

Northwestern

Dear faculty and staff,

On June 12 we shared that Northwestern will transition to new medical, dental and prescription drug networks and claim administrators effective Jan. 1, 2026. We recognize that this type of change affects both you and your dependents. We also know the importance of feeling comfortable and confident about your health benefits. That is why we want to address some of the most pressing questions we have received over the last few days and clear up some misinformation about the changes.

To begin, it is important to understand that with the exception of the HMO plan, Northwestern's medical plans are self-insured. This means that Northwestern PPO plans are funded solely by contributions made by employees and additional contributions made by Northwestern, whereas a third-party administrator processes the plan's claims, manages networks, and handles day-to-day plan operations. For many years, the third-party administrator for the medical plans was Blue Cross Blue Shield of Illinois (BCBS). Starting Jan. 1, it will be United Healthcare (UHC). The plan's third-party administrators process our claims in accordance with the Northwestern University plan documents, which set forth the terms of eligibility and covered benefits for the plan.

One of the most significant concerns we have heard through petitions and individual outreach is the perception, based on information learned from public sites, that more claims will be denied by UHC. We want to make it clear that the University's third-party administrator (whether it is BCBS or UHC) should have no financial incentive for denying claims for Northwestern's plans. Third-party administrators do not fund claims for Northwestern's self-insured plans. With that noted, we will regularly review and audit claims administration to ensure that claims are processed accurately and consistently in accordance with Northwestern's plan.

Some have asked why we are making this change. We have a responsibility to monitor the vendors that administer our health plans to ensure that they are charging reasonable fees for their services and administering our plan in accordance with the NU plan documents. Our priority is to make decisions that are in the interest of the plan and you, the plan participants. Periodically issuing requests for proposals (RFPs) from our current vendor and others is one of many ways we monitor the administration costs of our plan. We conducted this RFP process with our insurance broker, one of the top benefits consulting firms in the nation, and determined that our plan participants would benefit from a change to the current claim administrators.

Others have asked about the decision-making process. In making decisions on our health and welfare plans there is significant consideration given to ensure we are providing affordable health care coverage options to our community. These decisions are made by Northwestern University Welfare Plan Administrators (NUWPA), a committee appointed to oversee these plans and to act solely in the best interest of plan participants and beneficiaries. The current members of NUWPA include the University's Vice President and Chief Financial Officer, Vice President and Chief Human Resources Officer, and the Director of Benefits.

The decision process included months of meetings, proposals, benchmarking, and final offers, after which NUWPA determined that it was in the interest of plan participants to change the claim administrators for Northwestern's health and welfare plans.

We know another significant concern is the potential impact of the change on in-network providers, including mental health providers. Ensuring a large and accessible in-network list of providers was an important part of our analysis. We expect that some providers who are currently out-of-network will become in-network providers after the change; however, there will be instances where certain providers will be out of network after the change. For this reason, as we do today, we will provide an out-of-network coverage option under the plan for those who do not want to change providers. Please visit this [site](#) to search for your provider.

Finally, it is important to reiterate that we did not take the decision to change our plans' claim administrators lightly, and the impact to our community was considered each step of the way. We will communicate more details later in the summer. In the meantime, we will regularly update our [FAQs](#) based on questions we receive through askHR@northwestern.edu.

Thank you for your feedback.

Sincerely,

Lorraine A. Goffe

Vice President & Chief Human Resources Officer

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