

AAUP-UNH Information Session

CY2025 Health Insurance Plan Designs

Mike Carter

emeritus faculty; former president, AAUP-UNH

former member of contract negotiation teams

for 2015-2020 CBA and 2020-2025 CBA

Background

- USNH self-insures for employee healthcare expenses
(Cigna and OptumRx are claims administrators/healthcare network constructors)
- USNH distinguishes 'Total Plan Costs' from actual medical claims costs; the CBA fixes only the employee share of Total Plan Costs
- Medical claims costs increased substantially over past 2 years
3.6% in CY2022, 13.3% in CY2023, and CY2024 YTD running 7.3% higher; composite annual average increase is 5.1% since 2014
\$22,102 PEPY is the average annual claim cost (all USNH employees)
- 70% of AAUP-UNH faculty elect lowest deductible plan design
(of 492 faculty members participating in one of the healthcare plans)

Proposed CY2025 Plan Designs – NOT accepted

- OAP 300/600 → OAP 500/1000
- OAP 1000/2000 → OAP 1500/3000
- OAP HSA 2250 → OAP HSA 2500
- Higher deductibles, higher premiums, and
 - Co-pays increase by 40% – 60% relative to current amounts
 - Co-insurance doubles from 10% to 20% after deductible met
 - Out-of-Pocket Maximums increase to \$5000/\$10,000 across all plans
- Good news? Prescription co-pays would remain the same as CY2024

Proposed CY2025 Health Insurance Impacts

- Options posed to AAUP-UNH for CY2025
 - continue CY2024 plan designs at 13.5% employee premium increase
 - adopt USNH's CY2025 plan designs with a 5.6% employee premium increase
- Extra annual premium cost to remain in CY2024 plan designs
 - \$132 to \$540 for OAP 300/600 (EE to EE+F)
 - \$96 to \$456 for OAP 1000/2000 (EE to EE+F)
 - \$48 to \$324 for OAP HSA 2250 (EE to EE+F)

relative to the premium increases under the proposed CY2025 plan designs

Cost Shifting to Employees

- Under CY2025 proposed plan designs, USNH would shift ~ \$1700 of medical claims costs annually onto each faculty member on average

CY2024 Total Plan Costs ~ \$10.6M for AAUP-UNH faculty alone

CY2025 Total Plan Costs (CY2024 plan designs) ~ \$12.1M (13.5% more)

CY2025 Total Plan Costs (CY2025 new plans) ~ \$11.2M (5.6% more)

CY2025 Total Plan Cost differential between two options: ~ \$840K, which USNH would “save” had AAUP-UNH accepted CY2025 new plan designs

- How is the savings to USNH achieved?

Higher deductibles, higher co-insurance percentages, and MUCH greater caps on out-of-pocket expenses

Cost shifting not borne uniformly: medically vulnerable will incur more!

Caveats

- Analysis based on 'illustrative' numbers from USNH
 - Final premium costs TBD after represented employee groups decide acceptance of proposed CY2025 plan designs
- Cost shifting calculation assumes faculty members elect same plan/tier in CY2025 as in CY2024
- Total plan cost and faculty employee premiums will differ from non-represented employee groups due to split of USNH employee base into two risk pools