

BARTON COUNTY COMMUNITY COLLEGE

Health Insurance Review

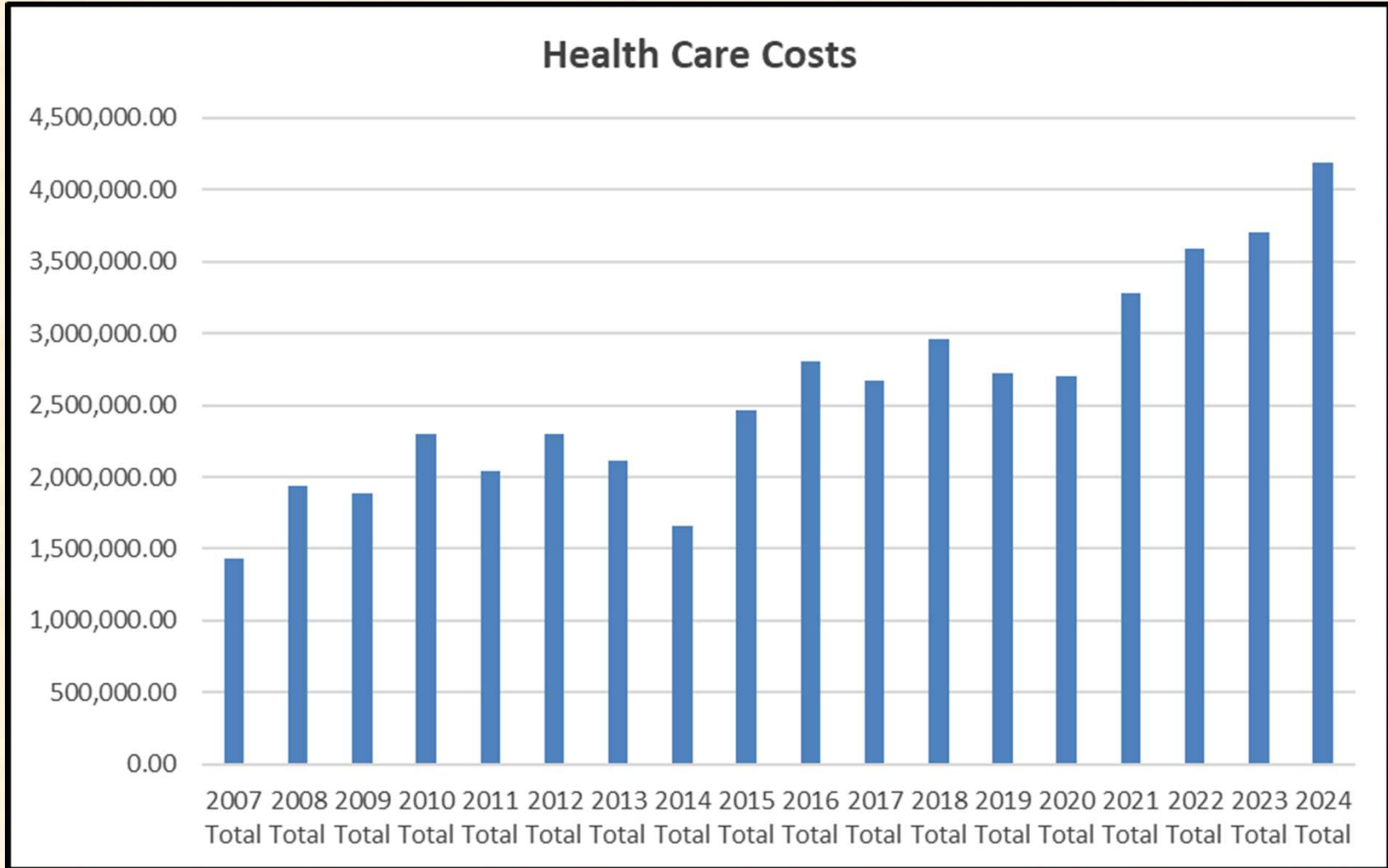
Self Funded Plan

2024-2025

History of Cost Increases

- Health Insurance plans typically see a 10-15% annual increase in costs, and employees typically pay 30% of the costs.
- Good medical cost history, and minor changes to our plan, have allowed employee rates to remain the same since 07-08.
- Cycle of good and bad years are normal – we have experienced very high claims the last three years.

Cost increases to our health plan



24-25 Health Plan Highlights

- Barton's Health Insurance is Self Funded – meaning, when you go to the Doctor, Hospital, or Pharmacy, **Barton pays the bill.**
- Prescription Drug costs account for nearly half of our health insurance expenditures.
- Barton's costs for our Dental program are up slightly as compared to last year, and our dental expenses continue to exceed our dental premiums by \$150,000 per year.
- The number of eligible members participating in our plan have increased by 11 as compared to last year.

23-24 Health Plan Highlights

- Over the last 10 years, health costs paid by employees nation wide increased by 115% (premiums, out of pocket spending).
- There are huge differences between providers in the discounts provided to both our plan and employees.
- Hospital discounts (major expenses).
- Diabetic monitor & supplies covered at 100% via our LivingConnected Plan, however we have eligible employees that do not participate in the plan.

24-25 Health Plan Highlights

Prescription Drugs:

- Barton's average price paid per prescription has increased 24% since 2022.
- Current Benefit:
 - Generic Drugs - \$10 copay and the deductible is waived.
 - Name Brand Drugs – 20% of allowed amount after a \$100 deductible up to \$2,000 per individual or \$4,000 family.
- If an eligible employee has a prescription cost of \$3,000 per month (name brand), the employee would pay the first \$100 and then 20% up to \$2,000 out of pocket. The plan would pay the remaining \$33,900 in prescription costs (annual).
- Barton requires authorization for specialty medications and in some cases requiring the use of specific pharmacies.

24-25 Health Plan Highlights

- The “call a Doc” program has been a huge success, however this program as well as prescription management, and health management programs will have no impact on costs unless employees understand their value and utilize the services. Due to the loss of our TPA, it is likely we will be changing to “Tele-Doc”.
- Precertification is now required for most outpatient procedures.

Did You Know???

- Not all provider facilities are the same.
- Not all providers charge the same thing for procedures.
- Not all charges end up the same for members or your health insurance plan.
- In most cases, providers discount medical services and those discounts can vary significantly.
- Bottom line is that making an informed decision can make a difference in your pocket book as well as your health plan, and the future sustainability of your health plan.

Historical Data Comparisons

- When making choices on your health care you need to consider:
 - Outpatient procedures at In-network Facilities:
Example #1 –On average a \$2,500 Outpatient reimbursement (after discount) would cost:
 - University of Kansas Health Systems – Great Bend Campus \$2,500
 - Pratt Regional \$3,196
 - Hutchinson Regional \$3,472
 - Geary Community \$3,847
 - Clara Barton Hospital \$3,917
 - Hays Medical Center \$4,086
 - Via Christi Manhattan \$4,198
 - Salina Regional \$5,074
 - Stormont Vail Topeka \$5,379

Historical Data Comparisons

Continuing with Example #1 (\$2,500 Outpatient)

- With a \$700 Deductible and 80/20 coinsurance, a member, and the plan would pay the following amounts:

	<u>Member Pays</u>	<u>BCCC Pays</u>
Univ of KS GB	\$1,060	\$1,440
Pratt	\$1,199	\$1,997
Hutchinson	\$1,254	\$2,218
Geary Com	\$1,334	\$2,540
Clara Barton	\$1,343	\$2,574
Hays Medical	\$1,377	\$2,709
Via Chris (Man)	\$1,399	\$2,799
Salina Regional	\$1,575	\$3,499
Stormont Vail	\$1,635	\$3,744

Historical Data Comparisons

In-Patient procedure at In-Network Facility:

- Example #2 –On average, a \$5,000 In-Patient procedure reimbursement (after discount) at In-Network Facility
 - University of Kansas GB \$5,000
 - Clara Barton \$5,260
 - Hutchinson Regional \$6,005
 - Pratt Regional \$6,648
 - Via Christi Manhattan \$9,276
 - Hays Medical Center \$9,896
 - Stormont Vail \$11,453
 - Salina Regional Hospital \$15,015
 - Geary Community Hospital \$15,866

Historical Data Comparisons

Continuing with Example #2 - \$5,000 In-Patient procedure at In-Network Facility:

- With a \$700 Deductible and 80/20 coinsurance, a member, and the plan would pay the following amounts:

	<u>Member Pays</u>	<u>BCCC Pays</u>
Univ of KS – GB	\$1,560	\$3,440
Clara Barton	\$1,612	\$3,648
Hutchinson	\$1,700 (max out of pocket)	\$4,305
Pratt	\$1,700 (max out of pocket)	\$4,948
Via Christi (Man)	\$1,700 (max out of pocket)	\$7,576
Hays Medical	\$1,700 (max out of pocket)	\$8,196
Stormont Vail	\$1,700 (max out of pocket)	\$9,753
Salina Regional	\$1,700 (max out of pocket)	\$13,315
Geary Community	\$1,700 (max out of pocket)	\$14,166

Your Plan – Your Future

Everyone can do their part to help keep our insurance affordable by making informed decisions. University of Kansas – Great Bend Campus is definitely the least expensive for both members and your Health Plan on both in-patient and out-patient services while Salina Regional is on the other end of the spectrum.

- Your decisions on where you have your medical services will impact current and future benefits.
- Make informed decisions when determining where to have your medical needs addressed.
- As a reminder, if as an employee, you choose to seek medical care outside of our area, you need to research the cost to both you as well as the cost to our plan. There are some procedures that require the employee to seek services outside our area while other are optional. We have over 500 total employees and dependents covered on our plan and a single procedure can cost the plan thousands of additional dollars when the same procedure could have been done locally.

Your Plan – Your Future

Salina Regional Hospital has refused to negotiate their facility charges.

- Salina Regional Hospital is a non-network facility. If you decide to utilize Salina Regional or any other non-network facility for services (other than for an emergent situation), you will be subject to:
 - Your out-of-network Deductible
 - Your Coinsurance
 - The potential that you will receive a bill for the difference between what the provider charges and what our plan will pay (balance billing). This can easily be thousands of dollars that will be your responsibility.

How Does our Self-Funded Plan Work?

- The College contributes a specific dollar amount for each eligible employee (plus dependents).
- The Employee contributes a specific dollar amount depending on if they choose one of the three optional “family plans”.
- The College then pays all claims up to \$90,000 per employee.
- The College contracts with a provider to provide “Specific Coverage” (all claims in excess of \$90,000) per employee. The cost of this coverage increased \$100,000 this next year due to the number of claims exceeding the \$90K per employee.

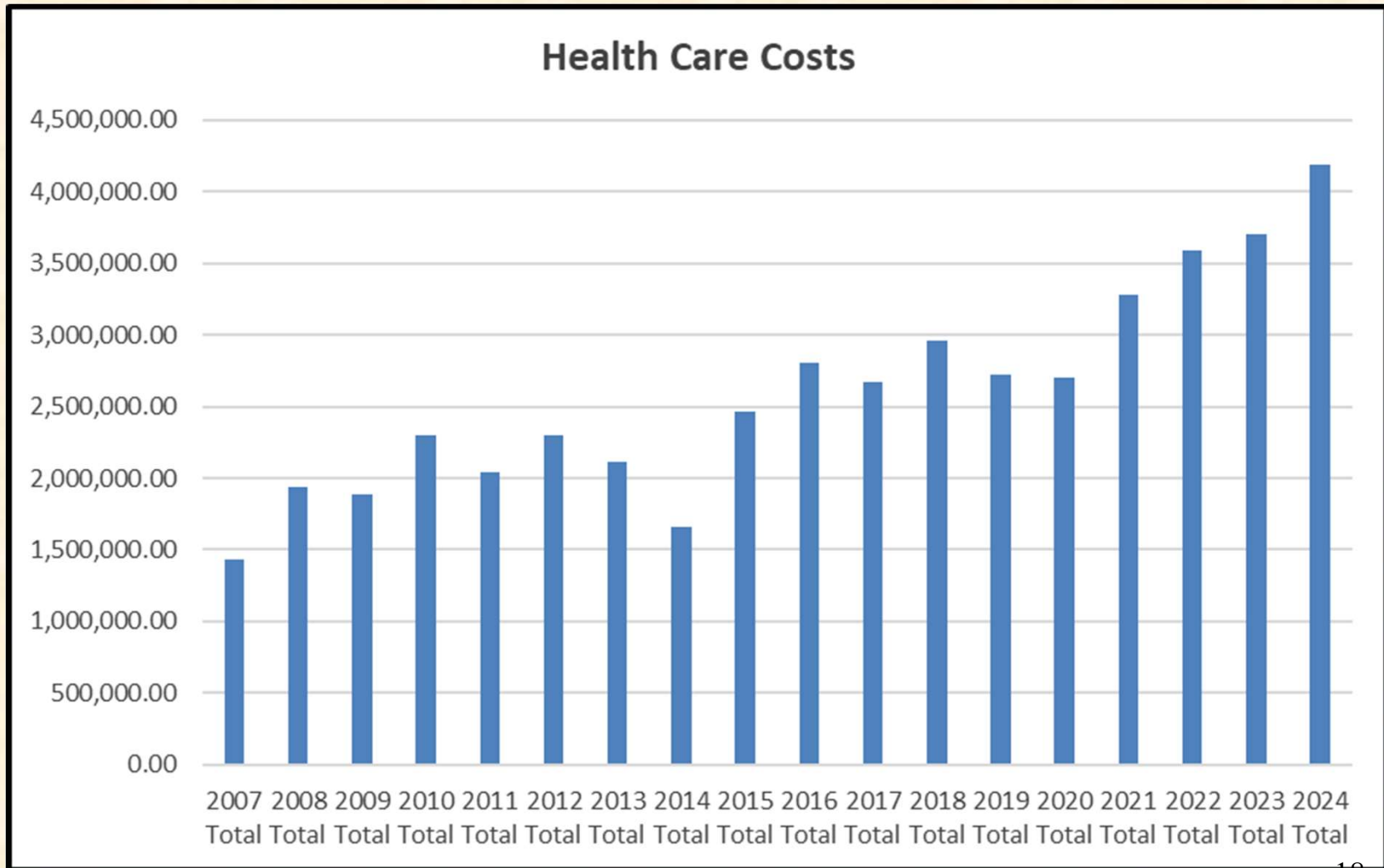
How Does our Self-Funded Plan Work?

- The contributions from the Employees and the College are kept in a special Health Insurance fund.
- We pay for our Specific Coverage, Claims, and claim administration out of this fund.
- We attempt to maintain a reserve to account for the ups and downs of the claims.
- For FY23 we dipped into our reserves in the amount of **\$444,981**
- For FY24 we dipped into our reserves in the amount of **\$718,586**
- Between the last two years, the claims have exceeded the contributions in the amount of **\$1,163,567**.
- **The plan is not sustainable without additional contributions, benefit reductions, or a combination of the two.**

Rates & Benefits Effective November 1, 2024

- Employee rates for the three optional family plans will increase for the new plan year (first time since 07-08)
- Employee rates for the four optional dental plans will increase for the new plan year (first time since 07-08)
- Employee rates for the optional vision plan will increase for the new plan year
- Increase in specific limit (risk) and cost to BCCC for Administrative costs and contribution toward employee benefits

Cost increases to our health plan



Employee & College Contributions to our Self Funded Health Plan - History

Health Care Plan Premiums								
	Coverage for Employee Only		Coverage for Employee/Family		Coverage for Employee/Spouse		Coverage for Employee/Children	
Year	Employee's Share	College Share	Employee's Share	College Share	Employee's Share	College Share	Employee's Share	College Share
07-08	\$0.00	\$497.64	\$626.37	\$497.64	\$371.91	\$497.64	\$293.61	\$497.64
08-09	\$0.00	\$460.10	\$430.00	\$575.10	\$276.00	\$564.10	\$205.00	\$552.10
09-10	\$0.00	\$525.00	\$430.00	\$800.00	\$276.00	\$700.00	\$205.00	\$665.00
10-11	\$0.00	\$615.00	\$427.00	\$1,200.00	\$275.00	\$870.00	\$205.00	\$890.00
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23-24	\$0.00	\$615.00	\$427.00	\$1,200.00	\$275.00	\$870.00	\$204.00	\$890.00

FY25 Changes in Medical/Dental/Vision Premiums

Medical/Dental/Vision Premiums				
	FY24		FY25	
	Employer	Employee	Employer	Employee
Medical - Employee	\$615.00	\$0.00	\$700.00	\$0.00
Tobacco User Medical - Employee *	\$615.00	\$50.00	\$700.00	\$100.00
Medical - Employee/Child	\$890.00	\$204.00	\$975.00	\$220.00
Tobacco User Medical - Employee/Child*	\$890.00	\$254.00	\$975.00	\$320.00
Medical - Employee/Spouse	\$870.00	\$275.00	\$955.00	\$295.00
Tobacco User Medical - Employee/Spouse*	\$870.00	\$325.00	\$955.00	\$395.00
Medical - Family	\$1,200.00	\$427.00	\$1,285.00	\$460.00
Double Spouse - Family	\$1,200.00	\$213.50	\$1,285.00	\$230.00
Tobacco User Double Spouse	\$1,200.00	\$313.50	\$1,285.00	\$330.00
Tobacco User Medical - Family*	\$1,200.00	\$477.00	\$1,285.00	\$560.00
Tobacco premium added to * above				
		\$50.00		\$100.00
Dental - Employee	Included in Medical	\$3.00	Included in Medical	\$12.00
Dental - Employee/Child	Included in Medical	\$5.00	Included in Medical	\$20.00
Dental - Employee/Spouse	Included in Medical	\$5.00	Included in Medical	\$20.00
Dental - Family	Included in Medical	\$8.00	Included in Medical	\$32.00
Vision - Employee	\$3.31	\$7.73	\$0.00	\$11.04
Vision - Employee/Child	\$6.11	\$14.27	\$0.00	\$20.38
Vision - Employee/Spouse	\$5.30	\$12.36	\$0.00	\$17.66
Vision - Family	\$10.40	\$24.26	\$0.00	\$34.66

Note: in the event that claims continue to outpace contributions, the employee's share of the single plan will change. Smoker Premium increases these employee rates from an additional \$50 to an additional \$100 per month.

FY25 Changes in Medical Premiums

Medical/Dental/Vision Premiums				
	FY24		FY25	
	Employer	Employee	Employer	Employee
12-504- KPERS retiree/Health	\$0.00	\$768.75	\$0.00	\$875.00
12-504- KPERS retiree Tobacco User/Health*	\$0.00	\$818.75	\$0.00	\$975.00
12-504- KPERS retiree Child/Health	\$0.00	\$1,367.50	\$0.00	\$1,493.75
12-504- KPERS retireeTobacco User Child/Health*	\$0.00	\$1,417.50	\$0.00	\$1,593.75
12-504- KPERS retiree Spouse/Health	\$0.00	\$1,431.25	\$0.00	\$1,562.50
12-504- KPERS retiree Tobacco User Spouse/Health*	\$0.00	\$1,481.25	\$0.00	\$1,662.50
12-504- KPERS retiree Family/Health	\$0.00	\$2,033.75	\$0.00	\$2,181.25
12-504- KPERS retiree Tobacco User Family/Health*	\$0.00	\$2,083.75	\$0.00	\$2,281.25
12-504- KPERS Dental - Employee	\$0.00	\$37.50	\$0.00	\$50.00
12-504- KPERS Dental - Employee/Child	\$0.00	\$65.00	\$0.00	\$81.25
12-504- KPERS Dental - Employee/Spouse	\$0.00	\$75.00	\$0.00	\$93.75
12-504- KPERS Dental - Family	\$0.00	\$93.75	\$0.00	\$118.75
Tobacco premium added to * above		\$50.00	\$100.00	
Employee Only / Preventative / Not eligible for Dental	\$24.35	\$167.00	\$24.35	\$208.75
Employee Child / Preventative / Not eligible for Dental	\$24.35	\$292.00	\$24.35	\$365.00
Employee Spouse / Preventative / Not eligible for Dental	\$24.35	\$334.00	\$24.35	\$417.50
Employee/ Full Family / Preventative / Not eligible for Dental	\$24.35	\$417.00	\$24.35	\$521.25

FY25 Changes in Medical Premiums

Medical/Dental/Vision Premiums				
	FY24		FY25	
	Employer	Employee	Employer	Employee
Cobra rates shown are for KS01 Active PCN (higher for KS04 Active FH Leavenworth & Out of State)				
Cobra retiree/Health	\$0.00	\$627.30	\$0.00	\$888.45
Cobra retiree Tobacco User/Health*	\$0.00	\$678.30	\$0.00	\$1,015.95
Cobra retiree Child/Health	\$0.00	\$1,115.88	\$0.00	\$1,499.32
Cobra retiree Tobacco User Child/Health*	\$0.00	\$1,166.88	\$0.00	\$1,626.82
Cobra retiree Spouse/Health	\$0.00	\$1,167.90	\$0.00	\$1,563.36
Cobra retiree Tobacco User Spouse/Health*	\$0.00	\$1,218.90	\$0.00	\$1,690.86
Cobra retiree Family/Health	\$0.00	\$1,659.54	\$0.00	\$2,167.93
Cobra retiree Tobacco User Family/Health*	\$0.00	\$1,710.54	\$0.00	\$2,295.43
Cobra - Dental - Employee	\$0.00	\$30.60	\$0.00	\$40.80
Cobra - Dental - Employee/Child	\$0.00	\$53.04	\$0.00	\$66.30
Cobra - Dental - Employee/Spouse	\$0.00	\$61.20	\$0.00	\$76.50
Cobra - Dental - Family	\$0.00	\$76.50	\$0.00	\$95.00
Tobacco premium added to * above		\$50.00		\$100.00

Benefits will change – Deductibles and Coinsurance

Benefit Category	FY24		FY25	
	Network Providers	Non-Network Providers	Network Providers	Non-Network Providers
Deductible Per Benefit Year				
Per Covered Person	\$700.00	\$700.00	\$1,200.00	\$1,200.00
Per Family Unit	\$1,400.00	\$1,400.00	\$2,400.00	\$2,400.00
Co-Insurance Percentage Payable				
Percentage Payable by the Plan	80%	60%	80%	60%
Co-Insurance Out-of-Pocket Maximum Per Benefit Year				
Per Covered Person	\$1,000.00	\$2,000.00	\$2,000.00	\$4,000.00
Per Family Unit	\$2,000.00	\$4,000.00	\$4,000.00	\$8,000.00
Total Out-of-Pocket per Benefit Year (Deductible + Co-Insurance)				
Per Covered Person	\$1,700.00	\$2,700.00	\$3,200.00	\$5,200.00
Per Family Unit	\$3,400.00	\$5,400.00	\$6,400.00	\$10,400.00
Rx out-of-pocket max is \$6,200/12,400				

Benefits will change

- Prescription Drugs:

- Generic drugs will continue to have a \$10 co-pay for 30 or 90 day refills.
- Brand Tier 1 (Formulary drugs) will have a \$60 co-pay or 20% of the allowed amount, whichever is less (30 day supply).
- Brand Tier 2 (Non-Formulary drugs) will have a \$120 co-pay or 20% of the allowed amount, whichever is less (30 day supply).
- Specialty Drugs will have a \$300 co-pay or 20% of the allowed amount whichever is less (30 day supply - MAXIMUM).

Benefits will change

- Prescription Drugs:

- Network Providers for Pharmacies:
- Walgreens, Target, CVS continue to be in network pharmacies, but their co-pay and % is higher than other pharmacies. This is due to those pharmacies not providing competitive discounts on their RX products and refusing to negotiate their discounts.
- Employees can continue to use these pharmacies if they choose, but the co-payments are double those charged at any other in-network pharmacy and the percentage the employee pays increases from 20% to 35%.
- Example: Any other pharmacy you would pay \$10 for a generic drug. At Walgreens, Target, CVS, you pay \$20 for the generic drug. Brand Tier 1 & Tier 2 co-payments are double what the employee would pay at other pharmacies and the % is 35% versus 20% that the employee is responsible for at other pharmacies.

Other items

- You will be receiving an email from HR announcing open enrollment scheduled from September 4th through the 13th.
- This year's open enrollment will be different than in recent years due to the exit of BML from the process.
- Important to update your '125' plan choices including dependent rates and return it by the due date of the 13th.
- Continued increases in claim costs mean either rate increases or benefit changes

Questions?