

- OCT 13 1983
1. U. T. Board of Regents: Amendments to Chapter VIII of Part Two of the Regents' Rules and Regulations.--Upon recommendation of the Buildings and Grounds Committee, the Board approved the following amendments to Chapter VIII of Part Two of the Regents' Rules and Regulations:

a. Amended the title of Section 1 to read as follows:

Sec. 1. Major New Building Construction Exceeding the Amount of \$300,000 per Project.

b. Amended the lead-in paragraph of Subdivision 1.33 of Subsection 1.3 of Section 1 to read as follows:

1.33 The Board will award the contracts for all work in excess of the amount of \$300,000. The contract will be signed by the contractor(s) involved and the Chairman of the Board and approved by the Board in accordance with law.

c. Amended Section 2 to read as follows:

Sec. 2. Minor New Building Construction; Minor Repairs and Remodeling; and Construction of Improvements Other Than Buildings Involving Less than \$300,000 per Project.--Minor new building construction, minor repairs and remodeling of the physical plant and construction of improvements other than buildings that involve a total expenditure of \$300,000 or less per project may be handled at the component institution. Necessary funds must have been approved through the proper procedure. In each case, the project must have been approved by the director of physical plant, chief business officer, and the chief administrative officer of the institution involved.

d. Amended Subsection 3.1 of Section 3 to read as follows:

3.1 Any repair or remodeling project of the physical plant or construction of improvements other than buildings involving an estimated expenditure that exceeds \$300,000 shall be deemed a construction project and shall be handled under the procedures set out in Section 1. A repair or remodeling project or a project that involves the construction of improvements other than buildings that does not exceed \$300,000 may be handled at the component institution in accordance with the procedures set out in Section 2 of this Chapter.

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4. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter VI, Section 3 (Tax Sheltered Annuities) and Approval of Amendments to the Conditions to be Met by Organizations Seeking Authorization to Write Tax Sheltered Annuities or Other Investments for Employees of The University of Texas System.--Approval was given to amend Section 3 (Tax Sheltered Annuities) of Chapter VI of Part Two of the Regents' Rules and Regulations as set forth below:

a. Subsection 3.2 was amended to read as follows:

3.2 In accordance with conditions approved by The University of Texas System Board of Regents and in consultation with the Office of the Executive Director for Finance and Administration, the System Personnel Director will review and approve companies authorized to offer annuities or other investments under the Tax Sheltered Annuity Program.

b. A new Subsection 3.3 was added to read as follows:

3.3 In consultation with the Office of the Executive Director for Finance and Administration and in accordance with state and federal laws and regulations, The University of Texas System Personnel Director is authorized to issue "Guidelines for Administration" for evaluation of organizations seeking to write tax sheltered annuities or other investments for employees of The University of Texas System.

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1. U. T. Board of Regents: Amendments to Subsections 6.1 and 6.3, Section 6, Chapter IX, Part Two of the Regents' Rules and Regulations Relating to the Investment Advisory Committee for the Permanent University Fund; and Interim Procedures in Implementation of the Amendments (Exec. Com. Letter 84-2).--Pursuant to the action of the U. T. Board of Regents at the August 11-12, 1983 meeting and upon recommendation of the Executive Committee, the Board approved the amendments to the Regents' Rules and Regulations, Part Two, Chapter IX, Section 6, Subsections 6.1 and 6.3 relating to the membership and terms of office of members of the Investment Advisory Committee for the Permanent University Fund as set forth below:

- 6.1 Membership.--Six members of the Committee shall be selected because of their particular qualifications and experience in the field of investments, including experience in bond and corporate stock investments.
- 6.3 Term of Office.--Each member shall serve a three-year term, with the terms of two members expiring each August 31. A member is eligible for reappointment to a consecutive three-year term, but may not be reappointed thereafter without a three-year break in service.

To effect a transition from the present composition of the Investment Advisory Committee without shortening the term of any current member, the following interim pattern of appointments was approved by the U. T. Board of Regents:

- a. At the October meeting, appoint a new member who would serve a "short term" ending August 31, 1985, and who would be eligible for reappointment to only one additional three-year term without the break in service required by the above amendments to the Regents' Rules and Regulations.
- b. In the summer of 1984, make the first regular three-year appointment, to be effective September 1, 1984, and to expire August 31, 1987.
- c. In the summer of 1985 and each summer thereafter, appoint or reappoint two members for three-year terms to begin September 1 in accordance with the above amendments to the Regents' Rules and Regulations.

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1. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendment to Chapter I, Section 4.1, Relating to Regental Approval of Appointments to Endowed Academic Positions.--Upon the recommendation of the Health Affairs and Academic Affairs Committees, approval was given to amend Section 4.1, Chapter I, Part Two of the Regents' Rules and Regulations relating to regental approval of appointments to endowed academic positions. This amendment, as set out below, exempts appointments to endowed visiting professorships, lectureships, fellowships and teaching fellowships from being approved by the U. T. Board of Regents via the agenda. These appointments will now receive regental review as part of the regular annual budget submission or on an individual basis via the Docket of the Office of the Chancellor.

4.1 No endowment will be established or announced without prior approval of the Board, and no initial appointment of an individual will be made to an endowed chair or professorship without prior approval by the Board via the Agenda. Subsequent successive appointments of the same individual to the same position may be approved via the Docket of the Office of the Chancellor. Initial and continuing appointments to endowed visiting professorships, endowed lectureships, endowed fellowships, and endowed teaching fellowships may be approved via the Docket of the Office of the Chancellor, unless included as a part of the annual budget approval process.

2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendment to Chapter I, Section 4.41, Concerning Endowed Chairs.--With the concurrence of the Health Affairs Committee, the Academic Affairs Committee recommended, and the Board approved, an amendment to Section 4.41, Chapter I, Part Two of the Regents' Rules and Regulations concerning endowed chairs. This amendment, which provides institutions of The University of Texas System the flexibility to use endowment income for part of a holder's salary, when desirable, rather than restrict its use for salary supplements, is set out below:

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4.41 Endowed Chairs. The endowed chair will be established with a minimum of \$500,000 or the equivalent in annual contributions arranged according to agreements recommended by the Office of the Chancellor and approved by the Board. Grants of \$400,000 already under contractual agreement for the future, bequests included in wills made prior to January 25, 1975, and other prior bona fide arrangements for \$400,000 endowment chairs are excepted in this regulation. The component institution will pay from its funds such amounts as are necessary to set the salary of the holder at a level commensurate with his or her record, experience, and position in the faculty. The endowment income will be used both for salary supplementation and for other professional support of the holder of the chair, including assistance in the holder's research. The endowment income also may be used to pay an appropriate part of the salary of the holder of the chair commensurate with an authorized reduced faculty workload when required by other duties of the chair or when the holder is on part-time or full-time research leave which is otherwise unfunded. It is provided specifically, however, that, in no event, will endowment income be used to supplant any other source of funds used to pay the base salary of the holder of the chair when the holder

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2. U. T. Board of Regents: Amendments to (a) Regents' Rules and Regulations, Part Two, Chapter VI, Section 6 (Health Maintenance Organizations) and (b) Certification Requirement and Conditions and Standards for Certification of Health Maintenance Organizations Seeking Authorization to Provide Services to Employees.--Upon the recommendation of the Finance and Audit Committee, approval was given to amend Section 6 (Health Maintenance Organizations) of Chapter VI of Part Two of the Regents' Rules and Regulations as set forth below:

a. Subsection 6.1 was amended to read as follows:

6.1 In accordance with PROCEDURES FOR INCLUSION OF HEALTH MAINTENANCE ORGANIZATIONS adopted by the U.T. Board of Regents, the Office of the Executive Director for Finance and Administration, with the concurrence of the Executive Vice Chancellor for Health Affairs, may approve the inclusion of qualified organizations to provide services as a health maintenance organization.

b. A new Subsection 6.2 was added to read as follows:

6.2 In consultation with the Executive Director for Finance and Administration and the Executive Vice Chancellor for Health Affairs and in accordance with state and federal laws and regulations, The University of Texas System Personnel Director is authorized to issue "Guidelines for Administration" of the health maintenance organization option and to promulgate a "Request for Inclusion" form, which will include criteria against which HMO's will be evaluated.

c. Present Subsections 6.2 through 6.5 were renumbered as Subsections 6.3 through 6.6, respectively

On December 3, 1982, the U. T. Board of Regents approved the Certification Requirement and the Conditions and Standards for certification of health maintenance organizations seeking authorization to provide health care services to employees of The University of Texas System. Whereupon, the Board amended the Certification Requirement and the Conditions and Standards as set forth below in its entirety:

PROCEDURES FOR INCLUSION OF HEALTH MAINTENANCE ORGANIZATIONS

Certification

The President or General Counsel of any health maintenance organization seeking authorization to provide health care services to employees of The University of Texas System must certify, in support of the organization's request for inclusion, that the organization meets, or will meet, all Conditions or Standards for Approval listed below. The certificate of the President or General Counsel must be accompanied by appropriate documentation where indicated.

Due Date

The certification and request for inclusion are to be addressed to the Chancellor of The University of Texas System, Attention: System Personnel Director, 201 West 7th Street, Austin, Texas 78701, and must be received on or before 180 days prior to the first day of The University of Texas System annual group health insurance enrollment period (currently September 1), except that requests to provide services during fiscal year 1984 must be received within 30 days after the date on which The University of Texas System provides notice to the health maintenance organization that a request for inclusion is due.

Additional Information

The University of Texas System reserves the right to request within 60 days of receipt of the "Request for Inclusion" that such additional documentation as it deems reasonably necessary be provided on or before 90 days before the annual group health insurance enrollment period.

Conditions or Standards for Inclusion

1. The health maintenance organization will observe the Rules and Regulations of the Administrative Council, Texas State College and University Employees Uniform Insurance Benefits Act (Article 3.50-3 of the Texas Insurance Code), Rules and Regulations of the Board of Regents of The University of Texas System, Attorney General's Opinions and "Guidelines for Administration" issued by The University of Texas System Personnel Director that are reasonably necessary for effective administration by The University of Texas System.
2. The health maintenance organization shall provide, in the organization's proposed contract, specific release and indemnification of The University of Texas System, its component institutions, and the State of Texas from:
 - a. Any liability arising from unpaid medical and hospitalization claims, including any and all services furnished by providers upon prescription by a participating organizational physician.
 - b. Any liability involving medical malpractice claims.
3. The health maintenance organization must specify whether the organization's request is for inclusion to offer for a specific institution and must include evidence that the organization is capable of enrolling and servicing all employees, retirees and dependents of that institution of The University of Texas System. The organization may apply separately for more than one component institution.

4. The health maintenance organization will not limit or discourage enrollment of any employee, retiree or dependent of an institution of The University of Texas System by "quota" or other enrollment restrictions.
5. The health maintenance organization will not practice discriminatory selection or encourage segregation of the total group of eligible employees, retirees or dependents of any institution of The University of Texas System by excluding, seeking to exclude, or otherwise discriminating against any of the following classes:
 - a. Women: Title VII of the Civil Rights Act of 1964, as amended, and Executive Order 11246 of 1965, as amended
 - b. Pregnant women: Pregnancy Discrimination Act of 1978, PL95-555
 - c. Racial minorities: Title VII of the Civil Rights Act of 1964, as amended
 - d. Aged and retired: Age Discrimination in Employment Act of 1967, as amended
 - e. Handicapped and those with catastrophic and terminal illnesses: Sections 503 and 504 of the Rehabilitation Act of 1978
6. The health maintenance organization shall provide in the organization's proposed contract a "Hold Harmless and Indemnity" clause regarding any and all claims, demands or judgments which might result from discriminatory organizational practices.
7. The health maintenance organization shall not limit the choice of any employee, retiree or dependent of The University of Texas System or any component institution by denying treatment by any type of physician or other health care practitioner authorized to treat such covered individuals under Article 3.50-3, Texas Insurance Code, and shall not deny the covered individual access to treatment by any class or category of such physicians or practitioners which would have been provided the covered individual under the insured group health insurance plan.
8. The health maintenance organization must certify, with appropriate evidence, that it is qualified to do business as a health maintenance organization under Federal or State statutes and regulations.
9. The health maintenance organization must state whether it has achieved financial stability and has remained solvent under the same basic organizational document of the applicant, such as articles of incorporation or association, partnership agreement, trust agreement or other

applicable legal documents for the last three organizational fiscal years immediately preceding the date on which employees of The University of Texas System or component institutions are to be offered enrollment.

10. The health maintenance organization must provide all information required for the request for inclusion of the health maintenance organization option in a health benefits plan required by Federal regulations contained at 42 C.F.R. §110.803(c), including the health maintenance organization's most recently audited annual financial statement.
11. The health maintenance organization must agree to provide annual audited financial statements and other financial information as may be reasonably requested by representatives of The University of Texas System.

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2. U. T. Board of Regents - Regents' Rules and Regulations, Part Two: Amendments to Chapter VI, Sec. 5 (Group Dental Insurance) and Sec. 6 (Health Maintenance Organizations). -- Approval was given to amend Chapter VI of Part Two of the Regents' Rules and Regulations as set forth below:

a. Section 5 was amended to read as follows:

Sec. 5. Group Dental Insurance.

- 5.1 An employee covered by group hospitalization and medical insurance is also covered by group dental insurance under a System-wide contract approved by the Office of the Chancellor and the U.T. Board of Regents.
- 5.2 Dependents' dental coverage is available but may be discontinued only if dependents' group hospitalization and medical coverage is discontinued.
- 5.3 Reinstatement of discontinued dependents' dental coverage shall require evidence of insurability.
- 5.4 Effective September 1, 1983, and thereafter, Subsections 5.1 through 5.3 shall also apply to employees and dependents covered as health maintenance organization participants.

b. A new Section 6 was added to read as follows:

Sec. 6. Health Maintenance Organizations.

- 6.1 In accordance with conditions approved by the U.T. Board of Regents, the Office of the Executive Director for Finance and Administration, with the concurrence of the Executive Vice Chancellor for Health Affairs, may approve qualified organizations to provide services as a health maintenance organization.
- 6.2 A person eligible to enroll in the group hospitalization and medical benefit plan may, as an option, elect to enroll in a health maintenance organization under a contract approved by the Executive Director for Finance and Administration pursuant to conditions approved by the U. T. Board of Regents.
- 6.3 Employees who do not enroll within 60 days of eligibility may do so only in the annual enrollment period during the month of September.
- 6.4 The anniversary date of the contract is September 1 of each year.
- 6.5 An employee enrolled in a health maintenance organization is automatically enrolled for group dental coverage.

c. Present Sections 6 through 16 were renumbered as Sections 7 through 17, respectively.