

THE UNIVERSITY OF GEORGIA  

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**RETIRES**  
**ASSOCIATION**

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April 13, 2015

Marion Fedrick  
Vice Chancellor for Human Resources  
The University System of Georgia  
270 Washington St., SE  
Atlanta, GA 30334

Dear Vice Chancellor Fedrick:

I am writing to you on behalf of the University of Georgia Retirees Associate (UGARA) to thank you for conducting information sessions on April 3, 2015 on our campus to help retirees better understand the impending change in the way the University System of Georgia (USG) will provide health insurance benefits. Those sessions were mostly helpful, but regrettably left several unanswered questions.

A crucial piece of information for retirees in this matter is the amount of the USG contribution to individual health insurance accounts. I understand that this decision has historically been made each year at the Board of Regents meeting in August and then communicated to USG employees (active as well as retired) by mail and during information meetings early in the fall open enrollment period. Regrettably, you were not able to provide this information during the information sessions earlier this month.

Amid the uncertainty and fear generated by the magnitude of the impending change, and quite frankly due to the suspicion and distrust of the USG attributable to the manner in which retirees learned of the change, I believe it is imperative that this crucial piece of information be communicated to retirees in a clear and precise manner as soon as possible. Further, even though the USG contribution to health insurance has changed from time to time in recent years, it has done so in a way that has not been especially disturbing for retirees. However, in the current climate of fear, suspicion and distrust it will be especially useful for the USG to provide a credible statement about the likely stability of its future contribution to individual health insurance accounts. Thank you for addressing these concerns.

The April 3, 2015 information sessions focused almost entirely on how the new health insurance arrangement with Aon Hewitt might be implemented. Left largely unaddressed was data analysis supporting the rationale for the change. Retirees were told that raising health care costs and the rate of growth in USG's other post-employment benefit (OPEB) liability suggested that future health insurance benefits could be better provided by other means (private market exchanges rather than the USG self-insurance plan). Retirees were also told that the Total Reward Steering Committee (TRSC), comprised of faculty and staff, made this recommendation to the USG staff and the Board of Regents. Presumably, the TRSC did so based on fiscal and other statistical data. I am requesting that those data be made available in summary format suitable for publication on the UGARA website. If those data were convincing to the USG staff and the Board of Regents, I expect they would most likely be convincing to retirees. I also expect that full disclosure of the rationale for the change would be greatly appreciated by retirees who are now struggling to understand it.

UGARA seeks to work with the University of Georgia Human Resources (HR) department in its efforts to implement changes that would provide sustained health insurance benefits to retirees for years to come. You can facilitate our efforts to cooperate with you in this endeavor by providing the requested information.

Thank you so much.

Sincerely,



Brahm Verma  
President, UGARA

cc: Chancellor Henry M. Huckaby  
UGA President Jere Morehead  
UGARA Council