Background Information

GA Delegates Pre-Meeting – October 29, 2015
Agenda

• Insurance 101
  – ACA
  – SHIP
• SHIP Governance Structure
• University’s Guiding Principles in SHIP Renewal
• Waiver Updates
• Year in Review
• Q & A
Insurance at UC Berkeley

• UC Students* are:
  – Required to have major medical health insurance
  – Automatically enrolled in SHIP when registered
    • Able to waive out of SHIP through an online waiver
    • Able to reverse waiver if current coverage is lost
  – Able to maintain dual coverage

*Note: Some groups are not subject to insurance mandate (e.g. Extension)
Insurance Glossary

- **Premium** – Amount you pay to be enrolled in insurance plan
  - EXAMPLE: Berkeley SHIP’s undergrad premium is $1290/semester

- **Co-insurance** – Percentage of the health care costs you have to pay.
  - EXAMPLE: For some services, Berkeley SHIP pays 90%, and you pay 10%

- **Deductible** – Amount of medical costs you have to pay before your insurance kicks in – per year.
  - EXAMPLE: Berkeley SHIP has a $300 annual deductible for some services outside of Tang

- **Co-pay** – An upfront cost you pay when you have an office visit; Not counted as part of deductibles.
  - EXAMPLE: Primary Care visits at Tang are $15
SHIP History

- **1987**: Graduate students approve a new fee for Graduate Student Health Insurance Plan.
- **1990**: Students approve a new fee for Undergraduate Student Health Insurance Plan.
- Regental mandate that all qualified students enrolled in UC are required to carry health insurance.
- **1987-Spring 2011**: SHIP insurance provided by Anthem as a self-funded plan
SHIP History Continued

- **Fall 2011-Spring 2013** - Berkeley and all UCs join UC SHIP, provided by Anthem (self-funded)
  - Voluntary dependent plan added
- **Fall 2013**: UC Berkeley Chancellor withdraws from UC SHIP following ~$60M deficit in UC SHIP and with strong recommendation of student govt.
  - Berkeley SHIP is created, provided by Aetna Student Health as a fully-funded plan
  - 3.5 other UC campuses leave UC SHIP too.
- **January 2014**: Affordable Care Act (ACA) takes effect
Affordable Care Act (ACA) requires:

• You to be in a health plan that covers “essential benefits”
• States to create an insurance exchange or “marketplace” for individuals to buy insurance
  • in California this is called **Covered California**
• Subsidy or discounts of premium and cost-sharing for low to moderate-income individuals
• Expansion of Medicaid (a gov’t insurance program) to more low-income adults
Ways to get insurance

- **Berkeley SHIP** (no subsidy)
- **Employer-based plan** (no subsidy)
- **Individual private insurance** (no subsidy)
- **Healthcare Benefit Exchanges** (subsidy if qualified)
  - In California, Covered California Health care Marketplace
- **Medi-Cal** (only if income qualifies you)
ACA “Essential Health Benefits”

- Preventive and wellness services and chronic disease management
- Mental health and substance abuse disorder services, including behavioral health treatment
- Rehabilitative and habilitative services and devices
- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Prescription drugs
- Laboratory services
- Durable medical equipment

Berkeley SHIP already provided all of these benefits plus includes dental and vision
Student Health
Medical and mental health plan

Dental

Vision
Premiums 2015-16

UG: $1,290 per semester
Grad: $1,877 per semester

FALL: August 15 thru January 14
SPRING: January 15 thru August 14
<table>
<thead>
<tr>
<th>Great Plan Benefits</th>
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<tr>
<td><strong>Low co-pays</strong> (ex. $15 for primary and specialty care)</td>
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<tr>
<td><strong>90% coverage</strong> (you pay 10% co-insurance) in-network</td>
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<td><strong>100% adult preventative services</strong> coverage (including 100% coverage for most immunizations)</td>
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<td><strong>No Lifetime Maximum on Medical</strong></td>
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<td><strong>No maximum visit limits on counseling</strong> when referred outside the Tang Center</td>
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<td><strong>$3200 Out of Pocket Maximum</strong> for in-network services ($6500 out of network per plan year)</td>
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**Benefits Overview**

**PRESCRIPTIONS:**
Prescriptions can be conveniently filled at the Tang Center Pharmacy or from an in-network pharmacy when away from Berkeley

<table>
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<th>Prescription Type</th>
<th>Cost</th>
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<tr>
<td>Generic prescriptions</td>
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<tr>
<td>Brand prescriptions</td>
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<tr>
<td>Non-formulary prescriptions</td>
<td>$40</td>
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MetLife Dental

- **Preventative & Diagnostic Services** (100% of negotiated fees, no deductible)
  - Oral exams, cleanings, fluoride treatment - 2 per plan year
- **Basic Services** (80% of fees)
  - Includes: fillings, root canals, and oral surgery
- **Major Services** (Pays 70% of fees)
  - Includes: crowns & cast restorations
Vision Insurance

• Once every school year:
  – Eye exam $10 co-pay, once per academic year
  – Frames and lenses OR contact lenses
    • $25 co-payment (only for frames + lenses), once every 12 months, up to a $120

• Lens discounts

• Lasik or PRK refractive surgeries
  15% discount
Additional Benefits

• 24/7 Nurseline through Sirona

• On Call International provides worldwide medical assistance and information
  – Includes Evacuation and Repatriation benefits required for many student visa requirements

• Out of Area Coverage:
  – Needs a referral
  – If you are outside the Bay Area and need care:
    – “Find A Doc” search through Aetna web and mobile app
SHIP Enrollment for 2015-16

- About 22,000 students on SHIP (~60% of students)
  - Undergraduates ~ 14,000 on SHIP
  - Graduates ~ 8,000 on SHIP
- About 15,900 students successfully waived out of SHIP
- Voluntary Plans:
  - Filing Fee students ~ 25
  - Concurrent enrollment – join in Spring semester
  - Dependents – not currently offered, last year about 122 students had dependents on SHIP
SHIP Governance

**ADVISORY ROLES**

- Campus stakeholders provide input on RFP and plan selection
- SHIAC & student leadership provide feedback on RFP and plan
- CFO in consultation with campus administration makes final decision

- UHS initiates SHIP renewal process and Broker seeks carrier bids
- Campus Leads and UHS advise on final decision

- ASUC
- GA
- CSF
- SHAC
General Renewal Timeline

- **October**
  - UHS Initiates Request For Proposal (RFP) process with Broker

- **November/December**
  - Stakeholder input on plan design
  - Broker releases RFP
  - Broker fields questions from carriers

- **January/February**
  - Carriers submit bids to Broker
  - Broker vets bids and negotiates with carriers

- **February**
  - Campus reviews carrier bids
  - Stakeholder input on tradeoffs that have emerged
  - CFO makes decision on final plan design and carrier choice in consultation with campus administration
University’s Guiding Principles for Renewal

- ACA Compliant
- Affordability (premiums and out of pocket costs)
- Comprehensive benefits
- Financially healthy plan
- Vast provider network
- Responsive and helpful Account Team
- Local control over plan management
- Limited and customized subsidization, esp. for other campuses
- Reliable and friendly customer service
- Accurate and timely data reporting
SHIP Waiver Fall 2015

- This Fall, about 17,200 waivers submitted
  - Of these about 3,900 denied
  - About 3100 appeals, of which 2,700 passed appeal
- Over 15,900 successfully waived out
- Word of caution: We audit 25% of waived accounts and those who didn’t complete correctly will be charged for SHIP. Additional auditing and possible student conduct action for those who post “cheats”
New Waiver Appeals Form

- SHIP Office has developed a new online appeals form
  - SAO is testing the development site now
- Will pilot for Spring 2016 Waiver season
- Will replace the need to mail, fax, drop off or email appeals form
- Should make appeals easier and more efficient

- Systemwide changes to waiver criteria to further simplify or clarify criteria to take effect Fall 2016.
SHIP Changes for 2015-16

• Premium increased:
  – Undergrad premium = $1,290/semester
  – Graduate premium = $1,877/semester

• Deductible increased from $200 to $300

• Discontinuation of voluntary plans:
  – Continuation plan
  – Dependent plan
Year in Review

- Oct 2014: Renewal process initiated for SHIP 2015-16
- Nov 2014: Input from student stakeholders to guide RFP
- Jan 2015: Carrier bids from Aetna & UC SHIP (Anthem) reviewed by Broker and Campus Administration
- Feb 2015: Campus compares student plans on Aetna and Anthem based on guiding principles
  - Decision to move forward with Aetna for one more year
  - Campus compares Aetna options with and without voluntary plans
  - Decision to move forward with student only plans
Guiding Principles – Carrier Comparison

• ACA Compliant – both comply
• Affordability (premiums and out of pocket costs) – both comply
• Comprehensive benefits – both comply
• Financially healthy plan
  – UC SHIP pending litigation with AON and unsettled debt from previous year
• Vast provider network – both comply
• Responsive and helpful Account Team
  – Historic experience showed better service from Aetna vs. Anthem
• Local control over plan management
  – UC SHIP limited local control
  – Operational challenges to switch carrier after only 1-2 years
• Limited and customized subsidization, esp. for other campuses
  – Previous UC SHIP experience meant Berkeley subsidized other UCs
• Reliable and friendly customer service – both comply
• Accurate and timely data reporting
  – Questions remain about UC SHIPs ability to meet this criteria
Changes for 2016-17 Renewal

• Greater transparency
  – SHIAC website and Google folder
  – More stakeholder meetings
  – Access to RFP draft
  – Open forum
• Clearer message about timeline and governance structure
• RFP will revisit voluntary dependent plans and various plan design options
• Evergreen contract (multiyear agreement)
• New Broker with broader carrier reach
Q & A

And parking lot issues