

IMPORTANT NOTICE: Health insurance options decided for 2019

We have important updates on health insurance options to share. Regence will no longer be an option for dental or health insurance for the plan year beginning next April. You do not need to take action now, but you will need to make choices during open enrollment in February. This is the first in a series of written and personal communications you will receive. The decisions outlined are rooted in an effort to sustain our commitment to the entire community under challenging circumstances.

As you already know, the multi-school Pioneer Educators Health Trust will cease to exist as of March 31, 2019. Because you are currently covered under the PEHT Regence BlueCross/BlueShield PPO and/or Pioneer Dental through Regence, you will need to evaluate your options for coverage that starts April 1, 2019.

Dental Insurance

In addition to continuing to offer Willamette Dental and Kaiser Dental, we will now also offer Delta Dental to replace Regence Dental. Delta Dental has full provider overlap with the prior Regence plan, and coverage in this new plan will be the same as Regence. Rates will go down slightly. If you currently enjoy the Regence plan, this might be a simple choice for you.

Health Insurance

As promised, we collected quotes from insurance companies for our next plan year. Executive Council thoroughly discussed and unanimously decided on the following options, which matched the recommendations from the Employee Benefits Committee.

The plan options for next year will be the following:

1. Existing: Kaiser HMO
2. Existing: Kaiser Added Choice
3. New: Kaiser High Deductible Health Plan with a Health Savings Account

The new option, Kaiser High-Deductible Health Plan with a Health Savings Account, is somewhat complicated--more information and outreach to follow--but it will give employees additional opportunities to plan for medical expenses and pay for out-of-Kaiser providers. Anyone currently covered by Regence will pay less in premiums in any of the three plans for next year.

Rationale

We received bids from Providence, PacificSource, and Regence that were ultimately not competitive, considering the best interests of Lewis & Clark as a whole. (Other carriers

declined to bid.) Providence would only provide a quote for 100 percent of our business, meaning that everyone currently in a Kaiser plan--more than 400 employees and their families--would need to make the switch to a significantly more expensive plan.

The quote from PacificSource would have increased premium costs to the college and individuals (compared to Regence in the PEHT) by nearly \$500,000, or 15 percent, in the first year. This was an inducement rate with significant increases expected in subsequent years. The quote from Regence (compared to Regence in the PEHT) would have increased total premium costs by more than \$1 million, or 27 percent more than last year, with significant increases expected in subsequent years.

These companies made their bids with the expectation that more than 50 percent of our covered employees would choose these plans. Given the higher costs of these plans and our current trend of employees choosing Kaiser, meeting this expectation would be nearly impossible unless we arbitrarily increased the employee share of Kaiser premiums. Both Providence and PacificSource would also expect us to make changes to the structure of the Kaiser plans (increased deductibles, out-of-pocket costs, etc.) to more closely align with their plans. In not meeting this 50-percent mark, we would experience additional rate increases or even dropped coverage in subsequent years.

Next Steps

You will soon receive individualized communication to help you through the insurance selection process for coverage starting April 1, 2019. We will provide many opportunities for one-on-one help--including through the assistance of an onsite Kaiser transition team--to make sure you have all the information you need to make the best decisions. We anticipate having Open Enrollment details to share by the end of December or the beginning of January. Open Enrollment is usually about two weeks, but this year we will extend the Workday window from February 4 to March 4 to give people more time to finalize decisions.

In the meantime, many employees are proactively looking into Added Choice. They're doing this by reaching out to our concierge team by phone at 503-813-1299 or email at kpconcierge-nw@kp.org and finding out how providers and prescriptions carry over. The Added Choice team can work with you so that you experience as little disruption as possible.

Please contact Helen DeVol in Human Resources at helen@lclark.edu or 503-768-6234 if you have immediate questions or concerns. We realize that changes like this may be stressful and upsetting. We'll continue to share information with you as we know more.

