

## MEMORANDUM

To: Faculty and Staff Enrolled in Southwestern's Group Health Plans

From: Richard Anderson, Elma Benavides, Craig Erwin

Date: November 6, 2013

Re: 2014 Health Plan Renewal Information

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### Executive Summary:

The University will defer health plan premium increases to employees until 2015 in order to:

- Educate employees on impending plan design changes (high deductible health plans and health savings accounts) and allow employees appropriate time to evaluate options.
- Evaluate impacts that the Affordable Care Act has on health care expenses.

Below are highlights of the 2014 renewal:

Basic Plan – Medical and prescription drugs:

- Medical Plan remains with Blue Cross and Blue Shield of Texas.
- Basic Plan benefits unchanged.
- Prescription Drug Plan remains with CVS/Caremark and benefits unchanged.
- Employee premiums unchanged.
- A cost comparison tool (Compass) will be implemented during 2014. This new tool results from past employee suggestions and from the Benefits Survey conducted in 2013.

Dental Plans – Indemnity “PPO” and Dental Managed Care “DMO”:

- Dental Plans change from Guardian to MetLife.
- Employee premiums reduced by 7% with equivalent benefits.

Vision Plan:

- Vision Plan change from United Healthcare to VSP.
- Employee premiums reduced by 9% with enhanced benefits.

Flexible Spending (Section 125) Plan:

- Debit cards will be made available to all individuals participating in the Medical Reimbursement (flexible spending) portion of the Section 125 Plan. Participants will be able to use the debit cards to access these funds to pay for allowable out-of-pocket medical expenses at the point of purchase and without having to submit reimbursement paperwork to Boon-Chapman.

### **2014 Renewal Details:**

- The Human Resources department will be conducting Open Enrollment beginning November 12 through November 14. During Open Enrollment, each participant will receive a packet of materials reflecting the 2014 plans and renewal premiums. The Open Enrollment dates and times and places will be announced in Campus Notices.
- If you have any questions about the 2014 renewal, please contact Christie Sponsel or Elma Benavides at Ext. 1435.

### **Background Information:**

- The University has not changed premiums charged for dependent coverage since 2010.
- The University has been subsidizing the increased costs each year in order to keep employee costs stable and that level of subsidy is not sustainable into the future.

Therefore:

- President Burger has charged the Strategic Budget Committee to review the University's health care costs in relationship to benefits going forward. That will be done in engaged conversations as noted below.
- Senior Staff has suggested that the Faculty and Staff Benefits Committee's membership be expanded to include at least four (4) faculty members and four (4) staff members to ensure widespread and open communications. The current Faculty and Staff Benefits Committee will discuss this suggestion at its next meeting.
- Senior Staff has charged the Human Resources department to lead campus discussions throughout 2014 (together with the Faculty and Staff Benefits Committee and the Strategic Budget Committee) about the total health care budget and the important decision-making factors regarding the University's group insurance programs.
- The Human Resources department will be working with Gallagher Benefit Services to develop a series of educational sessions to assist in these efforts.

Again, if you have any questions about the 2014 renewal, please contact either Christie Sponsel or Elma Benavides at Ext. 1435.