

*James W. Covell, M.D.
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**Richard Attiyeh, Chairman
Counsel of the University of California
Emeriti Association
Department of Economics
University of California, San Diego
9500 Gilman Drive
La Jolla, CA 92093-0508**

Dear Dr. Attiyeh:

I am writing to express my concerns about the Via Benefits Program for retirees who have moved out of state.

First a bit of background:

I joined the faculty of the University of California, San Diego School of Medicine in 1968, the summer before we welcomed the first medical school class. I remained at UCSD until 2011. We recently moved to Rogue Valley Manor, a retirement facility in Southern Oregon. Although Southern Oregon is indeed beautiful and we have some past family ties to the region, the move was made predominantly on fiscal grounds. This type of facility is just not available in California at anywhere near the same price.

Health Care in Medford, Oregon:

Despite its many advantages Medford, like many fast-growing smaller communities, is a bit of a health care desert. We have had a long and costly struggle to find physicians and deal with a three-month lag for specialty appointments. We spend several months a year in the San Diego area and, for the moment, have chosen to obtain all elective care with our previous physicians in the UC system.

The Via Benefits plan:

Via Benefits offers 7 Medicare Advantage plans in our area. No plan covers all of our 8 current physicians in Medford. With this in mind and our plans to continue

elective care in the UC system we chose Health Net Pro thru Via Benefits. This is the only plan that had no additional charge for out of network office visits. Now 3 months into the plan I suppose we should have been prepared for the denials of coverage, excessive copays (\$742.00 one drug copay), a flurry of paper work, falling into the donut hole, and most recently the exciting news that to recover our UC support thru Via benefits we must document each bill we have paid and submit it separately for approval.

We realize that UC is under no obligation to provide health coverage for retirees, and we are thankful for what we have received since I retired nearly a decade ago. We would like to offer some suggestions that might lessen the pain for retirees like us, and help even out the obvious health insurance disparities between in-state and out-of-state retirees.

Some suggestions:

- 1. Be much more aggressive about getting information to retirees before and during retirement. If there is some chance, they will leave California, provide retirees with planning access to Via Benefits and the skilled help to get an accurate picture of their costs. Frankly the projected annual costs provided by Via Benefits of \$9864.00 for both of us are a gross underestimate. Based on the first three months of this year our yearly costs are \$17,264 and will be more now that we are swimming in the donut hole.**
- 2. Charge more for out of state coverage. Clearly retirees faced with the individual insurance market will accrue substantial costs that could be directed towards staying with the UC plan and achieve savings for both parties.**
- 3. Provide only a pharmacy plan: A separate pharmacy plan available to all retirees would be helpful. This would leave the retiree only to deal with a Medicare supplement or Medigap program and take advantage of the UC systems ability to negotiate drug prices.**
- 4. Simplify the process. One assumes this is a relatively elderly group and abruptly asking them to deal with the complexities of individual health care policies doesn't seem particularly wise.**
- 5. provide the \$3,000.00 up front. Negotiating with Via Benefits over every copay seems to be cruel and unusual punishment**

6. negotiate an advance payment of estimated pharmacy costs (in our case about \$4,000.00 each) thus eliminating large copays and the resultant paper work. A simple monthly or even quarterly statement should suffice. When the estimate is passed one could return to the current system

In an era where it is difficult to recruit and retain faculty, the University of California policy of providing health care benefits to retirees provides a strong incentive for senior faculty to remain at UC for the majority of their careers. The availability of UC health insurance after retirement was certainly part of my own decision making. The rationale for denying UC coverage to out of state retirees was never made clear to us but one must assume it was a cost saving measure. Hopefully there are ways that out of state retirees can share more of the cost and still maintain the advantage of the UC health care plan.

We have (fond) memories of the committee decision making process employed by the UC faculty and administration and we appreciate that these suggestions are probably not new. However, we hope that may be helpful in addressing a serious problem for those faculty not able to access UC or other employer health insurance.

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Jacqueline G. Covell

**Cc: Office of the President, University of California
Debra Wells, UCSD Benefits**