

UR AAUP Healthcare Benefits Working Group

Statement on Reduction in Choice in Third-Party Administrators for Healthcare Insurance

Oct 16<sup>th</sup>, 2020

While the UR chapter of AAUP recognizes that healthcare insurance costs have been rising and that employee healthcare benefits represent a significant and growing expense to the university, we nevertheless want to point out the problems that the university caused by abruptly announcing its decision to eliminate Aetna and retain Excellus as the sole third-party administrator of the university's self-insurance plan. This decision raises many urgent questions about health care access and equity, as well as administrative due process and shared governance.

Because the two third-party administrators [negotiate their formulary plans separately](#), pharmacy coverage may not be equal with the two administrators, and the limited information currently available will require searching for individual drugs to compare accessibility and co-pay responsibility. Moreover, the list of in-network providers, both locally and across a geographic range, [historically has not been equivalent with Aetna and Excellus](#). The universal move to Excellus will disrupt care, as university employees may be forced to switch formulary and providers. This can lead to a discontinuity of care in at least two ways: (1) individuals may be forced to switch from medicines that have worked for them and go through a re-trial of the formulary-favored ones and: (2) individuals may need to switch healthcare providers, leading to a disruption of the doctor-patient relationship and a compromise in care. The second concern is especially pressing for those who have dependents in an area where Aetna dominates, and in light of chronic illnesses in which a long period of "trial and error" was initially necessary, or especially specialized care required. In addition, this change puts significant strain on mental health care and on those doctor-patient relationships where the "therapeutic alliance" is paramount and personal choices around what one feels comfortable with strongly influence

choice of provider and treatment outcomes (for instance, [see this review](#) from the scholarly journal *American Psychologist*).

These potential difficulties are going to affect all those in the UR community who must now, on short notice, change health insurance providers. In addition, at a time when we are rightly focused as a community on issues of equity, it is worth further pointing out that this burden is not going to fall equally on all of us. Employees in a higher salary band may be able to suit themselves and work with a non-network provider, but others will not. Moreover, mental health coverage is particularly crucial at this difficult time when the strain of events and the COVID-19 pandemic is likely to be affecting some in our community more than others. Constraining the already limited pool of mental health providers in our community, as this change potentially does, and making it harder for University community members to find a provider with whom they feel comfortable, will increase inequity and also make it harder for us to successfully recruit and retain a diverse university community.

Finally, we regret as a group the way in which this administration announced this decision as a *fait accompli* without a period of open consideration and discussion in the university community. At this point, we are unable even to discern who other than a vague “Healthcare Planning Committee” was involved in making or communicating this decision. To date, the university has only minimally acknowledged (see the FAQ [here](#)) that the change may in fact cause significant hardship. More broadly, the changes have not been laid out in a transparent way. As of now at least, it is difficult to plan ahead in any meaningful way (say, by starting to develop a relationship with a new provider or consider moving onto a spouse’s health plan--again, an option that is only open to a few employees, not all). And this difficulty has been compounded by the need to delay open enrollment. Currently, we do not have access to detailed information about health plans, and the open enrollment period for insurance this year is [only two weeks long](#). In addition, the university has not disclosed the information needed to justify this change or make it easier to understand and accept--information including, for instance, a comparison of what the

premiums would have been going forward or how much money the university saves by this change.

We call on President Manglesdorf, Provost Clark, and CFO Crawford – in the absence of more visible responsible parties — to address these concerns and provide more transparency around the decision to require all employees to migrate to Excellus, and how negotiations with third-party administrators and coverage might change in the upcoming years. We also call on the administration to provide the resources that employees need in order to make clear comparisons and identify potential problems well ahead of the open-enrollment date, and to assist in identifying and providing alternative resources for those likely to be adversely affected by this change.