



October 7, 2024

To: Participants in Elon University Health Insurance Plans
From: The Office of Human Resources
Re: Changes in Health Insurance Plans for 2025

Healthcare coverage costs around the country have seen a large spike in the past year. In response to this, Elon University, working with our Benefits Advisory Committee, conducted a thorough review of its current healthcare plans and completed a cost assessment to ensure employee cost increases are maintained at a minimum. While we continue to provide a high-quality robust benefit program, we realize it is important to inform our community of changes that will be effective January 1, 2025.

Offering a robust health insurance program is vital for the health and well-being of Elon employees. During Open Enrollment starting October 21, 2024, you will notice minimal increases in plan options for health coverage costs that range from \$5 per month to \$50 per household. With this memorandum, our goal is to provide you with plan updates for coverage in 2025.

What are the plan changes for 2025?

This past year, Elon completed an in-depth review of both the medical and pharmacy programs to confirm if BlueCross and BlueShield of North Carolina (BCBSNC) and PRIME (our current pharmacy benefit manager (PBM) were the best fit for our employees – both from a network and plan management perspective. Based on the results, Elon will be remaining with BCBSNC for medical coverage and will transition our pharmacy program to OptumRx effective January 1, 2025. Transitioning from Prime to OptumRx for pharmacy coverage does not involve any change to providers, as BCBSNC will continue to serve as our health coverage provider network.

In addition, the in-network individual deductible for Plan C (HDHP) is required to increase from \$1,600 to \$1,650 to comply with IRS regulations for high deductible health plans.

Premium Changes for 2025

Elon is minimizing the contribution changes for 2025 and is only increasing the contributions for each plan as outlined in the table below. While we need to increase contributions slightly to keep up with the healthcare increases, these increases would have been significant if we did not make the decision to transition to OptumRx.

Medical	<u>Monthly Employee Contributions</u>			
	2024	2025	\$	%
PLAN A				
EMPLOYEE ONLY	\$167.81	\$175.36	\$7.55	4.50%
EMPLOYEE + SPOUSE	\$460.89	\$482.78	\$21.89	4.75%
EMPLOYEE + CHILD(REN)	\$406.01	\$424.28	\$18.27	4.50%
EMPLOYEE + FAMILY	\$548.66	\$574.72	\$26.06	4.75%
PLAN B				
EMPLOYEE ONLY	\$290.89	\$303.98	\$13.09	4.50%
EMPLOYEE + SPOUSE	\$827.04	\$866.32	\$39.28	4.75%
EMPLOYEE + CHILD(REN)	\$606.50	\$633.79	\$27.29	4.50%
EMPLOYEE + FAMILY	\$1,015.58	\$1,063.82	\$48.24	4.75%
Plan C (HSA)				
EMPLOYEE ONLY	\$101.55	\$106.12	\$4.57	4.50%
EMPLOYEE + SPOUSE	\$317.48	\$332.56	\$15.08	4.75%
EMPLOYEE + CHILD(REN)	\$279.68	\$292.27	\$12.59	4.50%
EMPLOYEE + FAMILY	\$377.96	\$395.91	\$17.95	4.75%

How did the market influence Elon's decision-making?

Elon University covers 70% of the healthcare costs for our employees, reflecting our commitment to supporting the well-being of our faculty and staff. In recent years, the university's healthcare plan has faced a significant challenge due to rising pharmacy costs. In 2023, the cost of pharmacy expenses surged by 25% for a total of \$4.4 million. This trend has continued into 2024, with a 14% increase observed between January and July alone. These rising costs highlight the need for continued evaluation and identified the need for small but practical adjustments that will maintain sustainability and effectiveness of our healthcare plan. Healthcare expenses for the university continue to increase above our expected projections. In fact, the annual healthcare trend for 2025 is expected to increase to over 8%, the highest level in 13 years.

What does the transition to OptumRX mean for employees?

Partnering with OptumRX assures that Elon employees have continued quality pharmaceutical care. Staying with our previous pharmaceutical vendor would have resulted in major cost increases for both the employee and the university. This transition assured that Elon could minimize healthcare costs increases for members, while also minimizing disruptions to treatment.

The transition from PRIME Therapeutics to OptumRX may result in necessary prescription changes. If there is a change to your current prescription, you will receive a letter from OptumRx outlining any steps you will need to take.

Vision Coverage for 2025

We are excited to share that, starting in 2025, there will be an enhanced benefit to the buy-up vision plan that will potentially save you money. The frames/contacts allowance will be increasing from \$150 to \$200. This allowance is available to those enrolled in the buy up vision plan every 24 months.

Dental Coverage for 2025

Delta Dental will continue to be the provider for 2025 with no plan design or contribution changes.

In Summary

Due to the rise in healthcare costs, we were required to take action to identify how we can mitigate increased costs for benefit eligible employees at Elon University. Please contact Human Resources at 336-278-5560 or email benefits@elon.edu if you have any questions or concerns about the 2025 health insurance plans. **Open enrollment starts October 21st**, and you have until November 1st to make your coverage elections.