

Final Report

Graduate Student Health Insurance Plan Committee

AY 2009-2010

Dear Chancellor Drake,

I am writing on behalf of the Associated Graduate Students and Student Affairs as the Chair of the Graduate Student Health Insurance Committee. The GSHIP Committee has had a busy and productive year. As you know, we graduate students recently transitioned from an unregulated PPO to a PPO+gatekeeper medical care plan. The Student Health Center effectively provided the gatekeeper function by serving as our primary care provider. This change had its foreseen, and unforeseen, problems and issues, which have constituted the majority of the work that the GSHIP Committee has done this year. However, the benefits of transition have been clear and exceeded the burden caused by problems: graduate students have realized lower costs, a student-oriented health care environment, and better advocacy from health professionals, as a direct result of the transition. The GSHIP Committee is pleased with the results.

Please find the GSHIP Committee's Final Report attached to this memorandum. I understand that the report is being filed later than typical. I apologize on behalf of the committee for the tardiness of the report. However, we have just cause for this delay: the GSHIP committee needed a longer period of time to collect claims history from the Student Health Center to be competitive in its negotiations with the medical insurance carrier. The results were beneficial to graduate students and the University: the medical carrier offered a rate-pass in medical premium insurance rate based on the extended period of excellent claims history from the Student Health Center.

There are a few changes to the medical and vision plans that we feel will serve graduate students well. None of the changes affect the premiums, but do affect out-of-pocket costs (by lowering them for most graduate students). The changes are detailed in the report.

Thank you for considering the changes to GSHIP for AY 2010 – 2011. The GSHIP Committee will continue to work closely with graduate students, the Student Health Center, and the UC system-wide GSHIP committee over the summer. In the Fall of 2010, I will step aside as chair and make a recommendation on my replacement to VC Gomez and the AGS Executive Council.

Respectfully Submitted,



Christopher Steven Marcum
Chair, GSHIP Committee
University of California, Irvine

Background

The Graduate Student Health Insurance Committee (GSHIP) is a student-governed committee vetted with the task of designing, managing, and implementing health insurance for the graduate students at the University of California – Irvine. The committee consists of graduate students, UCI administrators, medical professionals, and the insurance brokers. The Associated Graduate Students and UC Student Affairs share joint oversight of the GSHIP Committee. The Chancellor has designated signature authority on contracts and GSHIP business to the Vice Chancellor of Student Affairs.

Summary of AY 2010 – 2011 Recommendations

For parsimony, the following recommendations are made to the Chancellor:

- Opt-out of the UC System-wide GSHIP Effort for AY 2010 – 2011
- Accept the 0% increase in the GSHIP Medical, Dental, and Vision Premium
- Renew contract with Garnett-Powers & Associates, Inc as the Insurance Broker of Record, currently 2% of the total Medical + Rx premium.
- Continue relationship with Student Health Center as primary care provider
- Continue the \$99 Student Health Center Administration Fee

The total per-student costs would remain the same at:

Medical + Rx	Dental	Vision	SHC Admin	Total / Year	Total / Quarter
\$2,074.00	\$137.76	\$39.00	\$99.00	\$2,349.76	\$783.25

Broker-of-Record

The current broker-of-record is Garnett-Powers & Associates, INC. The graduate students at large have received an incredible benefit from their long-term, ongoing relationship with Garnett-Powers. The brokers have consistently gone above-and-beyond the terms of their contract to serve UCI graduate students, including processing back claims, mitigating on behalf of individual students, and providing hasty administrative services for the GSHIP Committee when UCI resources were not adequate. The GSHIP committee strongly recommends renewing the contract with Garnett-Powers for AY2010-2011.

The current negotiated compensation for the broker-of-record is 2% of the total medical premiums. For AY 2009-2010, this was approximately \$151,153.

Student Health Center

The graduate students are pleased to recommend continuation of the new relationship with Student Health Center (SHC) as their primary care provider and gatekeeper. The SHC has been extremely effective at controlling costs. Students are generally satisfied with SHC as their primary care provider, as indicated by a major drop in the number of claims-related complaints relative to years past.

The GSHIP Committee has worked closely with SHC to alleviate the anticipated and unanticipated issues that arose since the transition. These issues and resolutions have included: clarifying and revising

the explanation of benefits; negotiating claims and reimbursement with Student Resources (the insurance carrier) *vis-a-vis* Garnett-Powers (the insurance broker); and mitigating student complaints.

Further, the GSHIP committee recommends continuing the \$99 SHC Administration Fee. The AY 2008-2009 Chancellor's GSHIP Transition Committee instantiated the fee to help pay for additional services directly consumed by graduate students. The fee has subsidized the costs for medical providers hired to accommodate the graduate student population and utilization of services at the Student Health Center. Although Student Health raised its fees in order to bridge some of the cost associated with bringing on a new program such as GSHIP there was still a shortfall on the income side. The \$99.00 Administration fee has gone a long way to subsidize the shortfall – specifically, covering a portion of the salaries for providers hired in order to manage the GSHIP student needs. Without this funding the SHC would not have been able to hire, nor to have retained, these physicians and nurse practitioners. This fee has been a success.

Medical Plan

The current insurance provider is UnitedHealth StudentResources (the carrier). The carrier has agreed to a 0% change in the medical premium. This is the direct result of two factors:

- 1) SHC proved to be an exceptional gatekeeper which kept costs low.
- 2) Garnett-Powers was able to convince the carrier to weight the claims from SHC more heavily than the claims from three years past (i.e., from Gottschalk Medical Plaza).

In addition to a rate-pass, the GSHIP committee has also made the following recommended changes to the benefit structure, which will not influence the premium:

- Change the Rx Tier 3 from a 40% coinsurance to a \$50.00 copay
- Reinstate language that clarifies coverage of STD screening into the Explanation of Benefits
- Instantiate once annual lipid screening
- Instantiate dietary counseling up to \$500 annual maximum

These recommendations are based upon student complaints, recommendations, and billing issues that have arose in the last year.

The GSHIP committee did conduct an IRB to solicit bids on the medical plan. The result of the search was dismal, at best. All carriers were aware of the UC system-wide IRB and believed that they could only accumulate lives on a short-term basis. The system-wide IRB effectively disrupted the ability of the GSHIP Committee to negotiate a competitive premium with potential contractors. Thus, the average bid was for a 20% increase in premium, with a range of 10% to 30%. StudentResources, then, was awarded a contract renewal by the GSHIP Committee at a 6% increase. However, Garnett & Powers were able to negotiate a rate-pass by leveraging our low claims history at SHC, as mentioned above.

Dental Plan

The current dental insurance provider is Western Dental HMO. Two years ago the GSHIP committee accepted a tentative agreement for a three-year rate guarantee with Western. The GSHIP committee recommends honoring that agreement.

Vision Plan

There is no insurance provider for a vision plan for UCI graduate students. Instead, the GSHIP committee has a long-standing agreement with Dr. Occhipinti to provide vision care at the SHC eye clinic. Dr. Occhipinti has agreed to a rate-pass, with minor changes to the vision plan affecting students using contact lenses:

- 50% off annual contact lens exam
 - The annual contact lens exam fee for established patients with GSHIP is currently no charge. The proposed change is \$10 for GSHIP students who wear contact lenses (50% off the annual \$20 fee). This is to cover all the contact lens related expenses including diagnostic tests, materials, tools, solutions and trial lenses used during the examination. It also includes a written copy of the contact lens prescription.
 - This fee will be waived for students purchasing an annual supply of contacts at the clinic.

Dependent Care Plan

The insurance medical carrier for dependents of UCI graduate students is currently United Health. Dental insurance is provided by Western Dental DHMO. Garnett-Powers currently brokers the dependent insurance plan contracts. This plan was launched in April of 2010, with a summer enrollment deadline of May 1st, 2010. As of 5/10/2010, 39 graduate students currently have dependents enrolled. The medical plan has 25 spouses/domestic partners and 9 children. The dental plan has 27 spouses/domestic partners and 4 children.

UC System-Wide GSHIP

Two UCI GSHIP committee members, and two past GSHIP committee members, have sat on the UC system-wide GSHIP committee, which is chaired by Vice Provost Joseph Castro (UCSF) and Dean Jeffery Gibeling (UCD) and administered by Maria Blandizzi (UCSF). The UCI representatives include Christopher Steven Marcum (current UCI GSHIP Committee Chair), Patrick Haines (current SHC Administrative Director), Payel Chowdry (past GSHIP committee member and current AGS VP- External Affairs), and Court Crowther (past GSHIP committee member and current Assistant Dean of Graduate Studies). UCI has been well represented at the system-wide committee meetings and the feedback we provided has been well-received.

Due to non-disclosure agreements, these members cannot detail the results of the successful system-wide IRB, UAW negotiations, or other system-wide contract details in this report. We recommend that the Chancellor speak with the system-wide co-chairs for further information. However, the GSHIP committee would like to inform the Chancellor of their opinion on the following:

- The system-wide committee projections of UCI renewal premiums have been exaggerated, indeed we realized a rate-pass when system-wide originally projected us at a 20% increase.
- The estimates of savings that UCI would potentially incur by joining the system-wide are overly liberal.
- UCI is justified in opting-out of the system-wide plan for the first year of implementation.

The UCI graduate students have experienced three years of major changes to their health care plan. The GSHIP committee feels it is unfair to subject the students to a fourth consecutive year of changes. Additionally, by opting-out for the first year, UCI graduate students will avoid the inevitable problems associated with a transition to a major medical plan. The GSHIP committee recommends maintaining relationships with UCOP and the system-wide GSHIP committee.

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