

Health Insurance at LCC

Presenters:

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Agenda

- Health Care Task Force
- Michigan's Public Act 152
- Medical Insurance RFP
- Rate Setting/Renewal Information
- Overview of insurance and how to choose a plan
- LCC's plan offerings for 2027
- Blue Cross Blue Shield plans versus Priority Health plans
- Value added benefits
- Questions



Health Care Task Force



Health Care Task Force

- The Health Care Task Force was agreed upon through each collective bargaining agreement
- Purpose
 - Collaborative body to review, provide feedback, and recommendations on plan enhancements or changes
 - Serve as representative for applicable employee group
- Meet at least quarterly, but have met approximately every 2 weeks since January 2026
- Comprised of up to two members from each bargaining unit, as well as non-bargaining unit members



Health Care Task Force

- **Members:**
 - AFT: David Barker and Cheryl Garayta
 - ASP: Dave Wasinger and Aaron Clark-Inman
 - FMA: Nate Slider and Dale Conroy
 - MAHE: Elizabeth Clifford and Marnie Parris-Bingle
 - POAM: Jen Tilson
 - Non-bargaining: Jessica Villarreal and Nikki Cogswell



Health Care Task Force

Timeline of Work

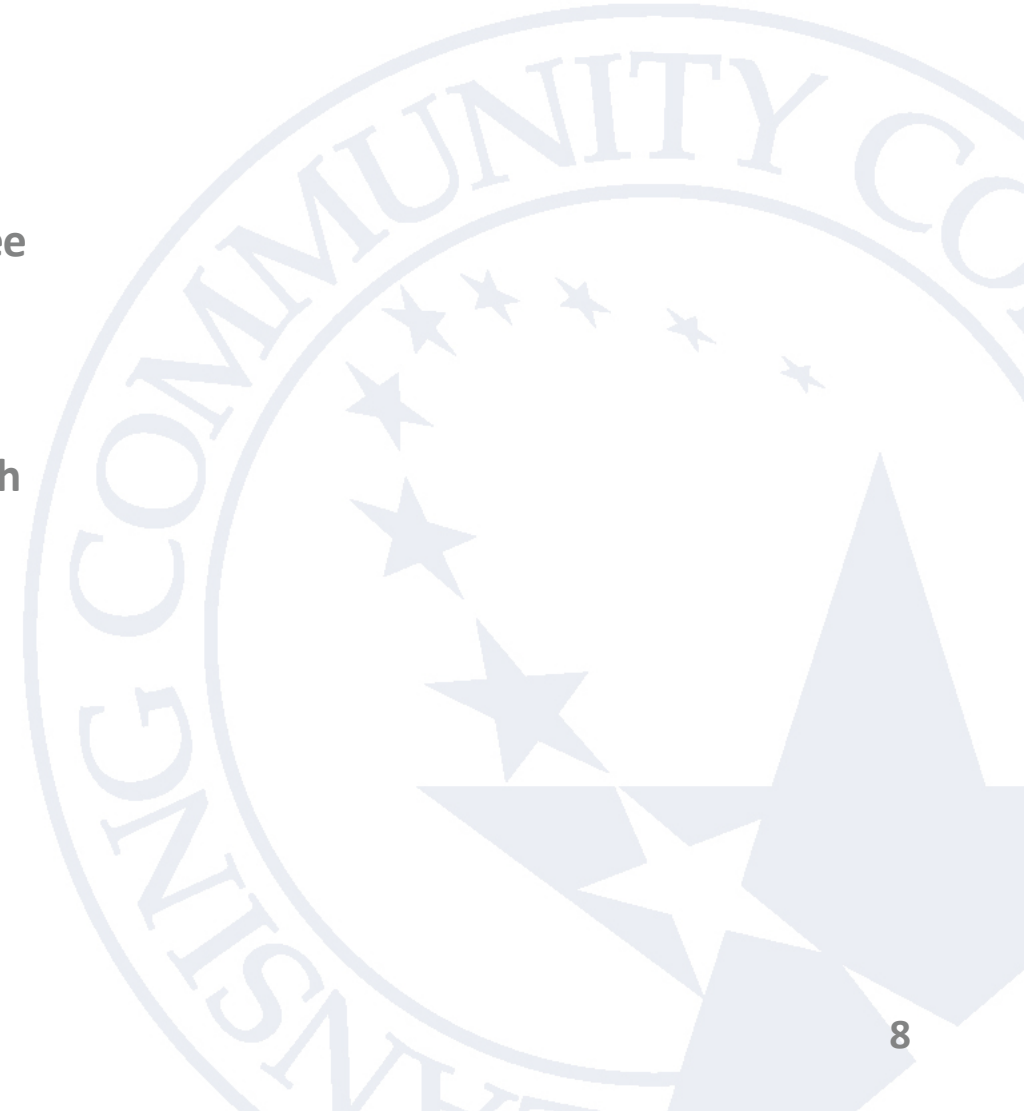
- Conducted a survey of all employees in 2025
- Main takeaways
 - Employees pleased with insurance options, but not the cost
 - Employees did not want to make changes to their insurance (access, level of coverage, etc.), but wanted a lower cost
- New, 6th plan offered as an option for 2026 (Priority Health High Deductible Plan)
- Medical RFP conducted for 2027, utilizing an independent third-party medical advisor to assist with evaluation
- Using survey feedback and HCTF representatives' feedback, added a new, 7th plan option for 2027

Public Act 152



Public Act 152

- Michigan law enacted in 2011
- Limits the amount a public employer can contribute towards employee medical benefit plans
- Specifies total employer costs, which include premium, reimbursements for co-pays, deductibles, and/or payments into health savings accounts or flexible spending accounts
- Allows for the public employer's governing body (i.e. LCC Board of Trustees) to make decision between hard cap limits and 80/20 (up to 80% paid by the employer and minimum of 20% paid by employee)
- Hard cap annual limits are adjusted based on the previous 12 months medical CPI, announced by the Michigan Department of Treasury in March of each year for the following year



Public Act 152

- For 2027, the majority of community colleges in Michigan choose the hard cap calculation, including LCC
- **Limits for 2027 (per employee enrolled in an LCC medical plan):**
 - Single: \$8,180.35 annually (\$681.70 monthly)
 - Two-Person: \$17,107.66 annually (\$1,425.64 monthly)
 - Family: \$22,310.11 annually (\$1,859.18 monthly)



2027 Medical Plans	Coverage Option	2027 Mo. Premium	EE Enrollment	2027 HC ER %
WMHIP Blue Cross PPO Select \$500/\$1000 Deductible Plan	Single	1,233.28	66	55%
Total Enrollment: 110	Two Person	2,774.83	28	51%
	Family	3,453.16	16	54%
WMHIP Versatile 3 PPO \$250/\$500 Deductible Plan w 90/10 co-insurance	Single	1,128.05	54	60%
Total Enrollment: 90	Two Person	2,538.07	16	56%
	Family	3,158.52	20	59%
WMHIP Flexible Blue \$1700/\$3400 Deductible Plan	Single	1,046.42	65	65%
Total Enrollment: 136	Two Person	2,354.38	23	61%
	Family	2,929.63	48	63%
WMHIP PPO 3 \$1000/\$2000 Deductible Plan w 80/20 co-insurance	Single	990.76	66	69%
Total Enrollment: 151	Two Person	2,229.15	28	64%
	Family	2,773.83	57	67%
WMHIP Essential HDHP \$3000/\$6000 Deductible Plan w 80/20 co-insurance	Single	885.67	20	77%
Total Enrollment: 43	Two Person	1,992.69	7	72%
	Family	2,479.59	16	75%
Priority Health PPO \$1500/\$3000 Deductible Plan w 80/20 co-insurance	Single	870.31	New	78%
Total Enrollment: New	Two Person	1,958.18	New	73%
	Family	2,436.85	New	76%
Priority Health HDHP \$3500/\$7000 Deductible Plan w 80/20 co-insurance	Single	660.59	12	100%
Total Enrollment: 33	Two Person	1,486.31	8	96%
	Family	1,849.64	13	100%

Key:

-2027 Mo Premium - The total cost of monthly premium including LCC and employee contributions.

-EE Enrollment - Then number of employee enrolled by plan.

-2027 HC% - The percent LCC pays towards the total monthly premium for each plan.

-HDHP - High Deductible Health Plan.

Medical Insurance RFP



Medical Insurance RFP (conducted by SET SEG)

■ Goal:

Work with LCC to help identify and provide the best & most affordable health coverage for employees with a diversified plan menu that meets the need of the entire population ahead of January 1, 2027, WMHIP renewal effective date.

■ Process:

- Solicit quotes directly
- Receive questions and quotes from carriers responding to BidNet public notice
- Digest, compile, present results of RFP
- Evaluate alternative options with cost-savings and/or enhanced coverages
- Facilitate discussion surrounding current and proposed medical benefit options

Medical Insurance RFP

- WMHIP—accepted, quoted, received, added 7th option upon renewal
- MESSA—accepted, quoted, received, higher rates
- BCBSM—accepted, quoted, received, higher rates
- Priority Health —accepted, quoted, responded as uncompetitive
- HAP—accepted, quoted, responded as uncompetitive
- Aetna—accepted, quoted, responded as uncompetitive

Rate Setting/Renewal



Stronger Together

Guided by purpose, driven by collaboration, & connected across communities



Guiding Principals



Member-Focused

Enhance the experience and wellbeing of our members.



Value

Offer plans at the most competitive rate in the industry.



Trust

Become *the choice* public service health care solution in Michigan.

Committee Work

Executive

Leadership and strategic direction

Member Experience

Ensuring every member feels informed, supported, and seen.

Value

High-impact solutions that improve member health and make every dollar count.

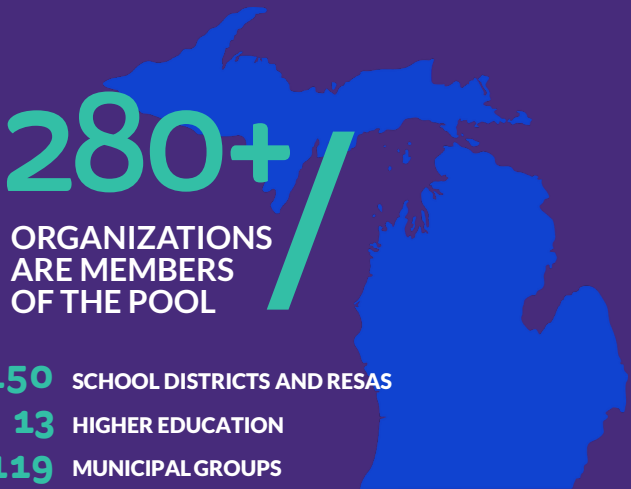
Strategic Initiatives

Shaping our long-term direction with high impact project oversight

Membership

Over 20 Years of Sustained Growth

Now covering 27,000+ members across MI



State of the Health Care Market



Healthcare Costs Outpace Inflation

Premiums have risen 3.5x faster than inflation over the past 25 years, driven by two cost categories.



Medical

Hospital Care

The largest cost driver — 47% of every premium dollar.

Pricing Variation

Wide price gaps for the same service across hospitals.

Profit & Consolidation

70% of hospitals run 10%+ margins as systems consolidate.



Pharmacy

Specialty Drugs

High-cost specialty drugs are a growing pressure on plans.

340B & AI

340B pricing shifts and AI are reshaping pharmacy costs.

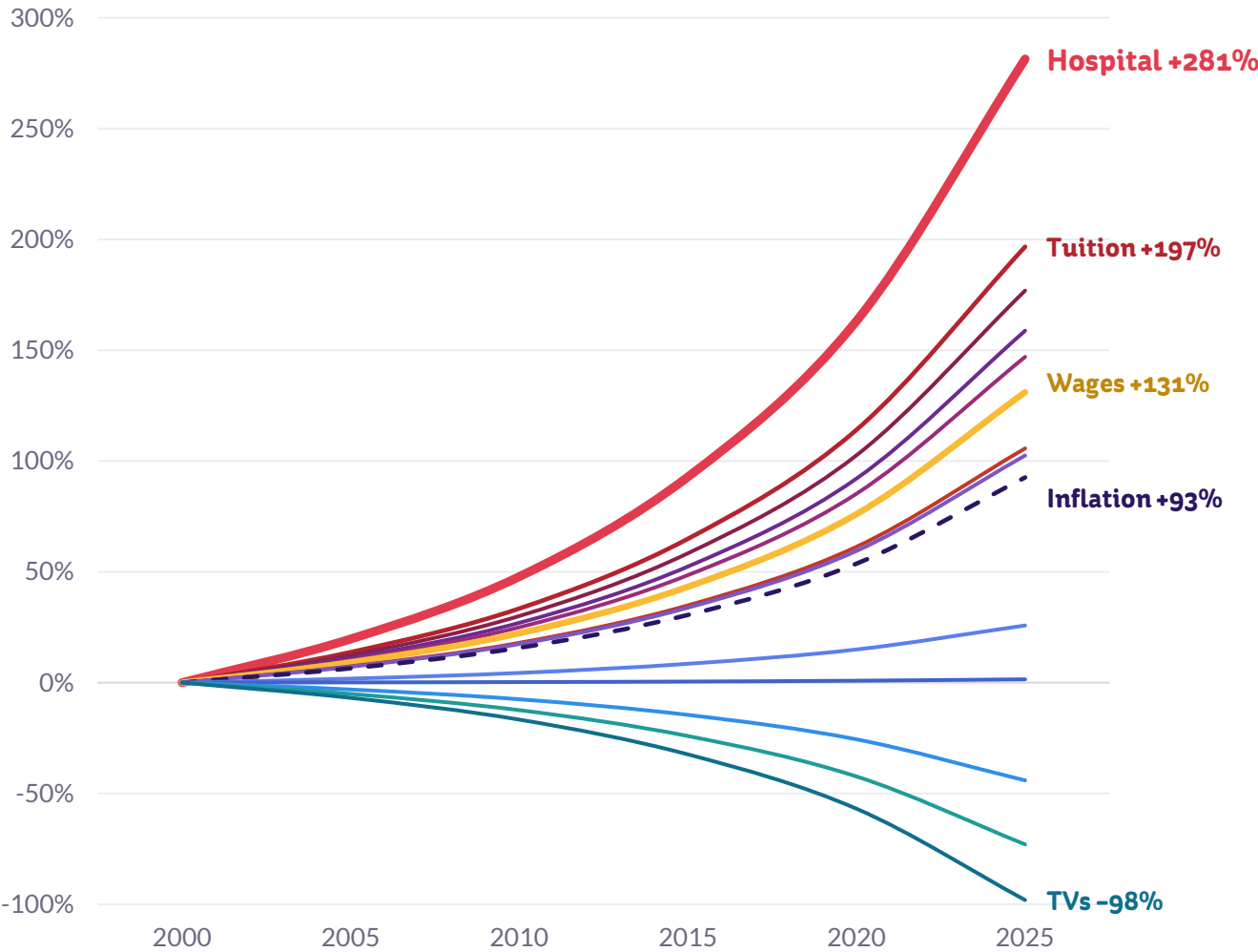
High-Cost Treatments

Gene therapy poses the largest future financial risk.

A 25-Year View of Rising Prices

Takeaway

Hospital and medical service costs have risen faster than nearly all other costs since 2000.



Overview of Insurance and How to Choose a Plan



Insurance Terms to Know

1. Employee Cost Share

Premium charged by WMHIP less the PA 152 hard cap becomes employee cost share (payroll deductions)

2. Deductible

The amount individuals owe for healthcare services before their policy starts paying for covered expenses

+

3. Co-payment

A flat amount the insured pays at the time of service – a nominal fee for receiving care or filling a prescription

+

4. Co-insurance

The percentage of the charge the insured is responsible for, generally after the deductible is met

Deductible + Co-payment + Co-insurance = Out of Pocket Maximum

Traditional Plan \$1,000/\$2,000-20%

Copays do not track toward the deductible bucket. They go toward the out-of-pocket max.

Medical copays :

- Office visits \$20
- Specialist visit \$20
- Professional Urgent Care services \$20
- ER \$50
- Chiropractic \$20

Rx copays also go toward out of pocket max, not deductible:

- Generic (\$10)
- Brand (\$40)

Out of pocket max (bucket) (\$4,500/\$9,000) caps total possible in-network costs including deductible, coinsurance, & copays

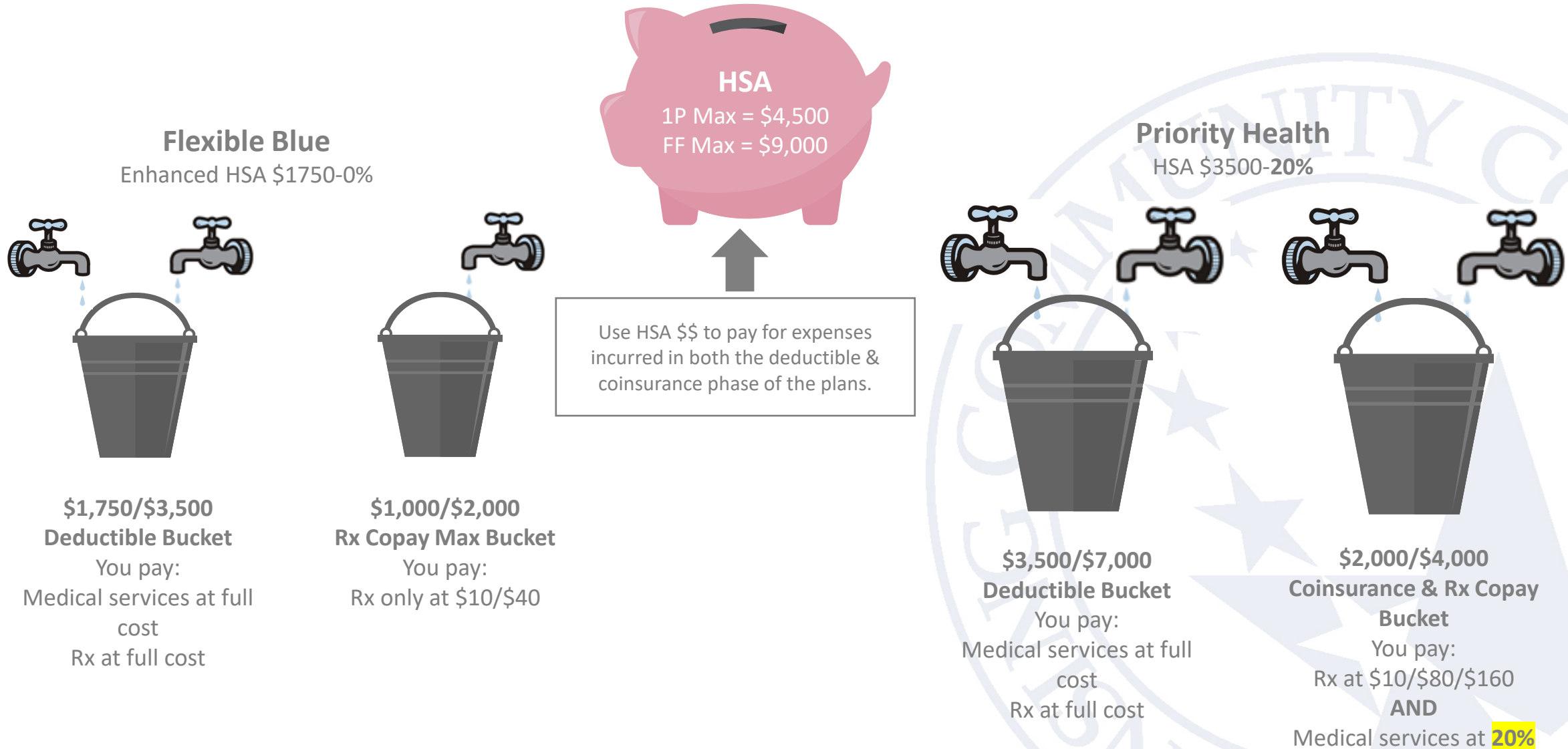
OOPM Bucket

Deductible (& coinsurance) Bucket

You pay:
All inpatient & outpatient medical costs
(i.e., hospitalization, surgery, and diagnostic lab work)

- Delivery & nursery care
- Lab & pathology services
- Diagnostic tests & X-rays
- Facility Urgent Care services
 - Therapeutic radiology
 - Inpatient physician care
 - Chemotherapy
 - Surgery
 - Hospice care
 - Infusion therapy
- Bone marrow transplants
- Inpatient mental health care
- Inpatient & outpatient substance use disorder treatment
- DME

How the HDHPs Work



HDHP vs Traditional Plan

Generally, a traditional plan is more attractive when:

- Ongoing expensive medications
- Frequent specialist visits
- Multiple chronic conditions
- Limited availability to absorb a large, unexpected bill
- Preference for predictable copays

Generally, an HDHP is more attractive when:

- Generally healthy
- Few annual medical claims
- Wants lower payroll deductions
- Wants HSA tax savings

What works best for you?

HDHP + HSA (High Deductible Health Plan)	VS.	TRADITIONAL PLAN (PPO / HMO)
 Lower monthly premiums Typically costs less each month.		 Higher monthly premiums Typically costs more each month.
 Higher deductible & out-of-pocket max You pay more before insurance kicks in.		 Lower deductibles Insurance kicks in sooner.
 HSA-eligible Contribute pre-tax dollars, invest, and use tax free for qualified medical expenses—now or in retirement.		 More predictable costs Lower copays and more predictable out-of-pocket expenses.
 Great for savers Best for families who are generally healthy and able to save regularly.		 Peace of mind Reassuring for families with ongoing medical needs or upcoming procedures.
 Best for families who are: Generally healthy and comfortable saving for future medical costs.		 Best for families who are: Managing ongoing medical needs or want more predictable out-of-pocket costs.


THE RIGHT CHOICE DEPENDS ON:


 How often your family uses care


 Your ability to handle a larger bill in a bad year


 How much you value the tax advantages of an HSA

What to consider when selecting a plan

- **COST: Premium amounts/employee cost share**
 - Q: How much do I pay monthly/annually for the plan?
 - A: Lower deductibles, less coinsurance, higher visit allowances are more expensive
- **FLEXIBILITY: What doctors/hospitals/specialists you can access as “in-network”**
 - Q: Is there a network difference between the various plans that are offered?
 - A: Yes, BCBSM PPO and Priority Health PPO are two separate networks
 - Many providers will participate with both BCBSM/PH. Some will only participate with one.
 - WMHIP will address BCBSM vs PH
- **COVERAGE: Deductible/coinsurance/copayments/out of pocket maximums**
 - Q: How much do you generally spend on Rx and medical services in a year?
 - A: Varies greatly by individual; consider known upcoming costs as well as managing chronic conditions.
 - If you are a low user, you may not need high coverage benefits



LCC Plan Offerings for 2027



	Renewal	Renewal	Renewal	NEW Plan
	BCBSM Enhanced \$250-10%	BCBSM Enhanced \$500-0%	BCBSM Enhanced \$1000-20%	Priority Health \$1500-20%
Deductible	\$250/\$500 (embedded)	\$500/\$1,000 (embedded)	\$1,000/\$2,000 (embedded)	\$1,500/\$3,000 (embedded)
Coinsurance Coinsurance Max	10% \$1,000/\$2,000	0%	20% \$2,500/\$5,000 max	20% \$2,000/\$4,000 max
OV/SV/UC/ER	\$20/\$20/\$20/\$50	\$5/\$5/\$5/\$50	\$20/\$20/\$20/\$50	\$20/\$50/\$60/\$250
Chiro	24 visits/10% after ded.	24 visits/0% after ded.	24 visits/ \$20 copay	24 visits/ \$30 copay
PT/OT/ST	60 combined visits/ 0% after ded.	60 combined visits/ 0% after ded.	60 combined visits/ 20% after ded.	60 combined visits/ 20% after ded.
Rx	\$10/\$40	\$10/\$40	\$10/\$40	\$10/ 20% (\$80 max)/20% (\$160 max)
OOPM	\$2,500/\$5,000	\$2,500/\$5,000	\$4,500/\$9,000	\$4,500/\$9,000
Employee Cost Share (Monthly)				
Single	\$446.35	\$551.58	\$309.06	\$188.61
Two-Person	\$1,112.43	\$1,349.19	\$803.51	\$532.54
Family	\$1,299.34	\$1,593.98	\$914.65	\$577.67

**Note: This is a high-level summary. Refer to
BAAGs/SBCs for full detail.**

	Renewal	Renewal	Renewal
	BCBSM Enhanced HSA \$1750-0%	BCBSM Value HSA \$3000-20%	Priority Health HSA \$3500-20%
Deductible	\$1,750/\$3,500	\$3,000/\$6,000	\$3,500/\$7,000
Coinsurance	0%	20%	20%
Chiro	24 visits/0% after ded.	12 visits/20% after ded.	24 visits/ 20% after ded.
PT/OT/ST	60 combined visits/0% after ded	30 combined visits/20% after ded	60 combined visits/ 20% after ded.
Rx (after ded.)	\$10/\$40 after ded.	\$10/\$40/\$80 after ded.	\$10/ 20% (\$80 max)/20% (\$160 max) after ded.
OOPM	\$2,700/\$5,400	\$4,000/\$8,000	\$5,500/\$11,000
Employee Cost Share (Monthly)			
Single	\$364.72	\$203.97	\$0.00
Two Person	\$928.74	\$567.05	\$60.67
Family	\$1,070.45	\$620.41	\$0.00

Note: This is a high-level summary. Refer to BAAGs/SBCs for full detail.

Blue Cross Blue Shield versus Priority Health



Blue Cross to Priority Health

What Changes

- New PH ID card and contract number
- New drug formulary – more restrictive, lower cost
- New medical network – use of Cigna Open Access Plus outside of MI
- HSA considerations with HEQ

What Stays

- Same process for deductibles, coinsurance
- Same Pool value added benefit programs
- Access to MI hospitals/doctors – PPO network
- Same administrative process
- No pre-existing condition limitations
- Value Add eligibility flows through BCBS

Out-of-State Coverage

How the Network Works

- Priority Health partners with Cigna for in-network access outside Michigan
- Members out of state can use any Cigna Open Access Plus (OAP) provider
- The Cigna logo on the ID card shows the primary network
- In Michigan, members use the Priority Health network

What Members Should Know

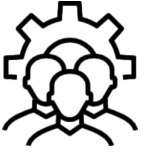
- Priority Health handles all claims, prior auths, and customer service
- Providers bill Priority Health using the back of the ID card
- Check providers at priorityhealth.com/cignadirectory
- Virtual care covered with Priority Health or Cigna providers; MDLIVE 800.400.6354

Value Added Benefits



Supporting Members' Health

The Pool offers **FREE** programs to help members get the most value out of their benefits and find support where needed



Member-focused



High-cost infusion
treatment alternatives



Diabetes prevention,
support, and reversal



Federal & State
benefits access



Complex care
support



Diabetes
management



Virtual back, joint, &
muscle pain relief



On-demand expert
medical opinions



Maternity &
postpartum support

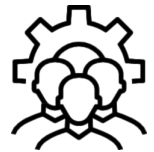


Breast cancer
screenings



Surgical concierge
program

Simplifying Navigation



Member-focused



Pool Member

Needing support with complex conditions, care needs, or health system navigation



Dedicated Care Nurses

Connect through inbound member calls or outbound outreach when a need is identified



Guide and Support

Nurse care managers educate and connect the member with resources based on their unique needs



One Number, Endless Resources

Stella's Nurses simplify The Pool's and broader healthcare ecosystem by navigating members to the resource they need, when they need it

Questions

