

Hope College Benefit Plan Update

Every year annual renewals of our benefit program always comes with a level of angst given uncertainties in rising costs. This year I am very pleased to report our renewals were the best I have experienced in 20 years! After early quotes reflected increases in most of our plans, our final negotiated contracts ended as follows: Life and LTD- no changes, Vision-no changes, dental – a reduction, and health insurance- only a small increase to be 100% absorbed by the college. This is great news for our employees!

Overall our health insurance renewal was positive. If you recall last year we spent time sharing with you how you could compare costs on services and many of you took a good look at your pharmacy and elective procedure costs. THANK YOU! Your diligence has meant the plan as a whole saw a better year with expenses. For 2019-20 we will not increase employee premiums by the small increase the plan incurred. Instead the College will absorb these costs. In addition, non-pharmacy health claims will see no increases in deductibles, copays or cost sharing. Again great news!

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. Pharmacy is quickly becoming one of our most expensive benefits and grows at alarming rates each year. Each year we spend time comparing our costs to trends in higher education sectors, 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. This aggregate data allows for our Wellness program to target specific medical conditions in hopes of finding ways to improve our health in these areas. Given our costs in this area continues to grow, we are implementing some changes in our pharmacy plan as noted below.

Changes for 2019-2020:

Copays for our most of our drugs will remain the same with the exception of specialty drugs. The copay for specialty drugs will be increasing from \$120 to \$150. Additionally, we will enter into a transitional year for our maintenance medications. These are the prescriptions we currently receive for 90 days at 2x or 2 ½ x copay, depending on where they are filled. Beginning July 1, you can still receive your maintenance drugs for 90 days at 2 x copay ONLY at CVS/Target pharmacies or thru the Caremark mail order. For the 2019-2020 year only, you can elect to “opt out” of this by staying with your current pharmacy, but will only be able to refill at the 30 day level. You can still select a pharmacy of choice for non-maintenance medications.

Why make this change? Because CVS is a large pharmacy program, whose drug discounts are greater than other local pharmacies. These discounts in turn save all of us dollars- both the employee and the plan as a whole. Prior to July 1 you should be receiving a letter from CVS if one of your maintenance medications is impacted by this change. Information will also be available at the benefit fair. Though many of us will need to make the pharmacy transition for maintenance medications, overall our benefit plan remains a very robust plan.

As we continue to advocate for the best possible plan renewals, we have appreciated your partnering with us in finding ways to reduce costs. Thank You and best wishes for a healthy 2019-20!

Lori Mulder
Director of Human Resources