

May 7, 2014

MEMORANDUM

TO: State Board of Regents
FROM: David L. Buhler
SUBJECT: USHE – Institutions' Health Plan Changes 2014-15

Issue

The Board of Regents is provided annually with a summary of institutional health plan changes. The health benefits package is a critical component of the overall compensation package provided to institutional employees, and is subject to significant conversation and review at each institution. Several institutions' insurance plans will be experiencing design changes as outlined in the attached information.

Commissioner's Recommendation

The update of health plan changes is an informational item only; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/BLS/JBV
Attachment

Summary of USHE Benefit Changes **FY15**

| Institution | FY15 Medical Premium Split (Employer/Employee) | Overall % Medical Premium Increase | Cost % Increase for Employer | Cost % Increase for Employee | Information (e.g., Plan Design Changes) |
|-------------|--|------------------------------------|------------------------------|------------------------------|--|
| UU | 90/10 | 0.00% | 0.00% | 0.00% | <ul style="list-style-type: none"> The lifetime maximum is now unlimited (some individual benefits still have an annual maximum) There will no longer be a pre-existing condition waiting period for new or existing members Children turning age 26 will be allowed to remain covered under the health plan until the last day of the month in which they turn 26 The deductibles in the Advantage option (out-of-network only) and Comprehensive option are increasing from \$250 to \$350 for single and decreasing from \$750 to \$700 for family coverage The maximum coinsurance in the Consumer Directed option is increasing from \$3,500 to \$4,500 for single and from \$7,000 to \$9,000 for two-party and family |
| USU | 90/10 | 0.05% | 0.05% | 0.05% | <ul style="list-style-type: none"> No plan changes this year |
| SUU | High Deductible 90/10 | 1.69% | 1.69% | 6.21% | <ul style="list-style-type: none"> Traditional Medical Deductible from \$500 / \$1,000 to \$1,000 / \$2,000 Traditional Co-insurance Max from \$2,000 / \$4,000 medical + \$3,500 / \$10,500 prescription to combined medical + Rx \$3,000 / \$6,000 Lab + Professional Services from 100% coverage after office co-pay to 80%. Affects both traditional + HDHP Prescription non-formulary drug cap from \$250 to \$350 (30-day supply); new 4-tier payment schedule for specialty drugs: Tier I 15% co-pay (\$200 cap); Tier II 25% co-pay (\$275 cap); Tier III 40% co-pay (\$400 cap); Tier IV not covered as excluded medications HDHP Family Deductible from \$2,500 to \$3,000 HDHP Family Co-insurance Maximum from \$5,000 to \$6,000 Larger traditional employee increase due to more employees shifting to HD, and increased costs. |
| | | 13.35% | 1.08% | 68.03% | <ul style="list-style-type: none"> Percentages are based on the traditional health plans Plan Design Changes Pre-existing conditions can no longer be allowed due to required healthcare reform changes Facility sleep studies now require preauthorization Accidents that require dental services are now covered under medical Member will be paid for out-of-network costs up to PEHP's allowed amount PEHP will withhold FICA taxes on all wellness cash rebates Larger employee increase to bring employer/employee split to 90/10 |
| WSU | 90/10 | 5.57% | 4.50% | 16.28% | <ul style="list-style-type: none"> Percentages are based on the traditional health plans Plan Design Changes Pre-existing conditions can no longer be allowed due to required healthcare reform changes Facility sleep studies now require preauthorization Accidents that require dental services are now covered under medical Member will be paid for out-of-network costs up to PEHP's allowed amount PEHP will withhold FICA taxes on all wellness cash rebates Larger employee increase to bring employer/employee split to 90/10 |

Summary of USHE Benefit Changes

FY15

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|------|-------|-------|-------|-------|-------|--|
| UVU | 90/10 | 0.00% | 0.00% | 0.00% | 0.00% | <ul style="list-style-type: none"> • Going out to bid and the performance of our health care plan enabled us to provide a zero premium increase for our employees |
| DSU | 90/10 | 5.57% | 5.57% | 5.57% | 5.57% | <ul style="list-style-type: none"> • No changes |
| SNOW | 90/10 | 5.57% | 5.57% | 5.57% | 5.57% | <ul style="list-style-type: none"> • Autism Benefit – The State medical plans will begin an Autism Treatment Program for children ages 2 and 6 that have been diagnosed with an autism spectrum disorder. Eligibility will be determined after review of medical records. Benefits will be pay 80% after a \$250 deductible specific to the autism benefit. The program pays a maximum of \$150 per day not to exceed more than \$24,000 total. The Autism Treatment Program is not included in medical benefits. The deductible and coinsurance do not accumulate towards medical deductibles and out-of-pocket maximums • Dental – July 1, PEHP Traditional dental plan will begin paying 100% on oral exam, x-rays, and preventive benefits. In the past this plan has only paid 80% for these services. In order to get more in line with the market for the single dental rates, we have restructured the rates so that the single plan will be more fairly priced. This rate restructure will decrease single dental plan rates and slightly increase the double and family rates (see rates for details) • Vision - The STAR plan covers the vision exam at no cost to members in network, and the Traditional plan covers the vision exam with \$35 co-pay. Because members may receive their vision exam under the medical plan, we will offer an eyewear only plan, where the rate will be less in exchange for no vision exam coverage. Members may still choose the Full vision plans if they wish to receive the vision exam under the vision plan. The vision rates have declined |
| SLCC | 90/10 | 4.14% | 0.00% | 4.14% | 4.14% | <ul style="list-style-type: none"> • Removed pre-existing condition • Added coverage for clinical trials • Changed to a true out-of-pocket maximum • Increased Genetic Testing coverage |