacuation in emergencies. Working with the Travel Office, the Benefits Office has developed background materials describing the need for travel insurance. The Travel Office recommended a vendor for travel insurance. Background information, and descriptions of coverage, are available from the Travel Office or the Benefits Office.

Elimination of Calvert and Equivest Investment Options in TDA: Although 4 vendors provide investment options for participants in the Tax Deferred Annuity plan, the overwhelming majority of employees have chosen Vanguard or TIAA. Very few participate in offerings of Calvert or Equivest. Since the administrative costs of servicing Calvert and Equivest accounts are similar to those of Vanguard and TIAA, Human Resources recommended, and the PBC endorsed, eliminating Calvert and Equivest as investment options for new contributions. Calvert and Equivest participants may leave current accumulations in these funds. New contributions must be allocated among the large number of choices from TIAA and Vanguard. The PBC agreed that the wide range of investment options available from the 2 remaining vendors, the low popularity of Calvert and Equivest among our employees, and the administrative savings to be realized provided ample reason for this change.

Membership of the Personnel Benefits Committee, 1997-98

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