Positive Differences . . .

- Less costs to students
  - Smaller annual deductibles ($200 vs. $300)
  - Lower pharmacy co-pays ($5 generic/$25 brand vs. $25)
  - Specialty office visits no deductible ($15 or $20 co-pay vs. 20%)
  - More hospital coverage (90% vs. 80%)
- No pre-existing exclusions
- No individual claims to file with preferred providers
- Increased pharmacy ($10,000) & lifetime maximums ($400,000)
- Dental & Vision coverage now at providers off-campus
**GSHIP & UC SHIP**

**Claim Comparison**

**EXAMPLE:**
“Graduate student hit by car has inpatient hospitalization claim of $100,000”

<table>
<thead>
<tr>
<th></th>
<th>GSHIP</th>
<th>UC SHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Discount</td>
<td>52%</td>
<td>59%</td>
</tr>
<tr>
<td>Remaining Bill</td>
<td>$48,000</td>
<td>$41,000</td>
</tr>
<tr>
<td>Deductible</td>
<td>$300</td>
<td>$200</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>$9,540 (20%)</td>
<td>$4,080 (10%)</td>
</tr>
<tr>
<td>Out of pocket limit</td>
<td><strong>$4,000</strong></td>
<td><strong>$3,000</strong></td>
</tr>
<tr>
<td>Total Amount Owed</td>
<td><strong>$4,300</strong></td>
<td><strong>$3,200</strong></td>
</tr>
<tr>
<td>By Student</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Amount Paid</td>
<td><strong>$43,700</strong></td>
<td><strong>$37,800</strong></td>
</tr>
<tr>
<td>By Plan</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

With UC SHIP, student pays 25% less and plan pays 14% less – it’s a win-win!

**UC SHIP Income**

- Funded by premiums billed to students
- Premiums may be paid by graduate division fellowship programs, by other campus departments, through fee remission for graduate student employees, by agencies providing student aid, or by students
- Dependent enrollment premium paid by students
- The plan is self-supporting
UC SHIP Expenses

- Medical Plan (self-funded from student premiums):
  - Medical Claims
  - Administrative Services Fee: Claims processing, utilization management, provider network access provided by Anthem Blue Cross
    - Stop-loss coverage: Re-insurance on individuals with claims > $200K per year
- Dental Plan Premium: Fully-insured with Delta Dental
- Vision Plan Premium: Fully-insured with Anthem Blue Cross
- Campus Programs: Amounts returned to Student Health Services to fund on-campus health services
- UCOP Management: UC SHIP Office providing centralized administration of the plan, and actuarial consultant fees

UC SHIP Flow of Funds

Income
- Student: $781.69/qtr
- Student on Approved Leave: $1,335.40/qtr
- Spouse/Partner: $1,228.18/qtr
- Children: $1,069.75/qtr
- Student Health: $88

Expenses
- Medical claims $540.23
- TPA (ASO) fees $45.40
- Vision and Dental premiums $10.88 + $70.67
- Stop-loss coverage $11.50
- UC SHIP office expenses $1.54
- UCOP SHIP Account $693.69

Premium Stabilization Reserve $13.47

- 5% margin built into premium for building stabilization reserve in first year of plan. In addition, any savings as a result of lower-than-expected claims or operational expenses becomes reserve.
UC SHIP Expenses - Flow of Funds

• UCOP sends monthly premium for fully-insured vision plan to Anthem and dental plan to Delta, as well as stop-loss premium to Chartis, based on number of students enrolled for that month.

• Anthem processes medical claims and issues payments on UC’s behalf on a “positive pay” basis (see flowchart on following slide).

• Payments to Anthem for administrative fees, retail pharmacy claims and out-of-state claims are made monthly via ACH debit.

UC SHIP Expense Estimate
Annual Cost by Campus

<table>
<thead>
<tr>
<th>Campus</th>
<th>Medical Claims</th>
<th>UCOP Management</th>
<th>Stop Loss Premium</th>
<th>Medical ACO</th>
<th>Dental Premium</th>
<th>Vision Premium</th>
<th>Campus Programs</th>
<th>Claims Stabilizers</th>
<th>Total Cost per Student</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davis</td>
<td>$1,612.57</td>
<td>$4.62</td>
<td>$34.50</td>
<td>$136.20</td>
<td>$212.00</td>
<td>$32.64</td>
<td>$91.85</td>
<td></td>
<td>$40.21</td>
</tr>
<tr>
<td>UCLA</td>
<td>$1,446.52</td>
<td>$4.62</td>
<td>$34.50</td>
<td>$136.20</td>
<td>$150.00</td>
<td>$9.64</td>
<td>$239.74</td>
<td></td>
<td>$34.71</td>
</tr>
<tr>
<td>UC Berkeley</td>
<td>$1,620.72</td>
<td>$4.62</td>
<td>$34.50</td>
<td>$136.20</td>
<td>$212.00</td>
<td>$32.64</td>
<td>$264.00</td>
<td></td>
<td>$40.40</td>
</tr>
<tr>
<td>San Diego</td>
<td>$1,053.16</td>
<td>$4.62</td>
<td>$34.50</td>
<td>$136.20</td>
<td>$212.00</td>
<td>$32.64</td>
<td>$150.00</td>
<td>$25.93</td>
<td>$1,649.05</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$2,009.64</td>
<td>$4.62</td>
<td>$34.50</td>
<td>$136.20</td>
<td>$212.00</td>
<td>$32.64</td>
<td>$52.11</td>
<td>$50.12</td>
<td>$2,532.18</td>
</tr>
</tbody>
</table>
Dental Coverage

• UC SHIP Delta Dental Premium for 2011-12:
  – $212.04 for graduate students
  – $199.86 for undergraduate students
• Students will have wider choice of providers
• For graduate students, out of pocket cost may be lower under UC SHIP for some services.
• For undergraduates, UC SHIP offers true insurance
  – Delta Dental covers Basic services at 80% of negotiated rates and Major services at 50% of negotiated rates
  – Negotiated rates are significantly lower than C&R
  – True insurance limits out-of-pocket expenses during the school year

Vision Plan Offers More Choice

• UC SHIP uses Anthem Blue View Vision – a nationwide network of independent and retail optometrists
• Students can obtain care at any network provider – on or off campus
• Lower out-of-pocket costs for frames and contact lenses

<table>
<thead>
<tr>
<th>Benefit</th>
<th>UC SHIP Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual eye exam</td>
<td>$10 copay</td>
</tr>
<tr>
<td>Lenses</td>
<td>$25 copay</td>
</tr>
<tr>
<td>Frames</td>
<td>$120 frame allowance + 20% off remaining balance 40% discount off second pair</td>
</tr>
<tr>
<td>Contact lenses</td>
<td>$120 allowance + 15% off remaining balance</td>
</tr>
</tbody>
</table>
Dependent Coverage

- UC SHIP offers coverage for spouses, domestic partners and children of students
- Dependent costs not subsidized by student premium
- No individual underwriting
- No pre-existing condition exclusions or waiting periods
- Higher lifetime maximum than current plan
- Fewer exclusions and limitations

Obtaining Care Off-Campus
When Student Health is closed . . .

- Emergency or Urgent Care never need referrals
- Use Urgent Care Centers unless serious emergencies (only $50 co-pay vs. $100 Emergency Department)
- Eligible to be seen at other UC Campus Student Health Centers (will be billed to UC SHIP)
- Locate preferred providers through website
- Out-of-Area routine needs need advance referrals from Student Health
International Travel Health Needs...

- Remind Graduate Students to register foreign travel for additional insurance coverage at:
  [http://atyourservice.ucop.edu/employees/health_welfare/biz_travel_accident.html](http://atyourservice.ucop.edu/employees/health_welfare/biz_travel_accident.html)
- Anthem I.D. card will have phone number for international assistance
- Increased coverage if Anthem network providers used

UCSB Student Health

[http://studenthealth.sa.ucsb.edu](http://studenthealth.sa.ucsb.edu)

For more information on insurance plans go to:

[http://www.ucop.edu/ucship/](http://www.ucop.edu/ucship/)
Plan Governance

- After implementation phase, UC SHIP Advisory Board will be created
- Board will consider benefit changes, premium rates, and strategic direction of plan
- Membership not yet finalized, but will include at least one student from each campus, plus campus administrative representatives
- Advisory Board members would bring input from campus Student Health Advisory Committee for consideration
- Strong commitment to ongoing campus involvement in plan governance

UC SHIP and the UAW

- UC SHIP Director met with campus labor relations leaders during UAW negotiations last year
- New Health Benefits article in contract protects University’s control over health plan
- UCOP will coordinate communications with UAW in close collaboration with campus Labor Relations and Student Health
Premium Stabilization

- Premium is based on several components:
  - ASO fee: fixed cost; 3-year rate guarantee with 4% cap on year 4
  - Dental premium: fixed cost; 2-year rate guarantee with 8% cap on year 3
  - Stop-loss coverage: fixed cost, negotiated annually
  - UCOP SHIP office: fixed
  - Claims experience: variable
  - Reserve: A percentage of claims, to build risk stabilization
- Multi-year rate guarantees will stabilize premium
- Each campus’ premiums are based on that campus’ claims experience
- Grad and undergrad rates set separately; no cross-subsidization
- There is no “profit”