

Health Care Update #2

January 30, 2018

Percent of Premiums – Employer/Employee, 2015-2017

In the November 30, 2017 update on health insurance, the revenues and expenditures were shared for each individual plan, as well as for our overall, self-insured plan. As noted, one of our plans, UNI Health, which has been phased out, was a very costly plan for both the employee and the institution. As individuals moved off of this expensive plan, the overall costs to our health plan have been reduced, even while health care costs as a whole have risen.

As promised in the first update, and after having shared this information with Faculty Senate, I am now providing information on the percentage of contributions covered by the employer and the employee within our two ongoing health plans, as well as information about the total percent of our health insurance costs covered by the institution. Again, as health care costs increase and as the university covers more of those costs, we have less funding for other activities.

For the UNI PPO, UNI had been covering 100% of the premium cost for single coverage, and 80% of the cost for family coverage (for shared family coverage, UNI covers 90% of the cost). UNI continues to cover 80% of the cost for family and 90% of the cost for shared family. However, within the single plan, some of the cost has been shifted to employees, who now cover 2.7% of the premium.

For the UNI Blue Advantage, which is the most cost-efficient of the health plans, UNI continues to cover 100% of the cost for single coverage and is covering a slightly higher percentage of the cost for family and shared family coverage. The premiums have not changed for employees, though they have for the employer because of rising health care costs.

UNI PPO		2017			2018			Annual
		Monthly	Annual	Percent	Monthly	Annual	Percent	Change
Single	Employee	\$0	\$0	0.0%	\$21	\$252	2.7%	252
	Employer		\$8,014	100.0%		\$8,916	97.3%	902
	Total		\$8,014			\$9,168		1154
Family	Employee	\$337	\$4,048	20.0%	\$358	\$4,291	20.0%	242
	Employer		\$16,193	80.0%		\$17,163	80.0%	970
	Total		\$20,241			\$21,454		1212
Shared	Employee	\$169	\$2,023	10.0%	\$179	\$2,146	10.0%	122
Family	Employer		\$18,217	90.0%		\$19,308	90.0%	1091
	Total		\$20,240			\$21,454		1213

UNI Blue Advantage (HMO)		2017			2018			Annual Change
		Monthly	Annual	Percent	Monthly	Annual	Percent	
Single	Employee	\$0	\$0	0.0%	\$0	\$0	0.0%	0
	Employer		\$7,377	100.0%		\$8,484	100.0%	1107
	Total		\$7,377			\$8,484		1107
Family	Employee	\$189	\$2,266	12.3%	\$189	\$2,266	11.7%	0
	Employer		\$16,193	87.7%		\$17,163	88.3%	970
	Total		\$18,459			\$19,429		970
Shared Family	Employee	\$20	\$241	1.3%	\$20	\$241	1.2%	0
	Employer		\$18,217	98.7%		\$19,308	98.8%	1091
	Total		\$18,458			\$19,549		1091

Premiums are only one way in which the costs of health insurance are covered; in addition to premiums, employees must pay out-of-pocket expenses, including deductibles, co-insurance, co-pays, and other costs. Balancing all of these factors is a challenge and one that we need to do a better job of communicating to the campus community and getting feedback in the planning process. The President's proposed Benefits Committee will allow us to establish this type of information sharing and feedback loop.

In terms of the breakdown of employer vs. employee coverage of the premium, we have shifted from 75% of the premiums covered by the university to 82% in the last fiscal year. The total dollar amount of premiums collected from employees has dropped from \$4.65M to \$3.26M because of the increased percentage of the premium covered by the university (as well as because of the shift away from UNI Health, which was cost prohibitive for both employees and the institution; this shift also explains why the total claims and administrative costs have gone down, even while health care costs have gone up).

Because our employee groups on our self-insured plan changed in the middle of the 2018 fiscal year, with AFSCME employees coming on board January 1, 2018, it has been challenging to project a FY 2018 budget for health insurance. (AFSCME employees completed their health insurance elections during the open enrollment period that concluded November 30, so we now know how many signed up for the PPO, the HMO, or have other insurance.)

Total - All Plans	FY 2015		FY 2016		FY 2017	
			\$		\$	
Premiums Employer	\$14,135,060	75%	14,166,408	78%	15,175,102	82%
Premiums Employee	4,650,426	25%	3,880,684	22%	3,260,141	18%
Premiums Direct Pay (Retirees, COBRA, LTD)	2,710,239		2,708,513		2,446,914	
Net Transfers	-		-		-	
Claims & Admin	(22,058,817)		(23,723,299)		(20,360,780)	
Net Incr/(Decr)	(563,092)		(2,967,695)		521,377	
Ending Net Position	4,183,614		1,215,919		1,737,296	
% Net Position to Expense	19.0%		5.1%		8.5%	

As explained in the first update, the Ending Net Position is our reserves, which are used to cover claims in excess of projections. Once the claims for the current fiscal year (which ends June 30, 2018) have been totaled, we will have a better sense of the impact of adding the AFSCME employees to our self-insured plan.

The President will be holding conversations with the leadership of employee groups to formulate a plan for creating an advisory committee that will dive deeply into our health insurance and other benefit plans. That committee will review, in greater detail, aspects such as revenues, expenditures, and projected costs and will discuss strategies for determining future premiums and other expenses.

In the meantime, if there are questions about our health insurance or other benefit plans, please contact Human Resources at 3-2423. If you would like other information regarding these updates, please let me know.