



ROLLINS COLLEGE

Human Resources Department

November 5, 1999

MEMO TO: Faculty & Staff
FROM: Maria Dillon
SUBJECT: Health Insurance Plan Changes for 2000

As recently announced, due to our claims experience and the rising costs of health care in general, insurance premiums associated with the College's self-funded health plan will increase for 2000. Assuming no modification in existing plan benefits, this increase would average 57% across all coverage options (single, two-person, family), and be applicable to both College and employee paid premiums. As the College currently shares in the cost of employee coverage at a ratio of 63%-37%, the College will bear the majority of total dollar cost associated with this increase. However, increases in the employee paid premiums would nevertheless be substantial.

In an effort to mitigate the overall increase in cost, various plan modifications were considered and discussed during open information sessions held with faculty and staff. First and foremost, our goal was to lessen the impact of the cost increase without incurring significant reduction in plan benefits. Based on input received, the College has decided to retain the self-funded health plan for 2000 with the following modifications:

Plan Modifications	Current	2000
Office Visit Co-pay	\$10 per visit	\$15 per visit
RX Co-pay	\$5 Generic/\$15 Brand	\$10 Generic/\$20 Brand
Out-of- Network/Out-of-Pocket Max	\$1,500 per person \$3,000 per family	\$2,000 per person \$6,000 per family

The plan will continue to feature 100% coverage with no deductible for in-network benefits and 70%/30% coverage for out-of-network benefits. All other existing plan benefits will remain in effect as well.

By adopting the above-noted modifications, the overall cost increase will be held to 39.2% on average across all coverage options. While still significant, the financial hardship imposed on the College and its covered employees will be less severe. Taking into account these changes in plan benefits, the monthly premium schedule for next calendar year will be as follows:

Option	Employee Cost	College Cost	Total Cost
Single	\$ 71.63	\$121.97	\$193.60
2-Person	\$138.42	\$235.69	\$374.11
Full Family	\$181.78	\$309.52	\$491.30

Research conducted as part of this review process indicates that even at the above rates, our plan will continue to compare quite favorably against those of other area colleges and our peer ACS institutions, both in terms of overall cost and employee coverage.

Option	Rollins Total Cost	Avg. Cost Area Colleges	Rollins Cost as % of Area Colleges	Avg. Cost ACS Schools	Rollins Cost As % of ACS Schools
Single	\$193.60	\$213.17	91%	\$209.40	92%
2-Person	\$374.11	\$435.05	86%	\$437.83	85%
Full Family	\$491.30	\$558.33	88%	\$563.26	87%

Area colleges used in comparison include Seminole CC, Valencia CC, Stetson, Stetson-St. Pete, University of Tampa, Embry Riddle, Brevard CC, and Ringling.

On average, our overall cost per covered employee is 88% of the average for area colleges and peer ACS institutions. Further, with 100% coverage and no deductibles for in-network services, our plan is rich in benefits compared with the PPOs offered by these comparison schools. Such plans generally provide only 90% coverage with deductibles.

We recognize the above comparisons in no way diminish the financial impact of the increased rates on employees of the College. However, we can take some comfort in knowing that we had no rate increase last year and that our plan still appears to be a good value in terms of its cost and benefits provided.

While time is always short when confronted with difficult decisions such as these, we were able to make informed choices aided by our research and considerable input received from faculty and staff. Moving forward, we will continue to explore our options for future years and will continue to communicate with the campus community regarding changes affecting our benefit plans.