



UNIVERSITY of VIRGINIA

MEMORANDUM

Deans and Department Chairs

FROM: R. Ariel Gomez, M.D. Vice President for Research & Graduate Studies *AG***RE:** Graduate Student Healthcare Insurance Subsidy Program**DATE:** October 12, 2004

As you are aware, health insurance costs are rapidly increasing nationally and at the University. This is apparent in the increase in the cost of student health insurance premiums for single coverage from \$915 in 2001-02 (when the Graduate Healthcare Insurance Subsidy program was initiated) to \$1,600 in 2004-05 – an average annual increase of nearly 25 percent. At the time the Graduate Healthcare Insurance Subsidy was initiated for all GTAs and GRAs earning at least \$5,000 annually and for all fellowship recipients receiving at least \$5,000 annually, the University committed to paying at least 80 percent of the future premiums. Each year it is our priority to try to continue subsidizing the full premium despite the growing cost. In order to continue this important healthcare benefit for all graduate students, we will need your assistance.

The Vice President for Finance has recently determined that health insurance benefits are an allowable charge to federal grants, so we will move to change the funding source for GRAs' health insurance subsidy to their sponsoring grant. A number of other peer institutions have already implemented this approach.

We recognize that this is an unplanned cost to researchers and to ease the burden we plan to phase the costs in over a three-year period. Beginning in July 2005, PIs should plan to charge one-third of health insurance premium costs for graduate students supported as GRAs to federal research grants. The following year beginning July 2006 two-thirds of the costs should be charged to grants and by July 2007 the total cost should be charged to research grants. All new applications for federal grants should also include these charges in the budgets. This will allow the university to continue to support health insurance benefits for graduate teaching assistants and graduate administrative assistants through state E&G funds.

Please distribute this to your faculty and all PIs. We will work with Sponsored Programs to develop a formal implementation strategy.

Yoke San Reynolds
Anda Webb
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