

Health Care Review 2014



Reasons for Today's Presentation

- Explain status of health plan
- Describe some alternatives for change
- Seek consultation
- Contact Joyce Carter or Beth Schwartz, Benefits Manager

HRAC reps are:

Randy Allison, Facilities Management

Monica Escobar, Enrollment Management

Jon Rike, UDiT

Susan Saliba, Research Institute – Nonstructural Materials

Debbie Seaman, Athletics

Norma Shawhan, Facilities Management

TyAnn Stewart, SEHS - Office of the Dean

Sue Trainum, College of Arts & Science - Biology

Cari Wallace, Student Development

Troy Washington, University Advancement

Teresa Wehmeyer, School of Business - Accounting

Peggy Wilson, Law School - Operations & Finance

Objective

- Provide quality healthcare
- Improve employee health
- Control costs
- Share costs fairly

In the new environment of Affordable Health Care (ACA)

Historical Perspective-2013

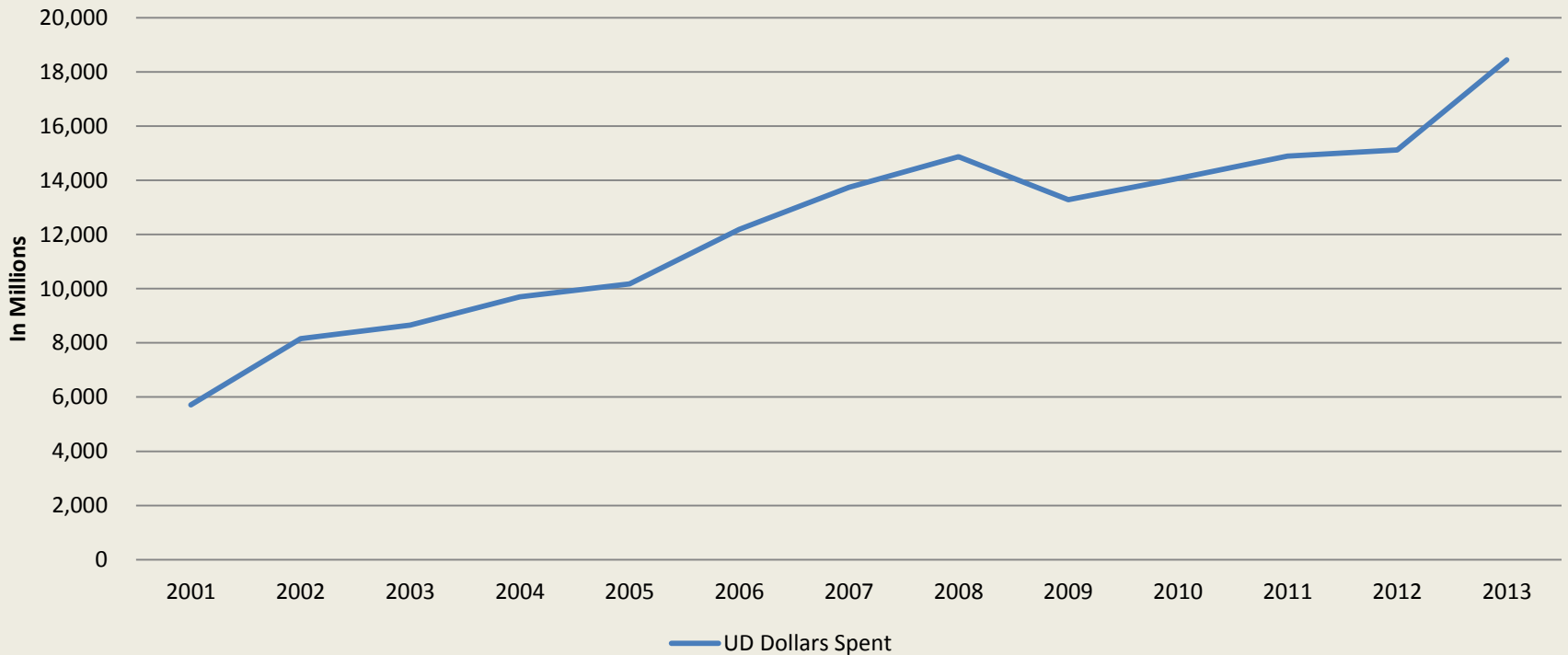
- Claims data-2 month lag in information
- April 2013, we identify skyrocketing trends in high cost claims
- June 2013, Anthem renewal data received
- August 2013, Human Resources meets with BOT to discuss trends, alternatives and long term strategies
- August 2013, HR asks Academic Senate president for time on ECAS agenda
- ACA requirements and federal mandates continue to change
- September 2013, 1st opportunity to meet with the Academic Senate for consultation
- Continuing discussions include:
 - Fall Faculty Meeting
 - Fall Staff meeting
 - Human Resources Advisory Council- September
 - Community Conversation
 - Bargaining Unit meetings

Current Environment

- Two health care plans
- Claims experience in last 12 months has been poor; significant increase in # of high cost claims
- Double digit (>15%) increases projected for 2014.
- 18 month period of time (January 2013-June 2014) projected increases of \$6 million in health care claims

Healthcare Costs Chart

University of Dayton Healthcare Costs 2001-2013



Potential Health Care Plan Changes

- Increase copays and deductibles
- Increase employee contributions
- Offer wellness incentives (HRA's, employer contribution incentive)
- Cover dependents to age 26
- Discontinue retiree healthcare for new hires effective January 2014 (nearly ½ of our peer schools do not offer retiree health care)
- Relief for lowest paid employees thru wage study/implementations January 2014

Grandfathered Status

- Plan changes will not allow us to keep grandfathered status
- Most significant change (when losing grandfathered status) is preventative care paid at 100%

Fees, Surcharges, Cost Increases

2014

- 18 month projections = \$6 million increase in claims
- ACA related charges including PCORI and Reinsurance fees = \$400,000
- Stop/Loss insurance cost increase = \$60,000
- Cost for health risk assessments (wellness) = \$200,000
- Preventative care > \$400,000

Long Term Options

- True impact of ACA unknown at this time
- Continue to modify the plan
 - Biometrics
 - Surcharges
 - RX carve out
 - Copays
 - Deductibles

Long Term Options, cont.

- Achieve better balance of employee contributions with Plan usage
- Offer High Deductible Healthcare Plan (HDHCP)
- New arrangements with providers (docs, teledoc, hospitals, smaller networks, wellness focus)