Salary and Benefits AP Sub Committee

March 2015 Meeting Minutes

3.12.15

Dave Smith

2014 Benefit Plan Report

* Total GVSU health costs per employee per month are down 5.7%.  Partially due to changing to Priority Health and lowering the GVSU HSA contribution.
* Medical claims are down ~$20 per employee per month but pharmacy claims are up ~$15 (driven by specialty pharmacy)
* 14 members had about 23.81% of GV’s cost; 89% of members had claims less than $5000
* Pharmacy average monthly utilizers is around 35%, members cost went down 18.6%, generic dispensing rate went up 3.4% but specialty drug cost went up 33.2%
* Faculty and staff HSA contributions were up by almost $1000 per member; average account balance was $3394.
* 84% of members are enrolled in high deductible plan as opposed to other plans
* 2015 benefit changes include; Age 26 benefit changed to end of month of 26th birthday; transgender benefits added
* Projected 8.51% increase of total benefit cost from 2014 to 2015 (generic drug costs are going up among other factors like new employee growth)
* Cost drivers include demographics, large claim impact, technology, health care inflation trend, federal/state regulatory impact
* There are many levers to manage to appropriate cost sharing:  deductibles, copay, coinsurance, faculty/staff per pay period contributions, GVSU HSA contribution, Centers of Excellence, narrow networks, wellness compliance, change TPA and provider networks, customer tools like HCBB
* Faculty/Staff cost sharing review:  Faculty/staff costs were 14.5% of GVSU cost in 2014.  Goal is 80/20.
* High Deductible Plan is still cheaper in the must pay/might pay scenario than other plans
* In 2015-2016:
	+ HR Benefits will continue educating members on how to best utilize their plans, ie. encouraging members to put $$ into HSA.
	+ Will partner with Priority Health Diabetes Prevention Program and explore Priority Health Pharmacy Option.
	+ Affordable Care Act: Supreme Court Decision could impact GV coverage.  The 2018 Cadillac Tax may affect the pre-tax benefit of HSA.  May also affect part-time benefits
* Priority Health smartphone app is very helpful to manage your account, access the HCBB, view your membership card, select/change primary care physician, see a doctor online 24/7 using virtual visits for lower costs than urgent care, find a pharmacy and check prices through Rx Manager