

Hope College Benefit Plan Update

Every year annual renewals of our benefit program comes with a level of angst given uncertainties in rising costs. Going into renewals this year was no different given our plans rising costs these past 12 months. With that in mind, we did go out for bid this spring for our health plan, life and disability Insurance, and dental. Then COVID-19 became a reality and much has changed for all of us. We quickly recognized that for health and dental in particular, this was not the time to change vendors. We will put those on the table for next year, sharing possible proposals with key campus groups in the fall semester.

Our most pressing issue

One benefit continues to remain of concern to us and that is our pharmacy benefit. We are not alone in this concern with many national stories on the rising costs of drugs. Each year we spend time comparing our costs to trends in higher education, and more comprehensively by looking at data from all employers. We monitor our copays and usage and examine where we are incurring the most costs. Given our costs in this area continues to grow, we are moving forward with the mandatory Maintenance Choice drug refill program for maintenance drugs. We mentioned this last year but allowed for individuals to opt out for 2019-20. This opt out option will no longer be available.

Changes for 2020-2021:

Medical / Rx - You will see some increased deductibles and out of pocket maximums for 2020-21 given our increasing costs. We compare these annually with other higher education benefit plans, local and regional plans, and national data. It had been some time since these were increased and this was evident in the comparisons. Our increases will still keep us well below others in the country.

We have also known for several years that the premiums for employees have become skewed in regards to single/double/family coverage with our singles paying a larger portion and our families paying too low of a proportional amount. Therefore this year, when increasing our premiums, we did separate the 3 out into different increase levels. We may need to do this for a couple of years to get our family premiums to more appropriate levels.

Perhaps one of the biggest changes this coming year will be for the spousal surcharge which is increasing from \$100 per month to \$150 per month. Because our health plan is considered a "rich plan" by local and regional standards, many working spouses, eligible for their own plans, join ours instead. This increase will help us to offset a small portion of the increased claims coming from spouses joining our plan.

Life / LTD- As we continually critique our benefit plan, and streamline our relationships with our vendors, for 2020/21 the benefit amount of our term life insurance policies for all eligible employees will be modified to value of 1 ½ x salary (formerly 1 ½ x salary plus \$12,000). This \$12,000 add-on has been around for a very long time (origins unknown) and it is very confusing for vendors when they quote us!

Employee Assistance Program - We are planning to enhance this program to offer more visits, a larger network of counselors, and more opportunities to work with our Wellness Program. Watch for details coming later this Fall!

Overall our benefit program remains very rich and we hope you are pleased that even in these challenging times we can keep our benefits intact!

Lori Mulder
Director of Human Resources