



UNIVERSITY of
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University Health Services

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July, 2011

Dear Graduate Student Employee:

Thank you for your recent communication regarding UMass Amherst's Student Health Insurance Plan for 2011 – 2012. You and other GEO members contacted us with questions and concerns, which we hope this follow-up will address.

As many of you noted, healthcare costs are rising, influenced by factors ranging from provider consolidation to increased claims. Research by consulting firm Hewitt Associates notes that healthcare premiums have more than doubled since 2001, to an average cost per employee of more than \$9,800. Meanwhile, a recent PricewaterhouseCoopers survey projects that "a full 28% of employers will have deductibles of \$1,000 or greater for in-network care next year (up from only 11% in 2009)."

These increases are affecting employers and employees in both the private and public sectors. In remarks before a Division of Health Care Finance and Policy panel on June 27, state Secretary of Administration and Finance Jay Gonzalez reported that healthcare costs accounted for 21% of the state budget in FY 1998; in the FY 2010 budget, it represents 40%. In efforts to control these costs, UMass Amherst employees and others covered through the state's Group Insurance Commission are assuming higher co-pays and deductibles this year, and were offered strong incentives to select less costly limited-network plans.

Mindful of these challenges, agencies including the Massachusetts Health Connector and the Department of Education, along with representatives from state colleges and universities, worked together to identify and implement plans which met state insurance requirements, provided important benefits and controlled costs.

As part of this consolidated bid process, three carriers submitted proposals reflecting a variety of potential plan designs. Proposals based on UMass Amherst's previous 100% coverage plan (the most robust of all the campuses) produced premium increases ranging from 29.3% to 57.3%. Such increases would have had a significant negative impact on all – undergraduates and non-union graduate students, who are responsible for the full cost of their insurance; GEO members; and campus departments, which fund 95% of unionized graduate student employees' health plans. The Aetna Student Health Insurance Plan (SHIP) ultimately selected represents the best available balance of coverage and costs, with benefits comparable to other campuses in our system.

UMass Amherst is fortunate to have a comprehensive campus health center, with services including routine medical care, walk-in treatment for minor illnesses and injuries, confidential mental health care, women's health, eye care and optical services, pediatrics, a full-service pharmacy and much more. The 2011 – 2012 SHIP provides 100% coverage for most routine medical services provided at UHS.

Full benefit information will be available online soon at www.aetnastudenthealth.com; a pamphlet will also be mailed to you later this month. In the interim, if you have questions regarding SHIP coverage or enrollment, call UHS Patient Services, (413) 577-5192.

Sincerely,

A handwritten signature in cursive script that reads "Donna J. Yeziarski".

Donna J. Yeziarski
Associate Director, UHS
Director, Clinical Practices, Operations and Systems