



University Benefits Committee

October 7, 2021

Agenda

- Welcome and Introductions
- Committee's Charge
- Benefits Overview
- Medical Plan Introduction
- HR's Proposal for 2022
- Questions and Discussion
- Next Steps

Committee Charge - Introduction

- University Benefits Committee was included as a forum for faculty and staff voice and consultation in the design of University benefits offerings.
- Membership:



Scope of Work Overview

Review annually (at least) and as needed:

- Medical Plans
- Dental & Vision
- Health Savings Plan (HSA)
- Flexible Spending Plan (FSA)
- Life Insurance
- Long Term Disability
- Retirement Savings Plan
- Additional Benefits/Perks

In the context of:

- Wellness
- Employee needs/value
- Competitiveness
- Employer/employee costs
- Coverage
- University's strategic goals

Committee Charge – Process Steps

1. HR Department will review the offerings at least annually
2. HR will present Benefits Committee for review and consideration:
 - A. Current benefits offerings
 - B. Any recommended amendments, changes, and/or cancellations to offerings
3. Benefits Committee (via co-chairs) will forward recommendations on HR's proposal to President and VP of Finance and Administration.
4. President and VP of Finance and Administration may accept proposal, return proposal for further deliberation, or approve alternative benefits proposals.

Committee Charge – Process Steps

5. If President approves an alternative proposal that is not based on the recommendations of the Benefits committee, the President will provide an explanation for the decision
6. When possible, the Benefits Committee will have an opportunity to respond, deliberate, and provide further adjustment prior to final approval (must be accomplished in 7 days).
7. President and VPFA may approve or decline the returned proposal.

*The University can make changes to benefits outside of this process in extenuating circumstances or to meet legal compliance requirements.

Benefits Overview - Resources

www.jcu.edu/hr

Benefits Calendar Cycle at JCU

- Most benefits programs are on a January-December plan year
- Monthly scorecard of plan performance
- HR's timeline for review and updates:
 - April- Review plan performance first quarter; consider ideas for improvements changes in next calendar year
 - July/August- Get initial projections of next plan year costs; conduct requests for proposals and review, if opportunity exists.
 - September/October- Make final decisions on next benefits year's offerings
 - Late October- Benefits Fairs; Informational Sessions
 - November- Open Enrollment Period
 - December- Confirmation of benefits changes



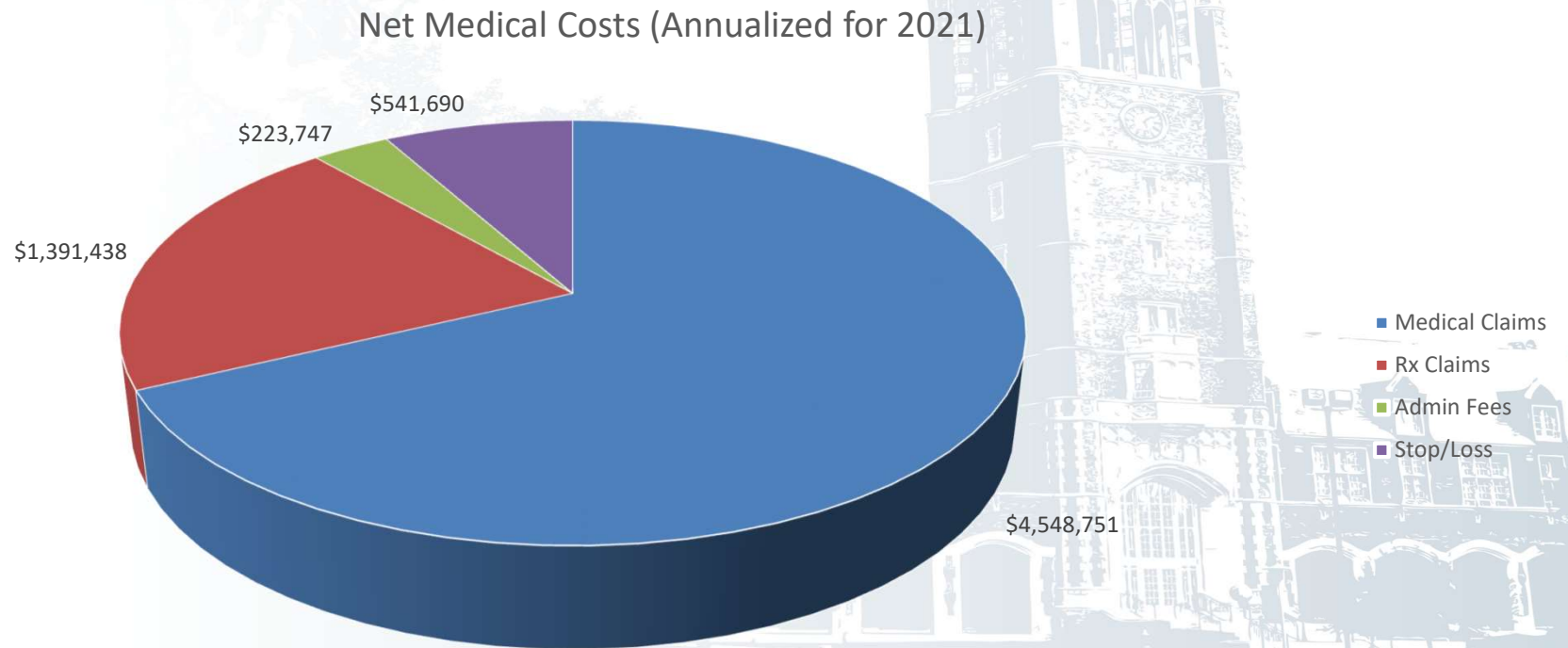
How our plans work:

MEDICAL BENEFITS PROGRAMS

Medical Plan Introduction – Components of Coverage (Self Funded Model)

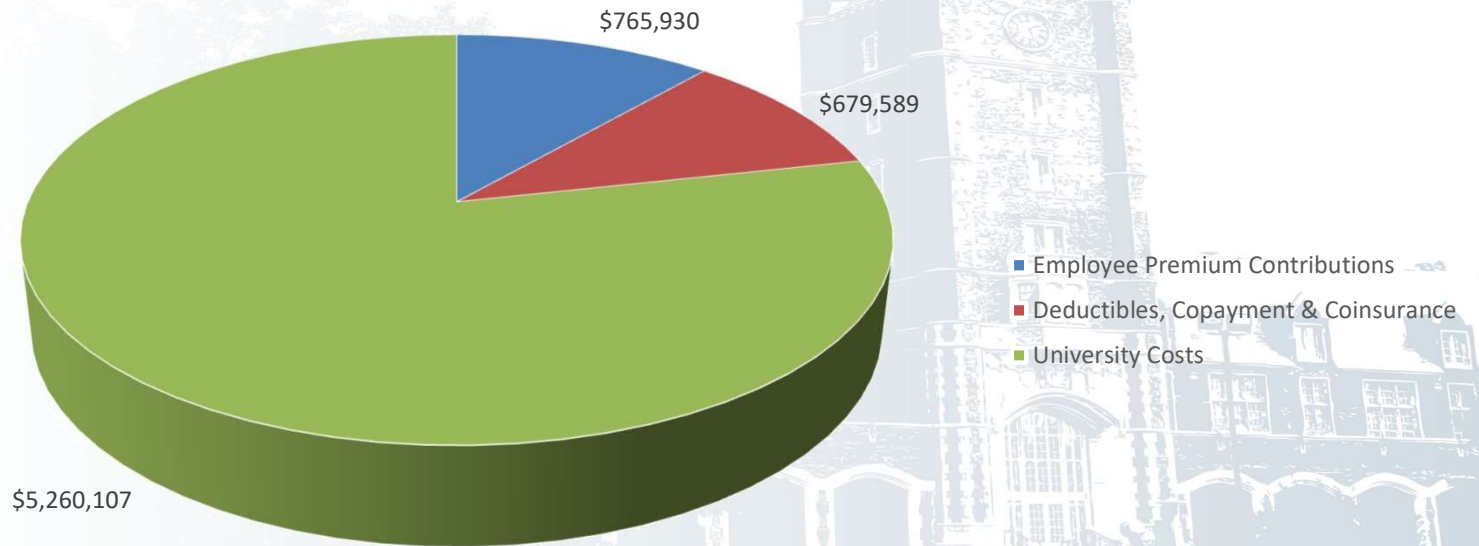


Medical Plan Introduction – Overall Cost/Funding



Medical Plan Introduction – Overall Cost/Funding

Medical Funding (Annualized for 2021)



Medical Plan Introduction- Self Funding

Why Self Funding?

- Visibility into plan performance
- More plan design and clinical outreach options
- Increased control over risk
- Transparent vendor compensation
- Fewer regulations and lower administrative costs

Medical Plan Introduction- Self Funding

Third Party Administrator (TPA)– Medical Mutual of Ohio

- Processes claims and provides service to members
- Negotiates Network Pricing with Providers (Locally and Nationally)
- Manages Eligibility

Medical Plan Introduction- Self Funding

Stop / Loss Coverage Insurance - Medical Mutual of Ohio (MMO)

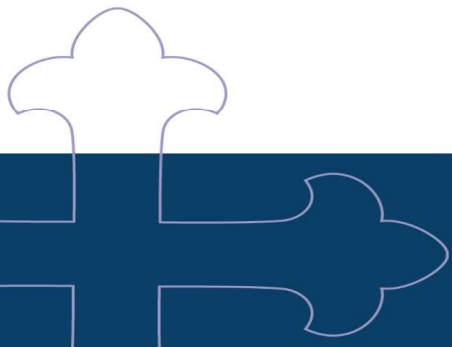
- Covers cumulative claims on individuals over \$250,000 in a year
- Premiums paid by the University to insurance carrier (MMO)
- Premiums are based on year to year experience
- Cost have risen 65% from 2018 to 2020

Medical Plan Introduction- PBM

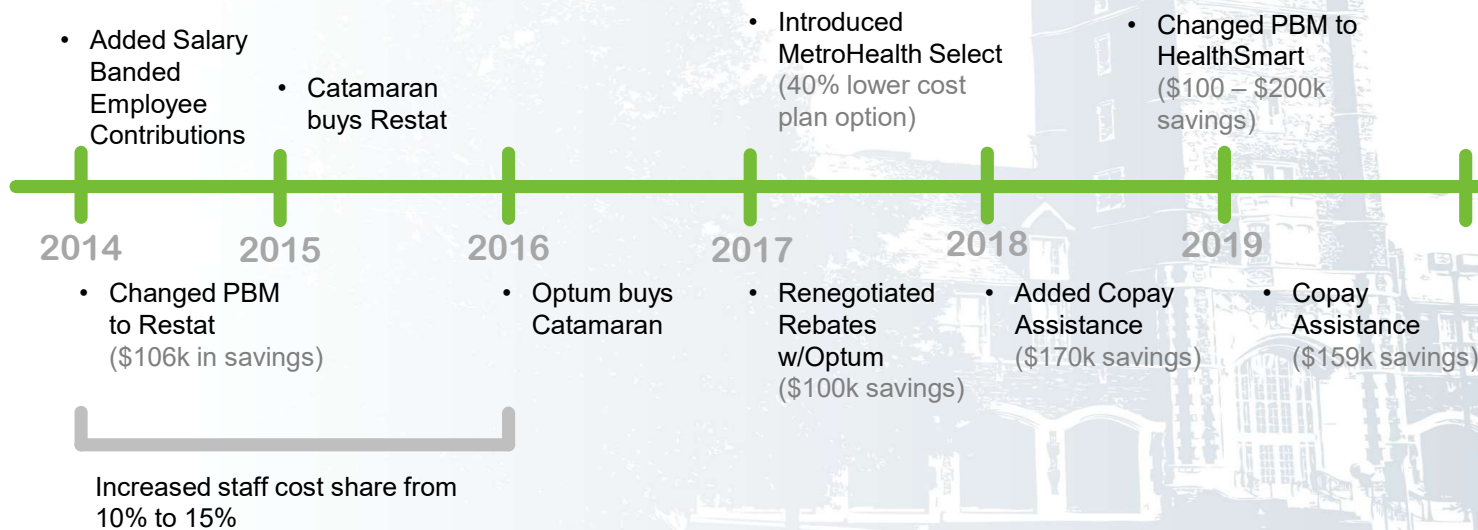
Pharmacy Benefit Manager (PBM)-

- Acts as the administrator for pharmacy benefits
- Traditional vs. Pass-through
- Formulary
- Quantity limits/Step-therapy
- Specialty Drugs
- Co-pay Assistance Programs

Medical Plan Introduction- Self Funded Plan Claims Process



Plan Management Milestones





CURRENT MEDICAL BENEFITS

Medical Plan Detail –The Current Plans

- Preferred Provider Organization - Legacy Faculty PPO Plan (Non-ACA) and Staff and Faculty PPO Plan (ACA)
- High Deductible Health Plan (HDHP) and Health Saving Account (HSA)
- Exclusive Provider Organization (EPO) - MetroHealth/Skyway
- Medical Mutual - Medifil (over-65 Retiree Plan)

Medical Plan Introduction- Eligibility and Cost

- Full-time employees
- Dependents can be legally married spouses and children to age 26
- Effective the 1st of the month following employment
- Employee monthly premiums are “tiered” based on salary levels

Medical Plan Detail

Options for plans allow for flexibility so that the employee is able to receive greatest value for costs.

Key questions we encourage employees to understand:

- What services are covered?
- How are those services covered?
- Where can I receive services?

Challenges with Current Offerings

- Legacy Plan is not sustainable in the context of our current total rewards strategy
- Non-ACA Compliant
- Administrative and compliance challenges
- Benefits equity across the University



HR'S RECOMMENDATIONS FOR CHANGES TO BENEFITS FOR 2022

Change to PBM Provider

- Recent Request for Proposal
- Recommend moving from HealthSmartRx to EpiphanyRx
 - More transparent model
 - Strong clinical programs
 - Strong customer service focus
 - Projected savings of \$150,000 (annually)

Medical Renewal & Proposal for 2022

- Recent Plan Performance
- Renewal Work-up with Scenario Planning
- Medical Benefits Proposal for 2022

Recent Plan Performance

- 2021 forecast (delivered in 2020) resulted in a 2% decrease to employee contributions.
- Through the first 7 months of 2021, medical and Rx net paid per employee per year (PEPY) is running 24% over the expected claims level and 20% higher than the prior period on a rolling basis.
- Using data through July 2021, there is a projected increase of 8-16% to rates for the 2022 plan year.

Renewal Work-up

Forecast purpose:

- Budget for upcoming year
- Establish baseline cost for plan change comparison
- Develop premium equivalents
- Set employee contribution levels

Renewal Work-up

Forecast process:

- Use historical claim experience to project claim costs on a Per Employee Per Year (PEPY) basis (adjusting for trend, plan design, etc.)
- Add any fixed costs with assumed increases (admin, stop/loss, etc.)
- Apply total PEPY cost to assumed enrollment for upcoming year
- Project contributions for assumed enrollment
- Once baseline cost is established, model any plan design or contribution changes

Scenario Impact Summary

Scenario	Plan Design	Contribution Structure	Impact (\$)	Impact (%)
1	No Changes from current. COVID adjustment	No changes from current (Faculty 10%; Staff 15% aggregate across all salary bands).	\$760,000	16.2%
2	Legacy Faculty move to existing Staff PPO plan.	Combined rating. Faculty and Staff 15% aggregate across all salary bands.	\$549,000	11.7%
3	Legacy Faculty move to existing Staff PPO plan.	Combined rating. Faculty and Staff 17% aggregate across all salary bands.	\$426,000	9.1%
4	Legacy Faculty move to existing Staff PPO plan.	Combined rating. Faculty and Staff 20% aggregate across all salary bands.	\$243,000	5.2%
5	Legacy Faculty move to existing Staff PPO plan.	Scenario 2 + potential PAP savings.	\$307,000	6.5%

Forecast Summary

	Current				Scenario 1				Scenario 2				Scenario 3			
	2021 Budget				2022 Projected - Adjusted for COVID-19				2022 Projected - Combined Equivalent rates, Legacy Faculty into Staff plans, 15% Aggregate Cost Share				2022 Projected - Combined Equivalent rates, Legacy Faculty into Staff plans, 17% Aggregate Cost Share			
	Faculty PPO	Staff PPO	Staff HDHP	MHS	Faculty PPO	Staff PPO	Staff HDHP	MHS	Faculty PPO	Staff PPO	Staff HDHP	MHS	Faculty PPO	Staff PPO	Staff HDHP	MHS
Enrollment																
Employee	29	101	21	13	29	101	21	13	-	127	24	13	-	127	24	13
Employee + Child(ren)	11	29	4	3	11	29	4	3	-	38	6	3	-	38	6	3
Employee + Spouse	17	38	5	2	17	38	5	2	-	52	7	2	-	52	7	2
Family	33	62	9	2	33	62	9	2	-	92	13	2	-	92	13	2
Total Enrollment	90	230	39	20	90	230	39	20	-	309	50	20	-	309	50	20
		379				379				379				379		
Premium Equivalent Rate																
Employee	\$694	\$626	\$565	\$584	\$806	\$727	\$656	\$678	N/A	\$730	\$659	\$681	N/A	\$730	\$659	\$681
Employee + Child(ren)	\$1,264	\$1,139	\$1,029	\$1,063	\$1,467	\$1,323	\$1,195	\$1,235	N/A	\$1,329	\$1,200	\$1,240	N/A	\$1,329	\$1,200	\$1,240
Employee + Spouse	\$1,541	\$1,390	\$1,255	\$1,297	\$1,790	\$1,614	\$1,457	\$1,506	N/A	\$1,621	\$1,464	\$1,513	N/A	\$1,621	\$1,464	\$1,513
Family	\$2,104	\$1,897	\$1,713	\$1,770	\$2,443	\$2,202	\$1,989	\$2,055	N/A	\$2,212	\$1,998	\$2,065	N/A	\$2,212	\$1,998	\$2,065
Total Annual Cost		\$5,411,742				\$6,283,188				\$6,120,561				\$6,120,561		
<i>Percent Change from Current</i>						16.1%				13.1%				13.1%		
Payroll Contributions (\$40 - \$70K band)																
Employee	\$69	\$86	\$69	\$43	\$81	\$100	\$80	\$50	N/A	\$106	\$85	\$53	N/A	\$121	\$97	\$60
Employee + Child(ren)	\$126	\$156	\$126	\$78	\$147	\$181	\$146	\$91	N/A	\$192	\$155	\$96	N/A	\$219	\$176	\$109
Employee + Spouse	\$154	\$191	\$153	\$95	\$179	\$222	\$178	\$111	N/A	\$235	\$189	\$118	N/A	\$268	\$215	\$134
Family	\$210	\$260	\$209	\$130	\$244	\$302	\$243	\$151	N/A	\$320	\$169	\$160	N/A	\$365	\$193	\$182
Annual Payroll Contributions		(\$746,584)				(\$858,457)				(\$918,084)				(\$1,040,495)		
<i>Percent Change from Current</i>						15.0%				23.0%				39.4%		
Annual HSA Contributions		\$33,000				\$33,000				\$44,500				\$44,500		
Total Annual Company Net Cost		\$4,698,159				\$5,457,731				\$5,246,977				\$5,124,565		
<i>Percent Change from Current</i>						16.2%				11.7%				9.1%		
\$ Change to JCU from Current						\$760,000				\$549,000				\$426,000		
Overall EE Cost Share %						13.7%				15.0%				17.0%		

Forecast Summary (continued)

	Current 2021 Budget				Scenario 4 2022 Projected - Combined Equivalent rates, Legacy Faculty into Staff plans, 20% Aggregate Cost Share				Scenario 5 2022 Projected - Combined Equivalent rates, Legacy Faculty into Staff plans, 15% Aggregate Cost Share; Incorporate PAP savings			
	Faculty PPO	Staff PPO	Staff HDHP	MHS	Faculty PPO	Staff PPO	Staff HDHP	MHS	Faculty PPO	Staff PPO	Staff HDHP	MHS
Enrollment												
Employee	29	101	21	13	-	127	24	13	-	127	24	13
Employee + Child(ren)	11	29	4	3	-	38	6	3	-	38	6	3
Employee + Spouse	17	38	5	2	-	52	7	2	-	52	7	2
Family	33	62	9	2	-	92	13	2	-	92	13	2
Total Enrollment	90	230	39	20	-	309	50	20	-	309	50	20
		379				379				379		
Premium Equivalent Rate												
Employee	\$694	\$626	\$565	\$584	N/A	\$730	\$659	\$681	N/A	\$696	\$629	\$650
Employee + Child(ren)	\$1,264	\$1,139	\$1,029	\$1,063	N/A	\$1,329	\$1,200	\$1,240	N/A	\$1,267	\$1,144	\$1,183
Employee + Spouse	\$1,541	\$1,390	\$1,255	\$1,297	N/A	\$1,621	\$1,464	\$1,513	N/A	\$1,546	\$1,396	\$1,442
Family	\$2,104	\$1,897	\$1,713	\$1,770	N/A	\$2,212	\$1,998	\$2,065	N/A	\$2,110	\$1,905	\$1,969
Total Annual Cost		\$5,411,742				\$6,120,561				\$5,836,449		
<i>Percent Change from Current</i>						13.1%				7.8%		
Payroll Contributions (\$40 - \$70K band)												
Employee	\$69	\$86	\$69	\$43	N/A	\$143	\$115	\$71	N/A	\$101	\$81	\$50
Employee + Child(ren)	\$126	\$156	\$126	\$78	N/A	\$259	\$208	\$129	N/A	\$183	\$147	\$92
Employee + Spouse	\$154	\$191	\$153	\$95	N/A	\$316	\$254	\$158	N/A	\$224	\$180	\$112
Family	\$210	\$260	\$209	\$130	N/A	\$431	\$228	\$216	N/A	\$305	\$161	\$153
Annual Payroll Contributions		(\$746,584)				(\$1,224,112)				(\$875,467)		
<i>Percent Change from Current</i>						64.0%				17.3%		
Annual HSA Contributions		\$33,000				\$44,500				\$44,500		
Total Annual Company Net Cost		\$4,698,159				\$4,940,949				\$5,005,482		
<i>Percent Change from Current</i>						5.2%				6.5%		
\$ Change to JCU from Current						\$243,000				\$307,000		
Overall EE Cost Share %						20.0%				15.0%		

Medical Benefits Proposal for 2022

HR Recommends Scenario #2, as described below be adopted:

- Non-ACA Legacy Faculty PPO plan will be discontinued.
- Those in Legacy Faculty will join Staff and newly hired Faculty in the current “ACA” Plans (choices between PPO, HDHP and EPO).
- 15% aggregate cost share for employees in tiered model

Medical Benefits Proposal for 2022

- Medical Mutual PPO Change
 - Phase out Legacy PPO Plan effective Dec. 31
 - Offer unified PPO coverage
- Medical Mutual HDHP with HSA Contribution
 - No changes to Plan, allow for Legacy Faculty Participation
- MMO Medifil Retiree (over 65) Plan
 - No changes
- MetroHealth/Skyway EPO
 - No changes to the Plan

Medical Benefits Proposal for 2022

Pharmacy Plan

- Plan Design Realignment
- New Pharmacy Benefits Manager (EpiphanyRx)
 - Increase in co-pay schedule (for Legacy Faculty)
 - New Specialty drug tier (for Legacy Faculty)
- Maintenance drug penalty at retail removed (for Legacy Faculty)
- Formulary Changes

Monthly Contributions (Preliminary)

Scenario 2

	Current				Projected - Scenario 2			Faculty Increase	Staff Increase
	2021 Faculty PPO	2021 Staff PPO	2021 CDHP	2021 MHS	2022 Staff PPO	2022 CDHP	2022 MHS		
(Salary less than \$40K)									
Employee	\$69	\$81	\$65	\$41	\$100	\$80	\$50	44%	23%
Employee + Child(ren)	\$126	\$147	\$118	\$74	\$181	\$146	\$91	44%	23%
Employee + Spouse	\$154	\$180	\$145	\$90	\$222	\$178	\$111	44%	23%
Family	\$210	\$246	\$197	\$123	\$302	\$243	\$151	44%	23%
(Salary between \$40 - \$70K)									
Employee	\$69	\$86	\$69	\$43	\$106	\$85	\$53	52%	23%
Employee + Child(ren)	\$126	\$156	\$126	\$78	\$192	\$155	\$96	52%	23%
Employee + Spouse	\$154	\$191	\$153	\$95	\$235	\$189	\$118	52%	23%
Family	\$210	\$260	\$209	\$130	\$320	\$169	\$160	52%	23%
(Salary between \$70K - \$100K)									
Employee	\$69	\$94	\$76	\$47	\$116	\$93	\$58	67%	23%
Employee + Child(ren)	\$126	\$171	\$137	\$85	\$210	\$169	\$105	67%	23%
Employee + Spouse	\$154	\$209	\$168	\$104	\$257	\$207	\$129	67%	23%
Family	\$210	\$285	\$229	\$142	\$351	\$282	\$175	67%	23%
(Salary more than \$100K)									
Employee	\$69	\$114	\$92	\$57	\$140	\$113	\$70	102%	23%
Employee + Child(ren)	\$126	\$207	\$166	\$104	\$255	\$205	\$127	102%	23%
Employee + Spouse	\$154	\$253	\$203	\$127	\$312	\$250	\$156	102%	23%
Family	\$210	\$345	\$277	\$173	\$425	\$341	\$212	102%	23%

Questions and Discussion

