

May 9, 2018

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Institutions' Health Plan Changes 2018-19

Issue

Annually, the Board of Regents receives an informational summary report about the USHE institutions' health benefit plans for the upcoming fiscal year.

Background

The health benefits package is a critical component of the overall compensation package provided to institutional employees and is subject to significant conversation and annual review at each institution. To help manage annual cost increases for both the institution and employees, several institutions' insurance plans will experience design changes as outlined in the attached document.

The 2018 Legislature provided ongoing funding to support 75 percent of a 4.1 percent estimated cost increase based on the State's PEHP plan. The remaining 25 percent of the anticipated cost increase was to be funded using first-tier tuition proceeds. If institution plan costs, after plan changes, still exceed the available funding from the Legislature, institutions will address remaining cost increases through a combination of reallocation of existing institutional resources and increasing employee premiums.

The attached report provides the Board with several key metrics for an institution's health benefit plans including:

- Number of plans available
- Annual costs for employer and employee
- Cost increases (total, employer, employee)
- Major plan design changes

Commissioner's Recommendation

This is an informational item only; no action is required.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/BLS
Attachments

Summary of USHE Medical Benefit Changes | FY 2019

Institution and Medical Provider	Number of Plans	Annual Medical Employer/ Employee Costs	Premium Split	Cost % Increase Total	Cost % Increase for Employer	Cost % Increase for Employee	Information (e.g., Plan Design Changes)
UU Health Care and Regence Blue Cross/ Blue Shield partnership (self-insured)	5	<u>Advantage Single</u> \$7,092/\$780 <u>Two-Party</u> \$12,408/\$1,368 <u>Family</u> \$18,720/\$2,064	90/10	4.1%	4.1%	4.2%	<ul style="list-style-type: none"> No major plan changes
USU Blue Cross/Blue Shield (self-insured)	6	<u>Blue Plan Single</u> \$5,652/\$1,170 <u>Two-Party</u> \$12,760/\$2,632 <u>Family</u> \$18,413/\$3,801	89.4/10.6	4.4%	4.1%	7.0%	<ul style="list-style-type: none"> Increased the prescription generic drug co-pay from \$5 to \$10.
WSU PEHP (not self-insured)	2	<u>Traditional Advantage/Summit Single</u> \$6,117/\$680 <u>Two-Party</u> \$12,612/\$1,402 <u>Family</u> \$16,838/\$1,871	90/10	4.1%	4.1%	4.1%	<ul style="list-style-type: none"> Co-pays remain the same, but some services are at different co-pay levels to better reflect comparative costs. Thus, IHC and U of U visits have \$10 higher co-pays for primary care providers and specialists. Approximately 16.5% of faculty/staff are on the HDHP and are given a Health Savings Account which Weber State University deposits funds. Singles are given \$33.09 per pay period and two-party/family are given \$66.18 per pay period. This expenditure is not included in the PEHP insurance cost and will total approximately \$337,000 for FY19.
SUU Educators Mutual (self-insured)	1	<u>High Deductible Single</u> \$5,028/\$564 <u>Two-Party</u> \$14,568/\$1,620 <u>Family</u> \$14,568/\$1,620	90/10	7.1%	7.1%	7.2%	<ul style="list-style-type: none"> No major plan changes
SNOW PEHP (not self-insured)	4	<u>Traditional Advantage/Summit Single</u> \$6,236/\$561 <u>Two-Party</u> \$12,858/\$1,156 <u>Family</u> \$17,166/\$1,543	92/8	4.1%	4.1%	4.1%	<ul style="list-style-type: none"> No major plan changes

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DSU PEHP (not self-insured)	2	Traditional Advantage/Summit <u>Single</u> \$6,236/\$560 <u>Two-Party</u> \$12,858/\$1,156 <u>Family</u> \$17,166/\$1,543	92/8	4.1%	4.1%	4.1%	<ul style="list-style-type: none"> No major plan changes
UVU Choice Plus Traditional (self-insured)	4	Traditional <u>Single</u> \$6,048/\$672 <u>Two-Party</u> \$13,971/\$1,552 <u>Family</u> \$20,179/\$2,242	90/10	8.0%	8.0%	8.0%	<p>Based on medical and prescription costs/claims experience the following changes were made.</p> <ul style="list-style-type: none"> Increased cost of generics from \$4 to \$10. Increased 90-day generics from \$10 to \$20. Implemented two-tier structure for specialty drugs.
SLCC Blue Cross/Blue Shield (self-insured)	1	Traditional ValueCare <u>Single</u> \$6,824/\$768 <u>Two-Party</u> \$15,373/\$1,704 <u>Family</u> \$21,505/\$2,228	90/10	4.2%	4.1%	5.0%	<p>We have seen heavier utilization of the plans this last year and, therefore, are recommending the following changes to the plans.</p> <ul style="list-style-type: none"> Change the Office Visit co-payment from the current \$30 for all providers regardless of specialty to \$35 per office visit for Primary Care Providers and \$45 for Secondary/Specialist Care Providers. Change the co-payment for Urgent Care/InstaCare visits from the current \$30 to \$50. Remove the vision exam benefit. This benefit will be available through the Vision Plan.