

University of California – Coalition of Unions



August 23, 2024

Melissa Matella
Associate Vice President Employee & Labor Relations
University of California
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Dear Associate Vice President Matella,

UC informed us at our meeting on July 25th that significant health insurance premium increases are likely again this coming 2024-25 year. The University has failed to demonstrate genuine efforts to keep costs from rising, including using the Office of Health Care Affordability spending target for 2025 in its negotiations with insurers. Last year, UC surprised its workers by passing an unfair portion of increased premium costs to employees relative to historical contributions. This resulted in a significant financial burden on our employees, with medical plan prices increasing 11% on average, while UC increased employee premium contributions for most plans by between 15% and 193% depending on which plan employees are enrolled in and if they have family members enrolled.

The University of California Union Coalition demands that:

- As health care costs rise, employees shouldn't have the added burden of paying ever-larger shares of their premiums. **UC must pay its share** by contributing at least the same proportion of premiums for each plan, plan type, and salary band as it did in past years, and it **must cease efforts to remove negotiated caps and freezes** on employee premiums.
- Last year's cost shift to workers should be undone, and **contribution percentages should be re-examined** with input from UC unions and the faculty associations. Last year's increases raised equity issues, as they were disproportionately borne by workers with dependents.
- UC unions and the faculty associations **must receive timely and transparent notification** of premium changes. UC must inform unions and faculty associations of initial rate increases after receiving them from health plans, final initial rate increases after receiving them from health plans, and final health insurance premiums, including employees' premium share, at least 30 days prior to the start of open enrollment.
- UC relies heavily on consultants to advise them in negotiations, which has major impacts on UC staff and faculty costs, but UC unions and faculty associations are not privy to this process. UC and their consultants must **meet UC unions and faculty associations at least twice a year**—once to provide preliminary trends, share initial rate increases and any analysis from consultants, and gather questions, and once to answer those questions and provide an update on negotiations.

- The University must **address what appears to be a conflict of interest** in how it negotiates rate increases with the providers in its own system. Given that two of the major plans available to UC employees (UC Care and the UC Health Savings Plan) utilize UC hospitals and physicians for in-network care, UCOP should invite a third-party consultant to participate in the negotiations over the plan cost increases, as it does for Kaiser and UC Blue & Gold. UCOP should also outline in writing the processes and structures it has in place to meet its fiduciary responsibility to ensure that health plan decisions are solely in the interest of UC employees and their dependents.

In conclusion, we demand that UC stop unilaterally passing a disproportionate amount of these cost increases to employees. We also demand union involvement in healthcare plan negotiations and transparency regarding the negotiations between the University and its own health systems to prevent self-dealing.

Sincerely,

Michael Avant, President
AFSCME Local 3299

Dr. Paul Glasheen, Dr. Marysol Encarnación,
Dr. Olivia Harden, Dr. Asha Ayub, Dr. Diana
Dayal, Dr. Nekisa Haghghat, Dr. Garrett
Kneese, UC RVPs
CIR/SEIU

Stephanie Short, Asst. Director, UC Division
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Constance Penley, President
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Jason Rabinowitz, Secretary-Treasurer
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Rafael Jaime, President
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Katie Rodger, Ph.D., President
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Dan Russell, President
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cc: Members of the UC Board of Regents

UC President Michael Drake