

AN IMPORTANT MESSAGE FOR GROUP HEALTH PLAN PARTICIPANTS
SEPTEMBER 27, 2019 HEALTH PLAN PREMIUM INCREASE

As you know, BCSC employees are part of a self-insured health trust. Our health premiums and the premiums paid by the corporation are deposited into a pool of funds that is used to pay medical and pharmacy claims, clinic costs, a reinsurance policy, and administrative costs. In addition, when reserves were above recommended levels, those reserves were used to pay the cost of stipends to employees who were members of the Trust. This took place in 2010, 2013, and 2015. This pool of funds represents your BCSC Health Trust. You are a member of the Trust. The voting members of the Trust represent you, as members.

Each year, BCSC Health Trust voting members look for opportunities to reduce costs and keep premiums stable while maintaining competitive health benefits. The Trust is responsible for maintaining funds and setting premiums that will allow us to maintain reserves to pay claims.

The Trust ended 2018 with reserves of \$2.8M, down from \$11M in 2014. As of August 23, 2019, **reserves are down to less than \$300,000**. A combination of circumstances resulted in these low reserve levels.

- First, medical claims have been historically high, up more than 23% in 2019 alone.
- Second, increases in the usage and price of specialty and brand name prescriptions have drastically increased costs. We will spend more than \$800K more on prescriptions in 2019 than in 2018.
- Third, plan design changes did not improve claims or generate savings at the levels that were predicted.

While it is impossible to predict claims costs, the trend certainly indicates that we will continue to experience high costs. In order to continue to pay claims, the Board of Directors of the Trust approved a 15% increase to all plan options during the August 21, 2019 Board of Directors meeting. These rates will go into effect on the September 27, 2019 pay. The following page shows the premium contributions changes.

While this change is not easy to announce or for members to accept, it is a necessary step to safeguard the future of the Trust. The Trust belongs to all of us and everyone can have impact on our success. By being informed health care consumers, actively managing chronic health conditions, and setting personal health and wellness goals, we can all do our part to foster a healthier population. Together we can overcome this challenge and face the future with confidence that our members and their families will continue to have quality benefit choices and innovative options available to meet their needs.

Thank you for your understanding and cooperation.

BCSC Health Trust Board

Revised 2019 BCSC Health Premiums
Effective 9-27-19

		EMPLOYER						EMPLOYEE					
		PREMIUM CONTRIBUTION						PREMIUM CONTRIBUTION					
		20 Pay Employees			26 Pay Employees			20 Pay Employees			26 Pay Employees		
Option #1		Previous Premium Jan 1-Sept 26	Revised Premium Sept 27-Dec 31	Per Pay Increase	Previous Premium Jan 1-Sept 26	Revised Premium Sept 27-Dec 31	Per Pay Increase	Previous Premium Jan 1-Sept 26	Revised Premium Sept 27-Dec 31	Per Pay Increase	Previous Premium Jan 1-Sept 26	Revised Premium Sept 27-Dec 31	Per Pay Increase
High-Deductible, Health Savings Account (HSA)	Single	\$ 310.76	\$ 357.38	\$ 46.61	\$ 239.05	\$ 274.90	\$ 35.86	\$ 46.03	\$ 52.93	\$ 6.90	\$ 35.40	\$ 40.71	\$ 5.31
	Family	\$ 852.66	\$ 980.56	\$127.90	\$ 655.89	\$ 754.27	\$ 98.38	\$ 126.28	\$ 145.23	\$18.94	\$ 97.14	\$ 111.71	\$14.57
	Single Wellness	\$ 310.76	\$ 357.38	\$ 46.61	\$ 239.05	\$ 274.90	\$ 35.86	\$ 33.53	\$ 40.43	\$ 6.90	\$ 25.79	\$ 31.10	\$ 5.31
	Family Wellness	\$ 852.66	\$ 980.56	\$127.90	\$ 655.89	\$ 754.27	\$ 98.38	\$ 113.78	\$ 132.73	\$18.94	\$ 87.53	\$ 102.10	\$14.57
	Family Wellness w/ Spouse	\$ 852.66	\$ 980.56	\$127.90	\$ 655.89	\$ 754.27	\$ 98.38	\$ 101.28	\$ 120.23	\$18.94	\$ 77.91	\$ 92.48	\$14.57
Option #2 Low-Deductible, PPO Plan	Single	\$ 399.11	\$ 458.98	\$ 59.87	\$ 307.01	\$ 353.06	\$ 46.05	\$ 115.87	\$ 133.25	\$17.38	\$ 89.13	\$ 102.50	\$13.37
	Family	\$ 1,070.61	\$ 1,231.21	\$160.59	\$ 823.55	\$ 947.08	\$123.53	\$ 356.87	\$ 410.40	\$53.53	\$ 274.52	\$ 315.69	\$41.18
	Single Wellness	\$ 399.11	\$ 458.98	\$ 59.87	\$ 307.01	\$ 353.06	\$ 46.05	\$ 103.37	\$ 120.75	\$17.38	\$ 79.52	\$ 92.89	\$13.37
	Family Wellness	\$ 1,070.61	\$ 1,231.21	\$160.59	\$ 823.55	\$ 947.08	\$123.53	\$ 344.37	\$ 397.90	\$53.53	\$ 264.90	\$ 306.08	\$41.18
	Family Wellness w/ Spouse	\$ 1,070.61	\$ 1,231.21	\$160.59	\$ 823.55	\$ 947.08	\$123.53	\$ 331.87	\$ 385.40	\$53.53	\$ 255.29	\$ 296.46	\$41.18

* Approved BCSC Health Trust 8-21-19