

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the
Finance Committee**

September 14, 2023

FINANCE COMMITTEE

Thursday, September 14, 2023

3:45 – 5:00 p.m.

Board Room, The Rotunda

Committee Members:

Robert M. Blue, Chair

James B. Murray Jr., Vice Chair

Carlos M. Brown

Thomas A. DePasquale

Paul B. Manning

John L. Nau III

Rachel W. Sheridan

Douglas D. Wetmore

Robert D. Hardie, Ex-officio

AGENDA

	<u>PAGE</u>
I. ACTION ITEMS (Ms. Davis)	
A. 2023 State Six-Year Institutional Plan	1
B. 2024-2026 State Biennial Budget Requests	3
C. Major Capital Projects Financial Plans	8
1. Fontaine Central Energy Plant and Utilities	
2. Center for Politics	
3. Scott Stadium Videoboard	
4. Fontaine Roadway Infrastructure	
5. Fontaine Parking Garage	
D. Quasi-Endowment Action	10
II. REPORTS BY THE EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER (Ms. Davis)	
A. Executive Vice President's Remarks	11
B. University of Virginia Investment Management Company 2022-2023 Annual Report (Ms. Davis to introduce Mr. Robert Durden; Mr. Durden to report)	12
C. UVA Health Plan (Written Report)	13

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

BOARD MEETING: September 14, 2023

COMMITTEE: Finance

AGENDA ITEM: I.A. 2023 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 2023 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; developing the hospitality tourism management degree program; expanding data analytics into a Master of Science in Technology Management with data analytics concentration; and continuing work on graduate programs in Nursing and Family Nurse Practitioner and Education with specializations in Library Media and Special Education.

President Ryan and Chancellor Henry, along with their senior leadership teams, met with state officials including the Executive Director of SCHEV, Secretaries of Education and Finance, Director of the Department of Planning and Budget, and Staff Directors of the Senate Finance and Appropriations Committee and House Appropriations Committee in August to discuss the respective plans for the University and the College at Wise. UVA and the College at Wise anticipate receiving comments from SCHEV on the preliminary plans in mid-September. The Board of Visitors must formally adopt the amended six-year plans prior to submission of the final plans by mid-October.

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

APPROVAL OF THE 2023 STATE 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 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 in October;

RESOLVED, the Board of Visitors approves the 2023 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 14, 2023

COMMITTEE: Finance

AGENDA ITEM: I.B. 2024-2026 State Biennial Budget Requests

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

DISCUSSION: On July 27, 2023, the University received instructions from the Commonwealth regarding guidelines and deadlines for the submission of proposed requests to the 2024-2026 budget. The following proposed general fund requests were submitted to the Secretary of Education for consideration in the Governor’s introduced budget on August 18, 2023. General fund requests approved by the Secretary of Education for consideration in the Governor’s biennial budget will be submitted to the Department of Planning and Budget on September 29, 2023. We anticipate several issues – such as faculty and staff salary increases, operational support, and financial aid – may be addressed by the state for all institutions. We seek your authorization for the following general fund budget requests for submission to the Commonwealth by September 29, 2023.

Depending on the outcome of the Governor’s budget, to be presented in December, the University, the Medical Center, and the College at Wise may want to submit the following requests to the General Assembly in January 2024. (The Medical Center has no requests.) Any requests not included on this list that might be submitted to the General Assembly will be communicated to the Board of Visitors.

Academic Division:

Institute of Biotechnology: FY2025 - \$111,000,000
The University requests \$111M in FY2025 to continue the co-investment to establish UVA’s Institute of Biotechnology to accelerate biotechnology commercialization, genomics and gene therapies, drug delivery technologies and biomanufacturing facilities in the Commonwealth. Funding will be used to recruit high-performing biomedical and bioengineering research scientists to UVA and the Commonwealth, and will be contingent upon UVA successfully recruiting 75 additional researchers. The University has secured \$100M in private philanthropy in support of the Institute and has committed to invest \$200M in institutional funds to establish the Institute and construct a new state-of-the-art facility to support, accelerate, and promote cutting-edge discoveries and to translate these therapies from laboratories to clinical care.

Workforce Development and Internships: FY2025 - \$15,500,000
FY2026 - \$500,000

The University requests one-time state support of \$15M, to be matched 1:1 with University funds, to co-invest in the creation of new online, hybrid, and in-person certificate programs, designed to help non-traditional students advance in their careers and to promote workforce development, with a focus on students in the Charlottesville, Southwest Virginia, and Northern Virginia regions. UVA has committed to investing \$15M in workforce development. Together with a matching investment from the Commonwealth, this will enable UVA to build in-person and hybrid programs in Northern Virginia, the state's most populous region, to offer additional online programs focused on areas of unmet need within the Commonwealth, and to increase the reach of our existing programs. Subsequent to the start-up fund investment these programs are expected to be self-sufficient. UVA also requests ongoing support of \$500,000 per year to build infrastructure to support undergraduate internships and workforce development needs. This infrastructure would supplement UVA's current internship initiatives funded through V-Top and SCHEV.

Expand UVA's Threat Assessment Team: FY2025 - \$182,365
FY2026 - \$186,012

The University requests state support to enhance student safety and support the efforts of UVA's Threat Assessment Team (TAT), specifically to recruit additional personnel and conduct necessary training across the University, in order to better manage the increased workload of the TAT. Over the last two years (FY2022 and FY2023), cases have increased by 75% - from 199 in FY2021 to 348 in FY2023. Additional resources may also be needed to implement the forthcoming recommendations of the independent review of the November 13 tragedy at UVA.

Expand Mental Health Services: FY2025 - \$2,900,000

The University requests state support to improve the mental health services within the Student Health & Wellness facility. Specifically, these one-time funds would support private telehealth rooms, improvements to space supporting student mental health, and other wellness needs of the student population.

Strategic Infrastructure for Translation and Commercialization of Scientific Research: FY2025 - \$5,770,000
FY2026 - \$5,770,000

The University requests approximately \$5.8M each year, to be matched with University funds, to co-invest in strategic infrastructure for the translation and commercialization of scientific research. This infrastructure will connect the work of UVA's world-class researchers and faculty to practical problems – and solutions. Commercializing these solutions, whether through licensing or new ventures, will be a key spur to the Commonwealth's economic growth. The funding would support four related items: (1) entrepreneurship; (2) commercialization; (3) translational support for technology and non-life sciences; and (4) clinical trials.

Virginia Military Survivors and Dependents Education Program: FY2025 - \$6,760,233
FY2026 - \$8,051,772

The University requests funding to support the tremendous growth in Virginia Military Survivors and Dependents Education Program (VMSDEP) waivers. Starting in 2019 through 2023, the number of students receiving waivers has increased 456%, from 36 to 200 students. Using a three-year rolling average, we anticipate the number of eligible students and the cost of the VMSDEP waivers to continue to increase.

UVA Health Plan: FY2025 - \$5,969,429
FY2026 - \$7,373,382

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.

Operations & Maintenance (O&M) for New Facilities: FY2025 - \$824,903
FY2026 - \$1,620,717

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 2024-2026.

Utilities: FY2025 - \$476,602
FY2026 - \$490,900

The University seeks incremental funding to cover the state's general fund share of the increased utility rates impacting E&G facilities.

State Arboretum at Blandy Farm: FY2025 - \$350,000
FY2026 - \$350,000

The University seeks additional state funding to fully support personnel costs at the State Arboretum at Blandy Farm and additional support for the numerous preK-12 programs offered by Blandy. Additional funding will be needed annually to cover increased personnel costs (due to salary increases, other benefit costs, etc.).

College at Wise:

Enrollment and Retention: FY2025 - \$1,976,213
FY2026 - \$2,095,141

UVA Wise requests recurring state support to increase enrollment and enhance retention strategies. This funding will be used to: 1) support enrollment management marketing and increase use of technology in the recruitment and admissions of students; 2) expand student support services through living-learning communities and wellness activities; 3) improve student retention through academic support technology and increased programming; and 4) recruit and retain exceptional employees.

Workforce Program Strategies: FY2025 - \$999,675
FY2026 - \$1,000,605

UVA Wise requests recurring funding to support the expansion of programming in existing and newly established academic programs to support the workforce needs in the Commonwealth and Southwest Virginia. These funds would continue the growth and expansion of the nursing program, continued implementation of the data analytics program to include artificial intelligence, and continue development of the hospitality and tourism program which will support the tourism and gaming (casino) initiatives in Southwest Virginia. This includes \$300,000 that was a general fund request submitted for the Center for Teaching Excellence which was included in the Governor’s proposed budget and carried by both the House and Senate. If these funds remain in the approved budget, this request would be reduced.

Research: FY2025 - \$336,176
FY2026 - \$445,500

UVA Wise requests on-going support for research activities. Governor Youngkin included funding in his proposed budget for a study to expand research opportunities at the College. To further support this work, the College is seeking funding to hire a director and support staff that would assist in this planning, and also focus on applied research in collaboration with the University of Virginia to develop knowledge, expertise, and experiential opportunities for students in areas of study important to our region. Additionally, this funding would provide additional support to the Healthy Appalachia Initiative which will implement population health programs in collaboration with regional community, business, health, and education partners; and teach public health courses at the College.

Expanding Graduate Programs: FY2025 - \$241,180
FY2026 - \$241,500

UVA Wise requests on-going funding for the expansion of graduate programs. With its recently approved level change, the College will begin its M.Ed. in Curriculum and Instruction program this fall. The College is requesting additional funding to expand the M.Ed. program to include Library Media and Special Education programs.

Virginia Military Survivors and Dependents Education Program: FY2025 - \$180,000
FY2026 - \$185,400

UVA Wise requests funding to support the Virginia Military Survivors and Dependents Education Program (VMSDEP) waivers. This growing unfunded mandate continues to add financial pressure to institutions of higher education in Virginia. Funding for these waivers would allow institutions to keep tuition and fees more affordable.

Utilities: FY2025 - \$250,000
FY2026 - \$275,500

UVA Wise requests on-going funding for increased utility costs due to the current economy and inflationary impacts.

Maintenance Reserve:

FY2025 - \$2,194,000

UVA Wise requests one-time funding to increase Maintenance Reserve allocations to address facility improvements. With recent decisions to pause funding of capital projects, additional state support is needed to address critical infrastructure needs to existing buildings, including roof replacements (Darden Hall and Zehmer Hall), replacement of windows (Darden Hall), replacement of chiller (Darden Hall), and interior repairs and improvement in Darden Hall.

Extension of Full Indirect Cost of Auxiliary Enterprise Programs: [Language only]

UVA Wise requests the permanent reprieve of authorization provided within Section 3-4.01, Paragraph A.2., of Chapter 2 of the 2022 Special Session I. This extension would allow the College to steady auxiliary operations at a time when revenues are down and expenditures are increasing, secure vital student services, and rebuild the financial foundation of the College's auxiliaries through the growth forecast of the College.

Update Position Distribution: [Language Only]

UVA Wise requests a technical amendment to redistribute authorized positions for the 2024-2026 biennium to accurately reflect positions as funded by the college.

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

OPERATING BUDGET REQUESTS FOR THE 2024-2026 STATE BIENNIAL BUDGET FOR THE ACADEMIC DIVISION AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

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 requests for the 2024-2026 Biennial Budget for consideration by the Governor; and

WHEREAS, the proposed biennial budget requests represent the University's highest priority initiatives and are aligned with the University's 2030 Plan and the Six-Year Institutional Plan due to the Commonwealth in early Fall 2023;

RESOLVED, the Board of Visitors of the University of Virginia approves the 2024-2026 biennial budget General Fund operating requests; and

RESOLVED FURTHER, the Board of Visitors understands that to the extent these requests are not included in the Governor's 2024-2026 biennial budget, the University may want to pursue a similar request to the General Assembly; and

RESOLVED FURTHER, the President or his designee is authorized to transmit to the General Assembly any request not funded by the Governor as long as there are no material differences from the items endorsed by the Board of Visitors; and

RESOLVED FURTHER, the Board of Visitors approves the language amendment requests for the University of Virginia's College at Wise Indirect Cost extension and position redistribution.

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

BOARD MEETING: September 14, 2023

COMMITTEE: Finance

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

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) Center for Politics: In June 2016, the Board of Visitors approved a major capital project for the Center for Politics to renovate and expand Montesano to better support events and programs. The proposed addition includes a library and storage area for the Center’s large political memorabilia collection, a classroom, and a common area that will serve both as student work and gathering space and as an event space. These spaces will support the Center’s academic programs, international and community outreach and education programs, and K-12 outreach efforts. The estimated total project budget is \$10M and will be funded by private philanthropy.

(2) Scott Stadium Video Scoreboard: This project will replace the existing video scoreboard and stadium sound system, as well as associated improvements to the existing structure to deliver a markedly improved audio-visual performance for the 2024 football season. Supporting the second strategic goal of the 2030 Plan to “cultivate the most vibrant community in higher education,” the new scoreboard will significantly enhance the gameday experience, increase fan support (UVA students, faculty, and staff, as well as the broader community), and support the Athletics Department’s plan to rebuild football into a showcase for the UVA community. The estimated total project budget of \$13.4M will be funded by private philanthropy (\$5.4M) and Athletics Department one-time funding (\$8M).

(3) Fontaine Central Energy Plant and Utilities: This project will initially serve thermal utilities (i.e., heating and cooling) to the Institute of Biotechnology facility and will be expandable to serve other future buildings in the Fontaine Research Park. The first phase includes the construction of an approximately 19,000 square foot building, associated service yard, and utility distribution system. The Fontaine Central Energy Plant will demonstrate the University’s commitment to being a leader in next generation district energy systems, utilizing thermal energy generation and distribution technology including geothermal storage, low-temperature hot water distribution, and heat recovery chillers. The use of these technologies will make this the first “zero combustion” fossil fuel free central energy plant on

Grounds. The estimated total project budget is \$70M and will be funded by debt (\$62.5M) and central one-time funding (\$7.5M).

Fontaine Research Park (4) Roadway Infrastructure and (5) Parking Garage: Located at the entry to Fontaine Research Park and west of 400 Ray C. Hunt Drive, the Fontaine Roadway Infrastructure and Parking Garage projects, approved by the Board of Visitors in June 2022, will be the first projects constructed as part of the Fontaine Master Plan. The Fontaine Parking Garage will be a seven-story facility with 1,250 spaces for faculty and staff. Improvements to the Ray C. Hunt Drive entry include pedestrian and bicycle accommodations, a transit stop for UTS buses, and a roundabout for improved wayfinding. The central spine road will replace a largely inactive green with vehicular travel lanes, parallel parking, generous sidewalks, ADA accommodations, and landscape features. Both the Parking Garage and Roadway Infrastructure projects will begin transforming the Fontaine Research Park into a campus-scale, active, collaborative environment for patients, researchers, and visitors. The estimated project budget for the Roadway Infrastructure project is \$10M and will be funded by central one-time funding. The estimated project budget for the parking garage project is \$61M and will be funded by debt (\$46.7M) and central one-time funding (\$14.3M).

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

MAJOR CAPITAL PROJECTS FINANCIAL PLANS

WHEREAS, the financing plan for the renovation and expansion of the Center for Politics calls for the use of gifts in the amount of \$10M; and

WHEREAS, the financing plan for the replacement of the Scott Stadium Video Scoreboard calls for the use of gifts in the amount of \$5.4M and Athletics Department one-time funding in the amount of \$8M; and

WHEREAS, the financing plan for the Fontaine Central Energy Plant and Utilities project calls for the use of central one-time funding in the amount of \$7.5M and debt in the amount of \$62.5M; and

WHEREAS, the financing plan for the Fontaine Research Park Roadway Infrastructure calls for the use of central one-time funding in the amount of \$10M; and

WHEREAS, the financing plan for the Fontaine Research Park Parking Garage calls for the use of central one-time funding in the amount of \$14.3M and debt in the amount of \$46.7M;

RESOLVED, the Board of Visitors approves the financing plans for the Center for Politics, the replacement of the Scott Stadium Video Scoreboard, the Fontaine Central Energy Plant and Utilities, the Fontaine Research Park Roadway Infrastructure, and the Fontaine Research Park Parking Garage.

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

BOARD MEETING: September 14, 2023

COMMITTEE: Finance

AGENDA ITEM: I.D. Quasi-Endowment Action

BACKGROUND: The Athletics Department entered into an agreement with Aramark Educational Services, LLC on August 26, 2014, to provide dining services for the University of Virginia. An amendment was made effective on July 1, 2019, that included an unrestricted grant to the Athletics Department to be used to support its operations. The full amount of the grant will be received in installments through fiscal year 2024.

DISCUSSION: The Athletics Department is requesting to invest the upcoming payment of \$7M in unrestricted grant funds into the Athletics General Operations Quasi-Endowment to support Athletics Department operations, including but not limited to nutrition, athletic dining hall operations, sport performance and student athlete well-being. This \$7M installment will fulfill Aramark’s multi-year commitment; prior installments have already been received and invested in the Athletics General Operations Quasi Endowment.

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

INVESTMENT OF OPERATIONAL FUNDS IN THE ATHLETICS GENERAL OPERATIONS QUASI-ENDOWMENT

WHEREAS, the Board of Visitors is required to approve all Endowment actions over \$5M; and

WHEREAS, the Athletics Department of the University of Virginia wishes to invest a \$7M payment into the Athletics General Operations Quasi-Endowment, along with previously received payments; and

WHEREAS, this final payment fulfills Aramark’s contractual obligation per the 2019 amendment;

RESOLVED, the Board of Visitors authorizes investing the requested \$7M into the Athletics General Operations Quasi-Endowment.

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

BOARD MEETING: September 14, 2023

COMMITTEE: Finance

AGENDA ITEM: II.A. Executive Vice President's Remarks

ACTION REQUIRED: None

BACKGROUND: The Executive Vice President and Chief Operating Officer will inform the committee members of recent events that do not require formal action, but of which they should be made aware.

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

BOARD MEETING: September 14, 2023

COMMITTEE: Finance

AGENDA ITEM: II.B. University of Virginia Investment Management Company
2022-2023 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 (the corporate name of the University of Virginia) and University-associated organizations (UAOs). Assets deposited in UVIMCO are held in the custody and control of UVIMCO on behalf of the University and UAOs within a long-term, co-mingled investment pool (the Long Term 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/Chief Investment 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, 2023, and address any questions from the committee.

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

BOARD MEETING: September 14, 2023

COMMITTEE: Finance

AGENDA ITEM: II.C. 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.

EXECUTIVE SUMMARY: For the plan year beginning January 1, 2022, and ending on December 31, 2022, 92% of eligible employees were enrolled in UVA’s health plan, with no change from the prior year. Plan enrollment is broken down in the attached Annual Report on the UVA Health Plan.

- **Enrollment.** 39.7% of eligible employees are enrolled in the Value Health PPO option, 19.9% in the Choice Health PPO option, and 40.4% in the Basic Health High Deductible option.
- **Value.** UVA leads in various aspects of health benefits, including lower annual costs per employee 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, on average, versus 74%* for other large employers.
- **Workforce.** UVA had 18,448 benefits-eligible employees; enrollment has slowly decreased since 2020.

Total Employees Enrolled	
2022	16,429
2021	17,127
2020	17,445

Education and Awareness: Each year, UVA invests resources to educate participants about their benefit options before Open Enrollment, including potential annual costs for each UVA Health Plan option. To support a remote workforce and decreased population density on Grounds, Open Enrollment in 2022 contained these elements:

- A virtual Benefits & Wellness Expo
- 75 virtual one-on-one sessions + 138 walk-ins
- 430 attendees, Online + 3 locations

- 18,448 members received a 20-page brochure, including cost comparison, at their home address on the details of Open Enrollment for the plan year 2023
- Open Enrollment website page views were stable from the prior year, with no premium changes and virtually no enrollment differences; fewer people visited the website

The results of these efforts were as follows:

- 4.7 out of five average customer satisfaction score for HR Solution Center survey results during Open Enrollment
- 4,380 Open Enrollment engagements with the HR Solution Center through email, live chat, one-on-one meetings, and phone calls. The top inquiry topics were Health/Welfare, Workday Navigation, Life Insurance, Supplemental Retirement, and Life Event Appointments.

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

UVA HR implemented a new-hire choice for coverage, same day or first day of the month following hire. This has tremendously impacted our Pipelines and Pathways and international hires.

UVA HR changed Flexible and Health Savings Account Administrators and increased account access and payment information flexibility.

UVA HR partners with Mercer Consulting to benchmark health plan designs with higher education, academic medical centers, and the general industry. Actuarial analysis is completed regularly 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
- 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 for efficiency and effectiveness

*Kaiser Family Foundation, online: <https://www.kff.org/report-section/ehbs-2022-summary-of-findings/>, Figure D, October 27, 2022.

CY2022 UVA HEALTH PLAN SUMMARY

92% of eligible employees are enrolled in the UVA Health Plan across UVA Health and the Academic Division, no change from previous year.

Plan Option Name	Basic (HDHP)	Value (PPO)	Choice (PPO)
Plan Type	High Deductible \$2,000	PPO: \$800 deductible	PPO: \$500 deductible
Employee Participants	6,642	6,526	3,261
Dependent Participants	6,358	6,947	2,697
Total Participants	13,000	13,473	5,958



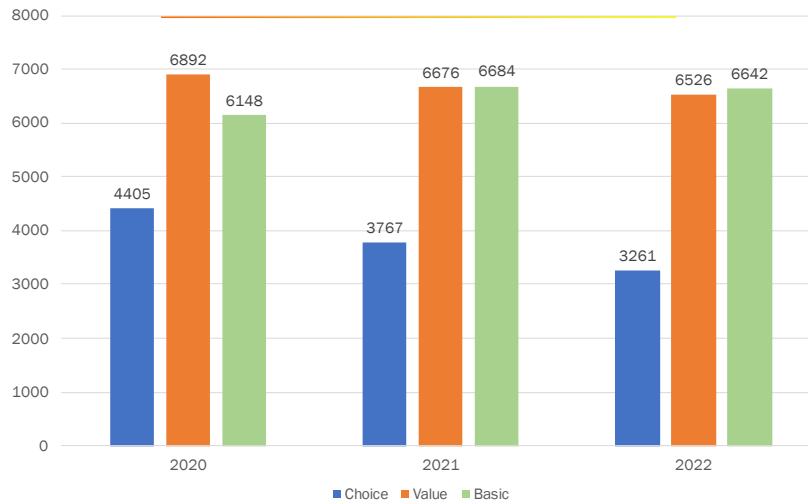
2% increase in High Deductible Health Plan (Basic HDHP) enrollees.



40% of all enrollees are in the Basic HDHP

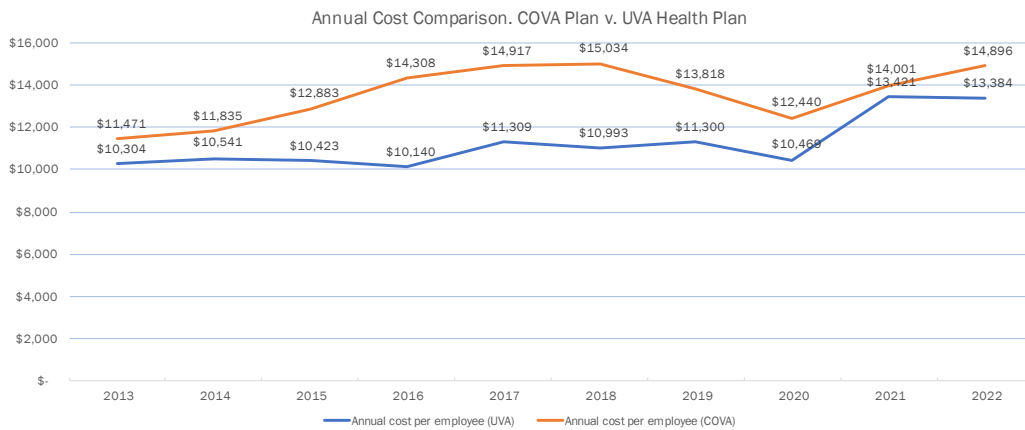
THREE-YEAR MIGRATION SUMMARY

(employee participants)



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

2023	2024	2025
Stabilize new Flexible and Health Savings Account Administrator. Manage black period (5-10 days) and year end claims run out.	Deploy on-site or near-site clinical program.	Implement Concierge Health for UVA Health Plan Members with UVA Providers included virtual only options
Expand virtual health for providers for mental health services.	Market UVA Vision programs and options	Rebrand and Redesign UVA Health Plan options
External Pharmacy and Medical Audit (3-year cycle)	Identify which digital health solutions are a fit to drive outcomes for members.	Provide a conduit for Well-being financial awards to be deposited into employees Health Savings Accounts.
Increase PCP utilization and access to support individual members' health needs that drive outcomes.	Automate Qualified Life Events (QLE) and dependent verification	Develop health plan dashboard reporting.