

Date: April 27, 2004

To: Graduate Assistants and Fellows

From: Eva J. Pell

Re: Insurance issues

Recently I met with the officers of the Graduate Student Association. They presented to me a number of health insurance related issues. In response to the concerns raised we have explored various options and I am pleased to share with you several changes and additions that will be available to graduate assistants and fellows beginning Fall semester 2004.

We understand that communication with the Student Insurance Office has not been optimal. To facilitate that communications we have arranged for an answering service to provide a better conduit between the students and the insurance office. The answering service will answer the Student Insurance Office phone when it is busy between 8 am and 5 pm and also after business hours. Messages that result from calls made during business hours will be faxed to the Student Insurance Office as they come in. Messages based upon calls placed after hours will be faxed to the insurance office the following morning. The answering service will ask for the caller's name, ID number, telephone number, a convenient time to call back and a brief message.

The medical care of infants and children is a concern. I am happy to tell you that the GA/Fellows Insurance plan will cover childhood preventative ("well baby") office visits beginning Fall semester. Graduate assistants have inquired about adding pediatric care to the University Health Service. This long-term goal of the University will take several years to realize. In the meantime, the Penn State University Physicians Group, located in the Centre Medical Sciences Building near the Mount Nittany Medical Center (formerly Centre Community Hospital), is accepting new pediatric patients. The Penn State University Physicians Group will accept the GA/Fellows Insurance plan. The availability of these physicians should ease the problem of finding medical care for the children of Penn State graduate assistants and fellows.

Although not a common concern, multiple procedures during a single surgery will be covered beginning this Fall semester. The change will help minimize the risk associated with multiple surgeries.

We understand that graduate assistants and fellows would like an opportunity to enroll in a dental insurance plan. We have been studying this issue for some time and will be providing you with an option to purchase an individually insured plan beginning fall semester. Once we have worked out the details we will be providing you with the dental plan information under separate cover. You should remember that if you have the GA/Fellows Insurance Plan, wisdom tooth extraction is covered by your medical

insurance at the rate of \$500 per wisdom tooth. We have surveyed the dentists in the area and \$500 seems to meet the charges for most dentists.

We have received requests for an adjustment to the prescription coverage available under the GA/Fellows Insurance plan. I am happy to tell you that beginning Fall semester 2004 the first \$200 of prescription cost will be fully covered and then 80% of the remaining costs up to \$500,000 per incident. This change in coverage will greatly benefit the majority of graduate assistants who report that their prescription costs are often less than \$200 per incident.

When we improved the plan several years ago, we promised to provide a health insurance plan equivalent to that provided to faculty and staff. We have monitored this plan and believe that we have been true to our commitment. In this context I would like to address the issue of Mega as the carrier for graduate assistant/fellow insurance. We recognize that no plan will be optimal for every individual health situation. At the time that the University decided to upgrade health insurance for graduate assistants several years ago, we gave careful consideration to which plan would be best for the graduate assistant community. We had extensive meetings with a committee of graduate assistants to better understand your needs. Careful comparisons were made between the providers available to faculty and staff at University Park where most of our graduate assistants reside and the Mega plan. In the end we selected Mega, not because it was a lesser plan but for a number of excellent reasons. First, Mega serves the graduate student community; providers for faculty and staff had no experience serving this demographic and we believed this could be problematic. Second, Mega offered more features that were favorable to the graduate student population. Lastly, by keeping the graduate student population separate from the faculty and staff we were able to get a more favorable rate for the students; the student population is younger and by definition healthier.

For your information, I have attached a page with comparisons amongst the Mega plan, and the two faculty and staff plans available for faculty and staff, viz. the PPO and the HMO. As you will see the plans are far more similar than they are different. There are several benefits that actually favor the Mega plan. Probably most notable is the prescription plan, which provides full coverage for the first \$200 and 80% thereafter. I hope that this comparison provides you with an objective perspective on the various plans.

In closing, please be assured that Penn State is very aware of the medical needs of its graduate assistants. We are continuing to work with the insurance industry to improve the health insurance available to our graduate assistants.

**COMPARISON OF FACULTY/STAFF AND MEGA HEALTH PLANS**

	<b>PPO*</b>	<b>HealthAmerica HMO</b>	<b>GRAD/ RESEARCH ASSISTANT/FELLOW (MEGA)*</b>
<b>Benefits</b>			
Inpatient hospital expenses	100%	100%	100%
Outpatient surgery	100%	100%	100%
Emergency accident treatment w/in 48 hrs	100%	\$25 Copay waived if admitted; authorization by PCP required	100%
Physician Charges Emergency accident treatment w/in 48 hrs	100%	100% after physician copay- waived if admitted	100%
Office visits	Diagnosis-related only / 80% after deductible	\$10 copayment PCP/\$15 copayment Specialist	100%
Outpatient mental health	50% after deductible; 40 visits/year	Serious mental illness: \$20 individual copay/\$10 group copay, 60 visits/year. Other than serious mental illness: \$20 individual copay/\$10 group copay, 20 visits/year	Serious mental illness; 100%, 30 days in-patient, 60 days out-patient annually. Other mental illness: 80%, 40 days max per policy year
<b>Miscellaneous medical expenses</b>			
Outpatient diagnostic testing incl. lab & x-ray	100% of 1st \$300 in a calendar year, thereafter 80% after deductible	\$15 copayment for radiology	100%
Ambulance	100% if admitted to hospital, 80% if not admitted	100%	100%
Air ambulance	100%	100%	\$2,000, per incident
Inpatient mental health	100% of 1st \$2000, \$50 / individual deductible, \$100 / family deductible	100% limit to 30 days contract year/90 day lifetime max.	Serious mental illness: 100%, 80 days max per policy year. Other mental illness: 80% ,28 days max per policy year
Inpatient Chemical dependency detoxification	100%	100% 7 days per admission/4 admissions lifetime	Serious mental illness: 100%, 80 days max per policy year. Other mental illness: 80%, 28 days max per policy year
Rehabilitation (chemical dependency)	80% up to 28 days / 2 admits per lifetime	100%; 30 day/year, 90 day lifetime maximum	100%; 30 day/yr, 90 day lifetime max
Home health care	80% after deductible	100%	100%
Skilled nursing facility	Refer to Faculty / Staff Benefits booklet	100% max./100 days per contract year	n/a
Prescription drugs	80% after deductible/Maintenance Prescription Drug Plan (MPDP) 80%	50% Plan or 80% under Maintenance Prescription Drug Plan (MPDP)	50% off campus pharmacy, 80% at University Health Services
<b>Major medical</b>			
Deductible	\$50 per calendar year/individual \$100 per calendar year/family	\$0	\$75 per incident, maximum per policy yr \$225.00
Out of pocket expenses maximum	\$1040 / person of eligible major medical charges only through current cal. year & following year	None	deductibles
Lifetime maximum benefit	\$500,000 per covered individual	None	\$500,000 maximum per covered incident, per policy year
Self referral OB/GYN	Routine office visits not covered	\$15 copayment	100%
Impacted wisdom teeth	Covered under surgery benefit	Covered under surgery benefit	\$500 per wisdom tooth
Use of non-preferred providers	*PPO Nonparticipating providers - If members elect to receive services from non-participating providers, there is a 20% reduction in benefits, \$2,000 maximum penalty, plus reasonable and customary applies. Precertification is required by the employee. Exception: Life threatening conditions.		*Benefits received if student uses Preferred Providers (e.g., University Health Services (UHS), Mt. Nittany Hospital, Hershey Medical Centre, Devon health care providers). \$75 deductible applies to all providers except University Health Services. Limit three deductibles per policy year, maximum \$225