



Greetings Penn State University Administration and Student Body At-large:

The Graduate Student Association (GSA) exists, among other reasons, to enrich the experience of this university's graduate and professional students. As elected representatives of graduate and professional students and as students ourselves, we are committed to promoting the well being of Penn State's graduate student community. We share The Graduate School's commitment "to ensuring that all individuals regardless of ethnicity, gender, or other personal characteristics are afforded the opportunity to achieve their full potential as scholars and professionals." Moreover, and perhaps most importantly, as Penn Staters we are committed to maintaining Penn State's excellence as an esteemed institution. Thus, we are concerned not only with the interests of current graduate students, but of all students graduate and undergraduate, past, present, and future. Given our role and our commitment to Penn State, we are writing to promote awareness and to seek solutions to a pressing problem facing this institution: the severe increase in the cost of, and simultaneous reduction in, health insurance at Penn State.

On March 27, 2014, GSA hosted a panel discussion at which approximately 400 graduate students personally attended and more still viewed online. The panel consisted of Executive Vice President and Provost Dr. Nicholas Jones, Interim Dean of the Graduate School Dr. Regina Vasilatos-Younken, Vice President of Student Affairs Damon Sims, Senior Vice President for Finance and Business David Gray, and Senior Associate Director of University Health Services Doris Guanowsky. Numerous students vocalized serious concerns about their standard of living and their ability to continue their respective studies in light of increases in the cost of healthcare. We are immensely grateful for the administration's receptiveness to the concerns of graduate students. Because of the gravity of the issue, however, we feel compelled to reproduce some of the proposed solutions here and to request that further action be taken to alleviate the increasing costs of being a graduate student at Penn State.

Requested Outcomes from the Panel Discussion:

Students articulated many requests for action items and desired outcomes during the panel discussion. The Graduate Student Association would like to take this opportunity to restate these action items and our expectations for working toward their achievement. These outcomes include:

- Creating a Healthcare Task Force comprised of relevant administrators and a number of students representing groups with varying benefits from the PSU student insurance plan. We suggest inclusion of the following "health insurance classes" of students:

- Subsidized students
  - Unsubsidized students
  - Students with chronic health conditions
  - International Students
  - Students with families (spouses and/ or children)
- Confirmation from an external consultant that the plan must in fact adhere to the 92% Actuarial Value within the Platinum metallic tier. This confirmation should include specific references to the Affordable Care Act legislation highlighting the areas that outline these requirements.
  - A commitment to expedient updates on any further progress or changes of information. We suggest using email updates as well as a website where students can get the latest information about health insurance. The GSA has assembled a list of FAQs we would like to provide for this website.
  - Identifying a realistic solution to provide financial relief for both unsubsidized and subsidized students for the 2014-2015 academic year.
  - Investigating and evaluating long-term solutions, including, but not limited to, health reimbursement accounts and additional subsidies for students with lower stipends.
  - Increased support to expand Counseling & Psychological Services (CAPS)
  - Partnerships with peer institutions.
  - The administration's continued, good-faith efforts in "[a]ssuring affordable, quality healthcare coverage for our students."

### What We Want

The Graduate Student Association is committed to working with the administration to find viable solutions for all graduate and professional students. We understand the need to finalize the insurance contract before students require its coverage and to identify any monetary increases before the next fiscal year begins on July 1, 2014. In order for this to happen, we expect a taskforce to be charged and meetings to be held immediately. We expect to vet all possible options and to work with the University to avoid any decisions without due consideration to the impact these decisions will have on graduate students, their families, and the greater financial stability of the University.

Additionally, we are requesting a detailed explanation of the contract between the University and Aetna. The question of how the contract was negotiated without any opt-out clauses or limits in rising premiums has not been sufficiently answered. While we acknowledge the decrease in benefits originates from the implementation of the ACA, the question of whether the University has negotiated in our best interests has been asked and should be answered. Because students' ability to acquire basic healthcare and maintain solvency is so intimately connected to this health insurance question, an explanation is required to maintain an open, honest relationship with University administration.

We also appreciate that the administration is supporting stipend increases and has increased the subsidies for a spouse or child to 75% and families to 76%, but we have heard clearly that this

increase in assistance is not enough. The additional 5% or 6% does not fully cover the 30% premium increase, and does nothing to help unsubsidized students defray extra costs. The 3% increase in stipend level also does not account for the expected increases in out-of-pocket costs due to the change in coverage; hence, this situation leaves students to face rising costs for other living expenses without additional support.

### Conclusions

As panel participants acknowledged, the contribution of graduate students to the University mission is critical. In return for the countless hours of research and teaching that we contribute to the University, we expect to receive even smaller amounts of compensation than others who have already acquired baccalaureate and masters degrees and elected to enter the workforce. Current graduate students have chosen to attend Penn State and made life choices based on the expectation of reasonable healthcare premiums that have since increased sharply. These costs, along with ever-increasing tuition and living costs, undermine our ability to live on any fixed stipend or loan budget. At a minimum, we believe the University is responsible for finding the means to help control healthcare costs in a manner graduate students can rely upon for solvency, even with the changes imposed by the Affordable Care Act.

We look forward to working with the administration to plan and implement the solutions outlined in this letter in order to alleviate the serious concerns of students regarding healthcare costs.

Thank You,

The Graduate Student Association