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Dannel P. Malloy
Chancellor

October 9, 2020

To our dedicated UMS Retirees and their covered dependents:

I am writing to you today about the University of Maine System's decision to change the way we provide supplemental health insurance coverage to our retirees and their dependents. On behalf of the entire System and the Board to whom I report, I'm sorry for and regret how we have communicated about this change to you before now.

The University of Maine

We did not reach out to you early enough. We have not been clear enough about what we are asking of you, why we are asking it, how it will benefit you, and how it will benefit the System. Our initial plan for working through this change with you may not have included enough resources to provide you with the tailored personal assistance you might need or expect to complete the change.

University of Maine
at Augusta

University of Maine
at Farmington

I believe we've now taken important steps to address those deficiencies.

University of Maine
at Fort Kent

University of Maine
at Machias

University of Maine
at Presque Isle

Many of you have communicated your concerns directly to members of the University of Maine System Board of Trustees. We greatly appreciate your taking the time to raise these concerns, which have reinforced the need for UMS to improve communications about this change and explain the rationale for moving forward with it. With my letter here we're providing you a detailed set of "Frequently Asked Questions," or "FAQs," to share additional information that we hope will fill in the gaps in our communications that you have expressed concern about to date.

University of
Southern Maine

University of Maine
School of Law

As our Board will share with those who communicate directly with them, I want you to know that our Board and System leadership support the decision to implement this change. As fiduciaries for UMS, we have been alarmed by both the continued escalation in the cost, and diminution in the scope, of your supplemental retiree coverage. We could not allow this to continue. Because of the relatively small size of our pool of retirees and dependents, we lack the bargaining clout to get better coverage at lower cost from our current carrier, so we reached the conclusion that there was no other fiscally responsible way to make necessary changes, both for your and the System as a whole. This change is designed and expected to significantly expand the benefits and choices available to you, at equal or even lower cost. And, in future years, we will make increases to our contribution indexed to reflect healthcare cost increases.

We fully understand the challenge of having to change coverage in the opaque and sometimes chaotic world of the private health insurance market. Thank you for your patience and understanding, and for demanding of us a level of commitment surpassed only by that you already provided in your career's work with our System's public universities. You deserve to feel confidence that your healthcare needs will be taken care

of. Both I and the Board of Trustees are fully committed to our retirees and will simply not allow this transition to result in any retiree losing supplemental coverage.

The UMS Benefits team is available to assist you and can be reached at benefits@maine.edu or by phone at (866) 269-9635 (toll free) or (207) 973-3373.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. P. Malloy", is positioned above the printed name.

Dannel P. Malloy, Chancellor
University of Maine System