

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the
Finance Committee**

September 16, 2022

FINANCE COMMITTEE

Friday, September 16, 2022

8:30 – 9:45 a.m.

Board Room, The Rotunda

Committee Members:

Robert M. Blue, Chair	Robert D. Hardie
James B. Murray, Jr., Vice Chair	Babur B. Lateef, M.D.
Carlos M. Brown	James V. Reyes
Thomas A. DePasquale	Douglas D. Wetmore
Louis S. Haddad	Whittington W. Clement, Ex-officio

AGENDA

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**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.A. Amended 2022-2028 State Six-Year Institutional Plan

BACKGROUND: Pursuant to the Restructured Higher Education Financial and Administrative Operations Act of 2005 (Restructuring Act) and the Virginia Higher Education Opportunity Act of 2011 (HEOA), in odd-numbered years each public institution of higher education must develop, adopt, and submit a six-year plan addressing the institution's academic, financial, and enrollment plans. In even-numbered years, institutions are required to affirm or amend their plans. In accordance with the Restructuring Act and the HEOA and subsequent communications from the State Council of Higher Education for Virginia (SCHEV), the [University](#) and the [College at Wise](#) submitted their respective preliminary amended Six-Year Institutional Plans in July.

DISCUSSION: Using the 2030 Plan as the foundation to advance the objectives of the statewide higher education strategic plan, *Pathways to Opportunity: The Virginia Plan for Higher Education*, the plan for the Academic Division was developed around the overarching goals of strengthening our foundation; cultivating the most vibrant community in higher education; enabling discoveries that enrich and improve lives; and making UVA synonymous with service.

The plan for the College at Wise addresses the *Pathways to Opportunity* plan, the HEOA, and the College's strategic goals through interconnected initiatives aimed at enhancing recruitment, retention, and engagement of students; improving professional development and retention of talented faculty and staff; and expanding the Master of Science Nursing and Family Nurse Practitioner program.

The key changes in the preliminary amended six-year plans include: (1) conforming the financial plan to be consistent with additional state funding appropriated in the Commonwealth's 2022-24 biennial budget and the University's Board-approved annual operating budget; and (2) reflecting state-authorized salary increases for faculty and staff in FY2022-2023 and FY2023-2024.

As of September 2, the University is awaiting comments from SCHEV on the preliminary amended plans and will incorporate those in the final versions of the plans for review with the Finance Committee at the September meeting. The Board of Visitors must formally adopt the amended six-year plans prior to submission of the final plans by October 1, 2022.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

AMENDED 2022-2028 SIX-YEAR INSTITUTIONAL PLANS FOR THE ACADEMIC DIVISION AND THE COLLEGE AT WISE

WHEREAS, §§ 23.1-306 and 23.1-1002 of the Code of Virginia requires each public institution of higher education to develop and adopt biennially (each odd-numbered year) and amend or affirm biennially (each even-numbered year) an institutional six-year plan and submit that plan to the State Council of Higher Education for Virginia (SCHEV); the General Assembly; the Governor; and the Chairs of the House Committee on Appropriations, House Committee on Education, Senate Committee on Education and Health, and Senate Committee on Finance and Appropriations; and

WHEREAS, the University and the College at Wise submitted their respective preliminary amended six-year plans as required in July, outlining general strategies to advance the priorities of the Commonwealth in alignment with the respective strategic educational, research, and service goals of the University of Virginia and the College at Wise; and

WHEREAS, final institutional plans must be approved by the Board of Visitors and submitted to SCHEV, the General Assembly; the Governor; and the Chairs of the House Committee on Appropriations, House Committee on Education, Senate Committee on Education and Health, and Senate Committee on Finance and Appropriations no later than October 1, 2022;

RESOLVED, the Board of Visitors approves the amended six-year institutional plans for the Academic Division and the College at Wise; and

RESOLVED FURTHER, the President is authorized to transmit the six-year plans as required by §§ 23.1-306 and 23.1-1002 of the Code of Virginia.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.B. Operating Amendments to the 2022-2024 State Biennial Budget

BACKGROUND: In even-numbered years, the University submits requested amendments to the biennial budget to the Department of Planning and Budget for review by the Governor for inclusion in the amended budget proposal which is presented to the General Assembly in December.

DISCUSSION: On August 2, 2022, the University received instructions from the Commonwealth regarding guidelines and deadlines for the submission of proposed amendments to the 2022-24 budget. The deadline to submit the proposed amendments is September 30, 2022. Upon approval, we will submit the following proposed general fund amendments related to unavoidable cost increases. We anticipate several issues – such as faculty and staff salary increases, operational support, and financial aid – will be addressed by the state for all institutions. We seek your authorization for the following general fund budget amendments to be submitted to the Commonwealth by September 30, 2022.

Depending on the outcome of the Governor’s budget, to be presented in December, the University and the College at Wise may want to submit the following amendments to the General Assembly in January 2023. (The Medical Center has no amendment requests.) Any requests not included on this list that might be submitted to the General Assembly will be communicated to the Board of Visitors in advance of the due date.

Academic Division:

Operations & Maintenance (O&M) for New Facilities: The University seeks incremental funding to cover the state’s general fund share of increased operations and maintenance (O&M) costs related to new education and general (E&G) capital projects that are scheduled to be fully online in 2022-2024. FY2023 - \$144,876; FY2024 - \$610,870

UVA Health Plan: The University seeks incremental funding to cover the state’s general fund share of the increases in employer premiums for employees participating in the UVA Health Plan. FY2023 - \$840,000; FY2024 - \$2,270,000

UVA Workforce Development Initiative: The University seeks one-time Commonwealth funding to be matched 1:1 with \$10 million of University funds to co-invest in creation of new online, hybrid, and in-person certificate programs, delivered in Charlottesville and Northern Virginia, designed to help non-traditional students advance in their careers and to promote workforce development. The one-time funding would be used in the design,

marketing, and development of essential infrastructure to meet the needs of the Commonwealth. FY2023 - \$5,000,000; FY2024 - \$5,000,000

FY21 COVID Direct Expense Recovery: The University of Virginia seeks one-time funding to address significant, unreimbursed expenses incurred in response to the public health emergency resulting from COVID-19. Specifically included in these operating expenses were the cost of student testing and contact tracing, quarantine, and isolations space for students, improving telework capabilities for staff and students, purchasing personal protective equipment and equipping the physical environment for COVID operations (technology, plexiglass, providing masks and hand sanitizer stations, etc.). Federal relief funding covered \$21.6M of these expenses. This request is to fund up to \$21.1M in incurred and unreimbursed FY2021 direct COVID expenses, pending a funding request to the Federal Emergency Management Agency (FEMA). FY2023 - \$21,127,974

Utilities: The University seeks incremental funding to cover the state's general fund share of the increased utility rates impacting E&G facilities. FY2023 - \$307,825; FY2024 - \$704,289

Escrowed Interest Earnings: The University seeks to recover unappropriated cash with the Treasurer of Virginia that represents escrowed interest earnings on tuition and fees and all other non-general fund E&G revenues per the Restructuring Act. FY2023 - \$2,314,463

UVA|NOVA Fairfax: The University will seek authority to use funding previously approved for Global Genomics & Bioinformatics Research Institute (GGBRI) to support educational programming for UVA / NOVA. [Language only]

College at Wise:

Center for Teaching Excellence: UVA Wise requests new general fund dollars in the amount of \$300,000 to support the Center for Teaching Excellence in 2023-2034 and continued into future years to provide additional and targeted programming to combat the ongoing teacher shortage. These additional dollars will support a new program director and an administrative assistant that would be responsible for recruiting teachers/students to participate in the program and developing course programming. In addition, these dollars will also support new initiatives within the program. FY2023 - \$300,000; FY2024 - \$300,000

Equipment supporting the Department of Natural Sciences: UVA Wise requests new general fund dollars in the amount of \$195,000 to obtain Gas Chromatograph and Mass Spectrometer Equipment for the Department of Natural Sciences. \$175,000 is requested as one-time funding to purchase Gas Chromatograph and Mass Spectrometer Equipment (GCMS) for the Department of Natural Sciences and \$20,000 is requested in on-going funding to support the maintenance agreement and warranty for a grand total of \$195,000 in 2023-2024. This equipment is essential for the work of analytical chemists, geologists and other scientists as it allows for the identification of substances within a sample, such as

trace elements in water, soil, etc. Allowing undergraduate students to use this premiere device will give them (and the College) a competitive edge in preparing for careers and graduate school. Not only will it provide the opportunity to establish a strong neuro-chemistry lab, but it will also allow our faculty who are doing environmental analysis to complete more sophisticated analysis of the samples they are studying. FY2023 - \$175,000; FY2024 - \$20,000

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

OPERATING AMENDMENTS TO THE 2022-2024 BIENNIAL BUDGET

WHEREAS, the Academic Division, the University of Virginia’s College at Wise, and the University of Virginia Medical Center have the opportunity to propose budget amendments to the 2022-2024 Biennial Budget for consideration by the Governor;

RESOLVED, the Board of Visitors of the University of Virginia approves the 2022-2024 general fund operating amendments; and

RESOLVED FURTHER, the Board of Visitors approves the language amendment request for UVA|NOVA Fairfax; and

RESOLVED FURTHER, the Board of Visitors understands that to the extent these requests are not included in the Governor’s 2022-2024 amended budget, the University may want to pursue a similar request to the General Assembly.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.C. Major Capital Projects Financial Plan

BACKGROUND: The revised multi-year major capital plan is presented annually to the Board of Visitors for review in March and approval in June. The Buildings and Grounds Committee determines whether a project should be added to the Major Capital Plan, and the Finance Committee evaluates whether there is a sound financing plan to pay for the estimated project cost and additional operating costs expected once a project is complete.

DISCUSSION:

(1) UVA | NOVA Fairfax (tenant fit out): This project supports expanded educational programming for UVA | NOVA through fitting out space at the Inova Center for Personalized Health Campus in Fairfax, VA. UVA plans to lease and build out approximately 50,300 SF space to provide classrooms, offices, huddle rooms, large and small conference rooms, pre-function areas, reception area, and open work areas. The estimated project cost is \$20.6M, funded via previously approved funding from the Strategic Investment Fund, and includes the build out of spaces, as well as structural and HVAC upgrades; additional stairs/egress to accommodate increased occupancy of the building; all furniture, fixtures, and equipment including audio visual cabling and equipment, building signage, and security systems; and permitting and management fees.

(2) Shumway Hall (McIntire Academic Facility): In support of the McIntire School's long-term growth plan to expand current graduate and executive programs, develop research and study centers, and enhance the portfolio of undergraduate programs, the multi-story Cobb Hall addition and renovation will provide just over 100,000 additional GSF and will contain a mix of spaces for students, faculty, and staff that will support innovation, emerging technology, media production, data analytics, and visualization. Based on final pricing received from the construction manager, the current project budget including furniture, fixtures, and equipment is \$139.7M to be funded by \$25.0M in gifts, \$25.0M in University funds, and up to \$89.7M in debt. Debt service, as well as incremental operating costs, will be the responsibility of the McIntire School of Commerce and will be repaid as gifts are collected in accordance with its established fundraising schedule.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

FINANCING PLANS FOR UVA | NOVA FAIRFAX (TENANT FIT OUT) AND SHUMWAY HALL (MCINTIRE ACADEMIC FACILITY)

WHEREAS, the financing plan for the UVA | NOVA Fairfax (tenant fit out) project calls for a Strategic Investment Fund allocation of \$20.6M; and

WHEREAS, the financing plan for Shumway Hall (McIntire Academic Facility) calls for the use of gifts in the amount of \$25.0M, University funds of \$25.0M, and debt in the amount of \$89.7M;

RESOLVED, the Board of Visitors approves the financing plans for UVA | NOVA Fairfax (tenant fit out) and Shumway Hall.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.D. Quasi-Endowment for School of Medicine Stacy E. Mills,
M.D. Professorship of Pathology

BACKGROUND: In June of 1996, the Board of Visitors authorized the Executive Vice President and Chief Operating Officer to approve individual quasi-endowment transactions, including establishments and divestments that are less than \$2.0M. Individual quasi-endowment transactions of \$2.0M or more require the approval of the Board of Visitors.

DISCUSSION: The School of Medicine would like to establish a new quasi-endowment. The initial \$3.0M investment of principal to establish this new quasi-endowment will be composed of accumulated clinical reserve funds to be transferred from the UVA Physicians Group. The intent is to leave the funds invested in perpetuity and to apply toward requirements for the establishment of the Stacy E. Mills, M.D. Professorship of Pathology, in the Department of Pathology. The creation of this new quasi-endowment and endowed professorship is in accordance with the long-term financial plans for the Department of Pathology.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

ESTABLISHMENT OF STACY E. MILLS, M.D. PROFESSORSHIP IN PATHOLOGY QUASI-ENDOWMENT

WHEREAS, The School of Medicine wishes to establish the Stacy E. Mills, M.D. Professorship in Pathology quasi-endowment;

RESOLVED, the Board of Visitors authorizes the establishment of the Stacy E. Mills, M.D. Professorship in Pathology Quasi-Endowment.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.E. School of Medicine Quasi-Endowment for the Department of Obstetrics and Gynecology

BACKGROUND: In June of 1996, the Board of Visitors authorized the Executive Vice President and Chief Operating Officer to approve individual quasi-endowment transactions, including establishments and divestments that are less than \$2.0M. Individual quasi-endowment transactions of \$2.0M or more require the approval of the Board of Visitors.

DISCUSSION: The Department of Obstetrics and Gynecology in the School of Medicine would like to establish a new restricted fund quasi-endowment. The initial \$3.0M investment of principal to establish this new quasi-endowment will be composed of accumulated clinical reserve funds transferred from the UVA Physicians Group. The intent is for the corpus to remain in perpetuity with the distribution from this fund to be used in accordance with the long-term plans of the Department of Obstetrics and Gynecology (OBGYN), primarily around support for research in this field.

The new quasi-endowment is to honor the career of Dr. James E. Ferguson, II, who has served as the Department Chair for the past 12 years as a distinguished faculty in the field of Obstetrics and Gynecology. His contribution to the field of Obstetrics and Gynecology, the School of Medicine, the UVA Health System, and the University of Virginia will perpetuate beyond his time at the University.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

ESTABLISHMENT OF THE SCHOOL OF MEDICINE JAMES E. FERGUSON QUASI-ENDOWMENT FUND

WHEREAS, the School of Medicine wishes to establish a restricted, perpetual quasi-endowment for the Department of Obstetrics and Gynecology;

RESOLVED, the Board of Visitors authorizes the establishment of the School of Medicine James E. Ferguson Quasi-Endowment Fund.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.F. Reinvestment of Unspent Endowment Distribution for Greenslade

BACKGROUND: In June of 1996, the Board of Visitors authorized the Executive Vice President and Chief Operating Officer to approve individual quasi-endowment transactions, including establishments and divestments that are less than \$2.0M. Individual quasi-endowment transactions of \$2.0M or more require the approval of the Board of Visitors.

DISCUSSION: The College and Graduate School of Arts & Sciences seeks reinvestment of the Greenslade Fund for International Studies in Arts and Sciences. The reinvestment of approximately \$3.56M is composed of accumulated unspent distributions associated with the quasi-endowment. Future distributions that cannot be deployed due to appropriate stewardship will continue to be reinvested accordingly.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

**REINVESTMENT OF THE COLLEGE AND GRADUATE SCHOOL OF ARTS & SCIENCES
GREENSLADE FUND FOR INTERNATIONAL STUDIES IN ARTS AND SCIENCES**

WHEREAS, The College and Graduate School of Arts and Sciences wishes to reinvest unspent distributions back into the quasi-endowment;

RESOLVED, the Board of Visitors authorizes the reinvestment of The College and Graduate School of Arts & Sciences Greenslade Fund for International Studies quasi-endowment.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.G. Quasi-Endowment for The College and Graduate School of Arts & Sciences Unrestricted Fund

BACKGROUND: In June of 1996, the Board of Visitors authorized the Executive Vice President and Chief Operating Officer to approve individual quasi-endowment transactions, including establishments and divestments that are less than \$2.0M. Individual quasi-endowment transactions of \$2.0M or more require the approval of the Board of Visitors.

DISCUSSION: The College and Graduate School of Arts & Sciences would like to establish a new unrestricted quasi-endowment fund. The initial \$20.0M investment to establish this new quasi-endowment will be composed of accumulated unrestricted funds in the annual fund and the endowment administrative fee distribution fund. The income will be used to support the current mission and any new initiatives established by the new Dean of the College and Graduate School of Arts and Sciences and intend to maintain the requested quasi-endowment in perpetuity.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

ESTABLISHMENT OF THE COLLEGE AND GRADUATE SCHOOL OF ARTS & SCIENCE UNRESTRICTED FUND

WHEREAS, The College and Graduate School of Arts and Sciences wishes to establish an unrestricted quasi-endowment;

RESOLVED, the Board of Visitors authorizes the establishment of The College and Graduate School of Arts & Sciences Unrestricted Fund quasi-endowment.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: I.H. Delegation of Signatory Authority for Medical Center Contract

BACKGROUND: The Board of Visitors is required to approve the execution of any contract where the amount per year is in excess of \$5M.

DISCUSSION: In accordance with Medical Center procurement policy, the contract listed below exceeds \$5M in spend per year and is outside the signatory authority of the Executive Vice President for Health Affairs, who has been delegated authority from the Executive Vice President and Chief Operating Officer to approve certain Health System documents.

- Owens & Minor Distribution, Inc. for medical-surgical product distribution

The expense for goods and services purchased through this contract is reflected in the Medical Center's Operating Budget.

ACTION REQUIRED: Approval by the Health System Board, the Finance Committee, and by the Board of Visitors

**SIGNATORY AUTHORITY FOR CERTAIN MEDICAL CENTER CONTRACTS
EXCEEDING \$5 MILLION PER YEAR**

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute the contract on behalf of the Medical Center with Owens & Minor Distribution, Inc. for medical-surgical products.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: II.A. Recommendations of the Finance Subcommittee on Tuition

BACKGROUND: In the Summer of 2021, the Finance Subcommittee on Tuition held two meetings to study undergraduate tuition policy and related policy considerations, including the tuition-setting process, the timing of when to set tuition and for how long, and the related information the Board of Visitors should have when considering the undergraduate tuition proposal. The Subcommittee then made recommendations to the Board of Visitors, which it approved at the September 2021 meeting, on actions to take to improve the transparency and predictability of tuition setting.

In June 2022, the Finance Subcommittee on Tuition reconvened to study and identify various options on setting UVA in-state, undergraduate tuition. The Subcommittee was charged with making recommendations to the Board of Visitors on in-state undergraduate tuition rates for future years.

DISCUSSION: The Chair of the Finance Committee will present the Finance Subcommittee on Tuition's recommendations.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: II.B. Executive Vice President’s Remarks

ACTION REQUIRED: None

Finance Strategic Transformation

BACKGROUND: The University continues to strategically evaluate and improve finance processes, optimize modern technology, and improve the delivery of financial functions to the University community through the Finance Strategic Transformation (FST) project. The FST project achieved two major milestones by deploying Workday Financial Management, a cloud-based enterprise financial system, and Workday Planning, the accompanying budgeting and planning module, for the Academic Division in July 2022.

The project team has worked extensively to ensure that end users were trained and prepared to operate in the new environment, and they continue to host multiple engagement events so users can ask questions and get help with the process of adapting to the new processes and technology. The team is also working diligently to resolve minor issues with the system and conduct knowledge transfer to the group that will be supporting the solution going forward. The Hypercare and Stabilization phases of the project will continue through December 31, 2022.

DISCUSSION: Vice President for Finance Melody Bianchetto and Vice Provost for Planning Adam Daniel will share status updates on the FST project.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 16, 2022

COMMITTEE: Finance

AGENDA ITEM: II.C. University of Virginia Investment Management Company
2021-2022 Annual Report

ACTION REQUIRED: None

BACKGROUND: The University of Virginia Investment Management Company (UVIMCO) provides investment management services to the Rector and Visitors of the University of Virginia and its related foundations. Assets deposited in UVIMCO are held in the custody and control of UVIMCO on behalf of the University and Foundations within a long-term, co-mingled investment pool.

UVIMCO's primary objective in managing the investment pool is to maximize long-term real return commensurate with the risk tolerance of the University. To achieve this objective, UVIMCO actively manages the investment pool to achieve returns that consistently exceed the returns on a passively managed benchmark with similar asset allocation and risk. Recognizing that the University must attract outstanding students, faculty, and staff and provide them appropriate resources, UVIMCO attempts to manage pool assets to provide long-term real returns that compare favorably with the returns of endowments of other outstanding schools. UVIMCO does not set spending rates; UVIMCO communicates the investment pool's risk and return estimates to the University and foundations for their consideration in setting spending rates.

DISCUSSION: UVIMCO's Chief Executive Officer, Mr. Robert Durden, will provide an overview of the current market environment and the asset allocation, performance, and liquidity position of the Long-Term Pool as of the fiscal year ending June 30, 2022, and address any questions from the committee.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: September 15, 2022

COMMITTEE: Finance

AGENDA ITEM: II.D. Written Report on UVA Health Plan

ACTION REQUIRED: None

BACKGROUND: The University of Virginia, as the administrator for the UVA employee health plans, has three main objectives: (1) provide a health benefit that is attractive to all University of Virginia, University of Virginia’s College at Wise, and Medical Center current and prospective faculty and staff; (2) support the wellbeing of participants; and (3) provide appropriate fiscal management and ensure lower administrative costs.

DISCUSSION: For the plan year beginning January 1, 2021, 92% of eligible employees enrolled in UVA’s health plan, up 1.8% from the prior year. Plan enrollment is broken down in the attached Annual Update on the UVA Health Plan.

- **Enrollment.** 39% of eligible employees are enrolled in the Value Health PPO option, 22% are enrolled in the Choice Health PPO option, and 38% are enrolled in the Basic Health High Deductible option.
- **Value.** UVA leads in various aspects of health benefits, including lower annual costs per employee when compared to the Commonwealth of Virginia Health Plan.
- **Competitive.** UVA is a market leader in the amount of employer contribution towards the cost of insurance, covering 84% of the cost of care.
- **Workforce.** UVA had 18,469 benefits-eligible employees; enrollment has slowly decreased since 2020.

Total Employees Enrolled	
2022	16,807
2021	17,019
2020	17,454

Education and Awareness: Each year, UVA invests significant resources to educate participants about their benefit options prior to Open Enrollment, including potential annual costs for each of the UVA Health Plan options. Open Enrollment in 2021 contained these elements:

- A virtual Benefits & Wellness Expo

- 99 virtual one-on-one sessions
- 609 attendees, Online + 8 locations
- 18,469 members received a 12-page brochure and 6-page cost comparison at their home address on the details of Open Enrollment for plan year 2022
- 21,243 Open Enrollment website page views, with no premium changes and virtually no enrollment differences, fewer people visited the website than in the prior year.

The results of these efforts were as follows:

- 4.85 out of five average customer satisfaction score for HR Solution Center survey results during Open Enrollment
- 4,509 Open Enrollment engagements with the HR Solution Center through email, live chat, one-on-one meetings, and phone calls

Health Plan Management and Administration: UVA administers the UVA Health Plan according to its plan documents and compliance with applicable regulations.

UVA HR provided affordable solutions for health care in pre-Medicare retirement planning. In response to immediate feedback, additional benefits counseling was offered. There were 358 completed consultations: 72 Medicare, 281 Pre-65 Medicare, and 5 prescription drug plan reviews.

UVA HR provided one rate for part- and full-time eligible employees as a health plan alternative to allow for workforce flexibility.

UVA HR partners with Mercer Consulting to ensure health plan designs are benchmarked with higher education, academic medical centers, and general industry. Actuarial analysis is completed on a regular basis and reported quarterly.

Opportunities: UVA HR will continue to focus on the following opportunities within the UVA Health Plan and well-being programs:

- Provide meaningful educational opportunities for eligible employees to make educated decisions regarding their health plan and well-being choices
- Implement a new Flexible and Health Savings Account Administrator, adding flexibility in accessing account and payment
- Change waiting period eligibility to Date of Hire versus first of following month
- Expand access to mental health benefits with virtual providers
- Increase PCP utilization and access to support health needs that drive outcomes
- Review benefit plan design with a focus on social determinates of health as well as diversity, equity, and inclusion
- Resolve finding of the UVA Health Plan Pharmacy Benefit Rates audit recommendations.
- Set UVA Health Plan rates and plan design, effective 1/1/2023.

*Kaiser Family Foundation, online: <https://www.kff.org/report-section/ehbs-2021-summary-of-findings/>, Figure B. November 10, 2021.

2021 UVA HEALTH PLAN SUMMARY

92% of eligible employees are enrolled in the UVA Health Plan across UVA Health and the Academic Division, up 1.8% from the prior year.

Plan Option Name	Basic (HDHP)	Value (PPO)	Choice (PPO)
Plan Type	High Deductible: \$2,000	PPO: \$800 deductible	PPO: \$500 deductible
Employee Participants	6,650	6,676	3,767
Dependent Participants	6,386	7,383	3,132
Pre-65 Retirees	123	35	91
Retiree dependents	40	7	6
Total Participants	13,199	14,101	6,996

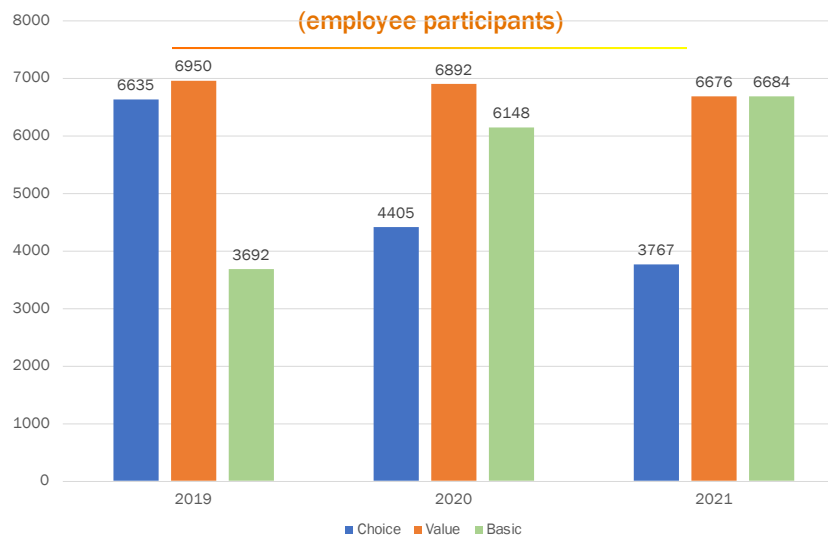


9% increase in participants in the High Deductible Health Plan (Basic HDHP)



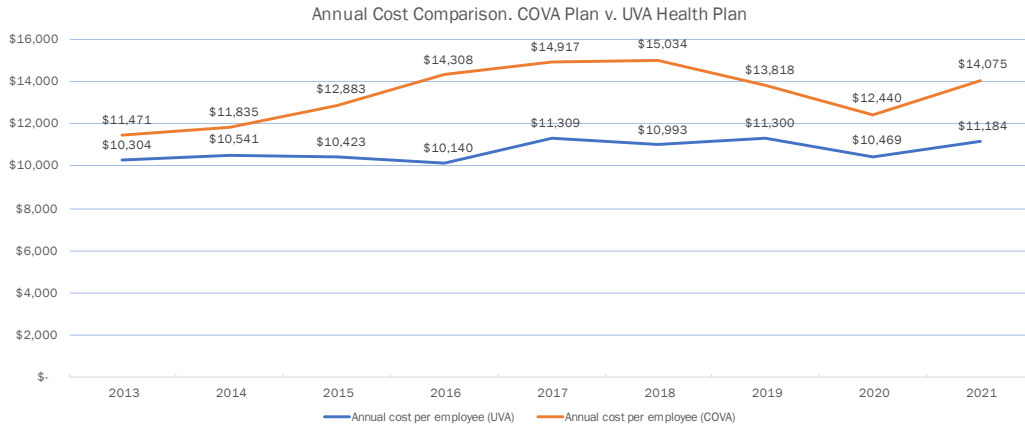
38% of all enrollees are in the Basic HDHP

THREE-YEAR MIGRATION SUMMARY



UVA HEALTH PLAN TREND COMPARISON

UVA leads other large employers in all aspects of health benefits, including lower annual cost per employee when compared to the Commonwealth of Virginia (COVA).



UVA HEALTH PLAN THREE-YEAR ROADMAP

2022	2023	2024
Implement new Flexible and Health Savings Account Administrator*	Stabilize new Flexible and Health Savings Account Administrator. Manage black period (5-10 days) and year end claims run out.	Build out Institute Of Quality, value network, and virtual network opportunities with UVA Health System
Change waiting period eligibility to Date of Hire	Explore health plan reporting opportunities available after FST go live/stabilization	Rebrand and Redesign UVA Health Plan options
Establish process for reconciling health plan membership enrollment between Workday and Aetna In partnership with UVA ITS, completed HIPAA risk assessment	External Pharmacy and Medical Audit (3-year cycle)	Identify which digital health solutions are a fit to drive outcomes for members.
Move benefits billing into Workday Customer Accounts	Review and market Davis Vison Contract. Ideal vendor will accept medical and vision	Deploy on-site or near-site clinical program.
Expand access to mental health benefits with virtual providers.	Increase PCP utilization and access to support individual members health needs that drive outcomes.	Automate Qualified Life Events (QLE) and dependent verification