



Representing Wayne State Faculty and Academic Staff

# NEWSBRIEFS

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September, 2005

## A Hard Year Ahead

Charles Parrish, President

Like the larger community to which we belong, faculty and academic staff at Wayne State face difficult times in the months ahead. The natural and human disasters that beset the nation (Katrina and the Iraq war) are compounded here by the continuing economic crisis that plagues Michigan and shadows the future of Detroit and its leading university. It promises to be a busy year for us.

### Preparing for Bargaining

First, we must prepare for bargaining a new collective bargaining agreement in the spring of next year as our one-year extension of the contract approaches expiration. These will be difficult negotiations, conducted in a context defined by the grim news of bankruptcy (Northwest Airlines, Collins & Aikman), school closings (Detroit's public and parochial systems), and stagnating sales (GM and Ford). Tax revenues are faltering at the very moment that demand for social services is rising, driven by an unemployment rate that, setting aside the devastated Gulf coast regions, is now the highest in the nation.

Wayne State has borne a disproportionate share of the burden imposed by these negative trends. It could have been worse if the Michigan Legislature's punitive funding formula for higher education had been passed this year without amendment, dealing WSU a \$12 million cut in funding while every other major university in the state was slated for small increases. I joined with other union

and university leaders to lobby against these cuts, and with Governor Granholm's leadership, Wayne's funding was restored to last year's level of \$214 million.

Unfortunately, this was only a small victory in a longer war that we are still losing. Over the last four years, the state has reduced our base appropriations by more than \$40 million. Sizeable tuition

increases cannot fully make up the difference, especially when the higher cost means many students have to reduce their course load or postpone their education altogether.

In this economic context, we will be negotiating a range of vital issues, some related to salaries and benefits, some to academic matters like tenure and workload adjustments.

### Partial Tenure

Certainly one issue of concern will be partial tenure in the School of Medicine. As reported in previous issues of *Newsbriefs*, the union has charged the Administration with violating the collective bargaining agreement by giving fractional tenure of just 25% (which the contract permits only for clinicians) to basic scientists. We took the case to arbitration before a mutually acceptable arbitrator and we won the case, hands down. The Administration would no doubt have

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# Q&A on New Retiree Health Benefits

We have received calls from members and non-members alike inquiring about the new retiree health benefits we announced last spring. Some of the key issues are addressed here, but if you have further questions, please contact our office (577-1750, [aaupaft@wayne.edu](mailto:aaupaft@wayne.edu)).

## What Does the Plan Cover?

Actually, there are three plans: Retiree Med *Choice*, Retiree Med *Preferred* and Retiree Med *Plus*. All three plans provide a “medicare fill” that covers deductibles and pays some or all of the difference between the *approved* costs that Medicare will pay and the *actual*— that is, higher— cost beyond these approved amounts that would otherwise come out of your pocket.

There is no difference between the plans in their coverage of the cost of hospitalization, skilled nursing facility care, and hospice care (“Part A” of Medicare). All three also provide the same coverage of home healthcare and medical expenses incurred abroad. The plans do vary, however, in their coverage of medical services (“Part B” of Medicare).

For example, while Medicare will pay the cost for the first 60 days of hospitalization (“Part A”), individuals must pay a deductible of \$912; for the 61<sup>st</sup> thru 90<sup>th</sup> day, the deductible rises to \$228 *per day* and for the 91<sup>st</sup> thru 150<sup>th</sup> day it rises to \$456 *per day*. After that, Medicare pays nothing. All three of the Retiree Med plans cover the full cost of these deductibles and, beyond day 150, the full cost of hospitalization for up to 365 days.

For Medical Services (Medicare “Part B”), the plans vary in their coverage for 1) deductibles and 2) excess charges above the cost that is “approved” by

Medicare. The *Choice* plan does not cover excess charges; *Preferred* and *Plus* do, and the latter also provides a prescription drug benefit covering generic and brand-name drugs.

## Does the University Provide this Benefit?

No. While the AAUP-AFT has been able to negotiate comprehensive healthcare insurance with reasonable co-pays for employed faculty and academic staff, we have not been able to win university-paid healthcare benefits for retirees. The union continues to seek such benefits through collective bargaining, but in their absence we have

been looking for alternatives for our members. We found such an alternative through Michigan Employee Benefit Services, or “MEBS.” MEBS is owned by the Michigan Public Employee Trust, a non-profit 501c3 that is owned by the Michigan AFL-CIO.

***“Faculty and academic staff who are currently employed and are full dues-paying members of the AAUP-AFT as of January 30, 2006 are eligible to enroll in the plans at age 65 or older. After January 30 of next year, employed faculty and academic staff must be full members for at least two years before they retire to qualify for these benefits.”***

Formed in 1986 as a licensed insurance agency, MEBS has the single purpose of providing affordable health insurance to AFL-CIO affiliates in Michigan and Ohio. It does not pay the multi-million dollar executive salaries and high administrative costs that, for example, burden BC/BS of Michigan. MEBS is one of the fastest growing corporations of its kind and currently administers healthcare coverage for 70,000 participants. Its retiree program is underwritten by Monumental Life Insurance Company of Baltimore, rated “AA” by Standard and Poor.

## Who is Eligible?

Faculty and academic staff who are currently employed and are full dues-paying members of the

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### Q & A on New Retiree Health Benefits

AAUP-AFT as of January 30, 2006 are eligible to enroll in the plans at age 65 or older. After January 30 of next year, employed faculty and academic staff must be full members for at least two years before they retire to qualify for these benefits.

Current retirees who were full members of the AAUP-AFT at the time of their retirement are also eligible.

If you have elected to not join the union and pay full dues— that is, if you chose instead to pay into the Provost's scholarship/research fund or to pay the lower Fair Share fee— you are not eligible for these benefits.

Administrators who were full members before they left the bargaining unit to become administrators are eligible if they retire as administrators. If they return to the bargaining unit and retire in less than two years, they can qualify if they rejoin the union within two months of their return to the bargaining unit.

### What is the cost?

The annual cost of premiums in 2004 for a retiree at age 65 ranged from a low of \$1,536 a year for the basic plan (*Choice*) to a high of \$2,868 for the highest coverage (*Plus*). Premium costs rise with age for current and prospective retirees to a maximum

(2004) for those 80 or older of \$2,580 for *Choice* and \$5,112 for *Plus*.

### Can I Chose My Healthcare Provider?

Yes. There are no restrictions on choice of hospital, physician, or clinics.

### How Do I Apply?

Members can obtain the necessary forms and sponsorship letter by contacting our office.

It should be noted that retirees already have the right to buy into their current health insurance as provided by Wayne State by taking on the full cost of the premium, that is, their current contribution plus the roughly 50-90% share (depending on the plan) that is paid for by the university under the collective bargaining agreement.

The union's offering of these three plans does not constitute an endorsement of any one of them over what is currently available to retirees. Still, the plans represent an affordable opportunity for members to expand the menu of options available to them as they plan for retirement.

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accepted her opinion and cited it as gospel if it had won, but having lost, it now refuses to implement the decision. We are initiating court proceedings against this blatant disregard for due process, and we expect the issue to come up in bargaining as well.

In the meantime, we have conducted a survey of faculty members in the School of Medicine and are in the process of analyzing the results. Over one-third of the faculty participated in the survey, which was conducted by the American Arbitration Association. The results are compelling, to say the least. We will publish the findings in next month's issue of *Newsbriefs*.

### Healthcare and Workload

We also have two joint committees with equal representation from the Administration and the union

that are examining two areas of general concern: health care for retirees and workload adjustments.

The first of these issues is of obvious interest to senior faculty and academic staff (and the rest of us making our way towards that status), and is addressed in the accompanying article in this issue.

The second issue needs a little explanation. Traditionally, we have allowed faculty course load to be determined by the customary practice in each department. When the course load for a particular faculty member is changed in ways that he or she finds unacceptable, the union may (if the Executive Board recommends such action) appeal the case to a jointly appointed committee, as established under Article 24 of the contract. The committee considers

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whether or not the change in professional duties is appropriate, and its recommendation is forwarded to the Administration. If the Administration rejects the committee's recommendation, the union may appeal the matter to a neutral arbitrator.

In the last round of bargaining, the Administration tried to get the union to accept a system of post-tenure review. We resisted, but we did agree to a change in Article 24. In the area of teaching, we agreed to a provision which allowed a faculty member whose teaching fell below standard (in the opinion of the unit's elected salary committee) to be required to participate in a remedial program. In the area of research, we agreed to a similar provision, but in this case participation in a remedial program to improve the faculty member's research performance would be voluntary.

Our experience has been that the two parts of Article 24 need some careful thought about how to integrate these remedial aspects with the more punitive approach in which perceived deficiencies in teaching or research are addressed with a "compensating" increase in workload. The joint committee is charged with reconciling the protection and appeal process of Article 24 with the remediation procedures introduced in the last round of negotiations.

These are only a few of the many issues we will address in bargaining. Send us your thoughts on particular ways in which you think that the agreement can be

improved. My email is: [c.j.parrish@wayne.edu](mailto:c.j.parrish@wayne.edu) and the general office address is: [aaupaft@wayne.edu](mailto:aaupaft@wayne.edu). Our chief negotiator for this next round is Professor Anca Vlasopolos, whose email address is: [a.vlasopolos@wayne.edu](mailto:a.vlasopolos@wayne.edu). We would be happy to hear from you.

**Wayne State University Chapter**

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