

# UC Benefits Cost Less Than Expected

■ **Health:** Price of coverage for gays' partners is below projections, and no lawsuits result.

By KENNETH R. WEISS  
TIMES EDUCATION WRITER

Extending health benefits to the partners of gay and lesbian employees has cost the University of California far less than predicted, adding about \$1 million to its yearly \$442-million health insurance bill.

And university officials said the year-old policy has not spawned any costly lawsuits, as was suggested last November by Gov. Pete Wilson during his attempt to scuttle the benefits.

"Frankly, we have not seen any downside," said Lubbe Levin, UC's assistant vice president for human resources. "It seems to have made a big difference in overall morale. And it's helped us with our recruitment and retention of the most talented faculty and staff, since most of our competitors offer this."

The UC Board of Regents decided—by one vote—to include same-sex domestic partners in the university's health plan despite an all-out fight mounted by Wilson, who condemned the decision for "devaluing the institution of marriage."

Wilson argued that unmarried heterosexual couples would sue the university, forcing UC officials into the costly proposition of offering health benefits to girlfriends and boyfriends of unmarried employees.

But the university has not been sued, the UC general counsel's office says.

A total of 701 gay university employees and retirees have signed up their domestic partners for medical and dental coverage, representing about 0.5% of the nearly 130,000 current and former employees in the health plan, according to UC figures.

The new benefits policy also allowed employees to get health coverage for financially dependent relatives who live with them—a parent or a sibling for example. An additional 404 employees have signed up under that category.

Together, these two groups of beneficiaries have added \$1.8 million to the university's health care budget—less than the \$1.9 million to \$5.6 million increase that university officials had expected.

"We didn't think it was going to break the bank," said UC San Diego researcher Sarah Archibald,

co-leader of a university-wide association of gays and lesbians.

One reason the numbers were light, she said, is that employees have to pay taxes on such benefits extended to their unmarried partners.

The tax burden limited the benefits to only those who have no other options, she said. "Those who really need it are very grateful."

Wilson remains staunchly opposed to the policy, said Sean

Walsh, the governor's spokesman. "The governor's view is that it discriminates against heterosexual partners, it costs money and it sets up a precedent to extend these benefits to other state workers."

No other state agencies offer such benefits.

At the 22-campus California State University system, two unions have requested domestic partner benefits in their ongoing collective bargaining negotiations.

But Cal State administrators note that their hands are tied until the Legislature changes state law to permit such benefits for state employees with health insurance provided through the California Public Employees Retirement System.

Although the University of California is a state institution, it is autonomous under the state Constitution and operates its own health and retirement benefits system.

Los Angeles Times

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## UNIVERSITY OF CALIFORNIA

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EMPLOYEE BENEFITS PLAN ADMINISTRATION

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October 7, 1998

VICE CHANCELLORS OF BUSINESS AND ADMINISTRATION  
HUMAN RESOURCE DIRECTORS  
BENEFITS MANAGERSRE: RESULTS OF THE MAY 1998 SPECIAL ENROLLMENT FOR  
SAME-SEX DOMESTIC PARTNERS/ADULT DEPENDENT RELATIVES

Effective July 1, 1998, the University expanded eligibility for UC-sponsored health coverage to same-sex domestic partners, same-sex domestic partners' children or grandchildren and limited categories of adult dependent relatives. In May 1998, the University held a special enrollment to enroll these newly eligible family members. The results of this special enrollment period have been completed and are detailed in the attachments.

The number of persons who enrolled and the costs of the new enrollments were within the ranges anticipated in the background information that was presented to The Regents at their November 1997 meeting. The original enrollment estimates for same-sex domestic partners anticipated that between 0.5% - 2.0% of faculty, staff, and retirees would enroll family members in the new categories. The actual numbers of new enrollees, including adult dependent relatives, were 0.78% for medical coverage, 0.85% for dental coverage, and 1.05% for vision coverage. The original cost estimate for the new coverage ranged between \$1.2 - \$4.9 million. The actual annual cost of enrolling the newly eligible family members was approximately \$1.8 million.

There were 404 adult dependent relatives enrolled during this special enrollment period, representing 36% of the total new family member enrollments. The highest enrollment of the new family members compared to the total number of eligible employees by location occurred at the San Francisco campus and the lowest enrollment was at Los Alamos National Laboratory. Health Net attracted 34% of the new family member enrollments followed by UC Care and Kaiser with 26% and 23% respectively.

If you have any questions on any of this material, please contact me.

Sincerely,

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Director  
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Attachments

**Results of May Special Enrollment Period**  
**Distribution of enrollments by Location and Plan**

Location	Number of Family Members Enrolled		As % of Eligible Employees, Retirees	
	Employee	Retiree	Employee	Retiree
Berkeley	142	22	1.5%	0.4%
Davis campus	65	17	0.8%	0.3%
Davis Medical Center	40	0	0.5%	
Irvine Campus	54	5	1.0%	0.3%
Irvine Medical Center	14	0	0.2%	
Los Angeles Campus	181	30	1.3%	0.6%
Los Angeles Medical Center	94	0	1.0%	
Riverside	17	3	0.2%	0.1%
San Diego Campus	65	18	0.7%	0.6%
San Diego Medical Center	27	0	1.0%	
San Francisco	173	24	2.0%	0.9%
Santa Barbara	26	8	0.7%	0.6%
Santa Cruz	51	3	1.0%	0.6%
Lawrence Berkeley Lab	12	2	0.3%	0.1%
Lawrence Livermore Lab	22	3	0.3%	0.1%
Los Alamos National Lab	3	2	0.0%	0.1%
ASUCLA	3	0	0.1%	0.0%
Hastings	4	0	1.0%	0.0%
Total	993	137	1.3%	0.4%

Note: Some counts are duplicated because an employee or retiree added more than one family member. However, this is a very small number of the totals.

Separate counts of retirees from medical center locations are not available; counts reflect retirees from campus and medical center location.

April 98 Quarterly Statistics  
 July earnings paying August premiums

California Plans	# of New Family Mbrs	As % of Eligible EEs/Rets	As % of Total New Fam Mbrs
HealthNet	343	0.98%	34%
Kaiser	228	0.76%	23%
Pacificare	138	0.93%	14%
WHA	9	1.03%	1%
Core-CA	6	0.13%	1%
Pru High	16	0.18%	2%
UC Care	260	1.06%	26%

New Mexico Plans	# of New Family Mbrs	As % of Eligible EEs/Rets	As % of Total New Fam Mbrs
HMO-New Mexico	4	0.05%	0.4%
POS (out-of-area)	1	0.13%	0.1%

There were no enrollments for the HMO-Nevada plan, the POS (in-area) plan or the Core-New Mexico Plan.

**FAMILY MEMBERS ADDED DURING MAY SPECIAL ENROLLMENT PERIOD**

Family Member Type	Enrolled by Employees	Retirees	Total	Percent of Total
domestic partners	615	86	701	62%
adult dependent relatives	353	51	404	36%
children of domestic partners	25	0	25	2%
	<u>993</u>	<u>137</u>	<u>1,130</u>	<u>100%</u>
Percent of New Enrollments	88%	12%		

Faculty, staff and retirees who added family members*		
Plan	Number	% of Eligible
Medical	1,005	0.78%
Dental	1,018	0.85%
Vision (retirees not eligible)	916	1.05%

ESTIMATED ADDITIONAL COSTS - ANNUALIZED**	
Plan	(Millions)
Medical	\$ 1.5
Dental	\$ 0.3
Total	\$ 1.8

\*Duplicate counts in this display since many added family members to more than one plan.

\*\*No added cost for vision since rate is a composite, regardless of number covered.

**AGE GROUPINGS OF ADULT DEPENDENT RELATIVES (ADR)**

Faculty and Staff dependents

Age 18 to 22	15%	Children who do not meet the normal UC eligibility criteria for relationship.
Age 23 to 39	24%	Probably includes children over the age 23 limit for inclusion on an employee's health plan.
Age 40 to 64	49%	<b>Largest concentration of ADR enrollment by employees</b>
Age 65 Plus	12%	Ineligible for Medicare; may be relatives who are not U.S. citizens

Retiree Dependents

Age 18 to 22	12%	Children who do not meet the normal UC eligibility criteria for relationship.
Age 23 to 29	8%	Probably includes children over the age 23 limit for inclusion on a retiree's health plan.
Age 30 to 49	61%	<b>Largest concentration of ADR enrollment by retirees</b>
Age 50 plus	20%	Most are in the age 50-59 group; 4% are over 65.