

Meeting summary

Notes

Overview

Key participants: Kristi Dawley (Executive Director of Human Resources), Stephanie Dodge (Director of Total Compensation), Setseg advisors Casey Kilcherman and Kyle Koch, and Christine Coon (Western Michigan Health Insurance Pool service consultant) lead a benefits briefing for Lansing Community College employees. The session covers the healthcare task force process, the results of a 2026 medical RFP run by Setseg, the impact of Michigan Public Act 152 on employer contributions, plan design differences across seven plan options for 2027, carrier network implications (Blue Cross vs Priority Health), pool structure and cost pressures, value-added member programs, and practical enrollment logistics.

Main outcomes and decisions: The task force used 2025 employee survey feedback (employees want lower cost but retained access) and RFP findings to add a seventh plan for 2027 — a Priority Health traditional PPO (1500/3000) — to provide a lower-cost option alongside existing Blue Cross and Priority HDHPs. LCC elects to use the Public Act 152 hard cap for 2027 which determines employer contribution percentages listed in the presented plan table; those percentages create the employee payroll deductions. Setseg's RFP shows few carriers offered competitive rates; MESSA and Blue Cross quoted higher than WIMHIP and many carriers declared themselves uncompetitive, reinforcing the decision to remain with WIMHIP and add targeted offerings.

Costs and concerns: Presenters emphasize systemic drivers of rising premiums — notably hospital consolidation and higher negotiated hospital reimbursements plus pharmacy/specialty drug inflation — and explain that large claimants in the pool this year materially increased the renewal for 2027. Christine Coon and Casey Kilcherman explain that hospital costs and higher operational expenses (wages, supplies) push up reimbursements and medical trend. Because the Public Act 152 cap rose much less than total premium increases, employees may see payroll deduction jumps that exceed the headline premium percentage increase; Kristi Dawley and Christine Coon explain this dynamic during Q&A.

Communications and follow-up commitments: Presenters commit to publishing detailed rate packets, FAQs, slides, and the recording next week on the Open Enrollment webpage (Stephanie Dodge / Kristi Dawley), and to verify specific numeric items (out-of-pocket maximums, prescription details) and respond to individual coverage questions (Casey Kilcherman / Christine Coon). Staff confirm HSA custodial transfers (HealthEquity) and FSA administration changes (Clarity to iSolved) will be included in communications. An additional in-person session is scheduled Monday 2:30–4:30 PM in Washington Court Place room 110 to repeat the briefing.

Bottom line: Employees receive a larger, more cost-diverse benefits menu in 2027 driven by employee survey feedback and an RFP analysis, while LCC follows the PA 152 hard cap that shapes payroll cost impact. The organization provides follow-up materials, numerical clarifications, and navigation resources to help individuals evaluate tradeoffs between traditional PPOs and HDHP/HSA options given provider relationships, financial tolerance for upfront costs, and recent rate volatility.

Detailed Summary

Health task force role

The meeting explains LCC's healthcare task force composition, purpose, and recent activity. The task force includes bargaining-unit representatives and non-bargaining employees who review, provide feedback, and recommend plan enhancements or changes; they have met frequently since January 2026 to evaluate benefits and RFP results. Their input guided adding a seventh plan option for 2027 to address employee feedback about cost and choice.

Kristi Dawley states the task force includes bargaining-unit reps and two non-bargaining members and meets regularly to review and recommend plan changes.

Kristi Dawley reports the task force met about every two weeks since January 2026 due to extensive work.

Kristi Dawley attributes the decision to add a seventh 2027 plan to survey feedback and task force recommendations.

Employee survey findings

LCC circulated a benefits survey in 2025 to gather employee perspectives on plan satisfaction and priorities. Employees generally like plan options but want lower costs and prefer to keep current access and benefit structures; this shaped decisions to add lower-cost plan options rather than remove choice. The task force opted for a gradual approach to plan changes to respect employee preferences while introducing a lower-cost option.

Stephanie Dodge notes the 2025 survey found employees pleased with options but seeking lower costs. Kristi Dawley explains employees did not want reduced access (e.g., switching HMO vs PPO) or reduced benefit levels despite cost concerns.

Kristi Dawley indicates the survey outcome helped justify adding a lower-cost plan option instead of reducing plan features.

Kristi Dawley states the task force chose a slow, incremental plan change approach and added a seventh plan that modestly reduces cost without removing popular benefits.

Public Act 152 impact

Presenters outline Michigan Public Act 152 (2011), which caps employer contributions to public-employer health benefits and affects employee payroll cost share. LCC uses the statutory hard cap for 2027; the cap numbers and employer percentage directly determine what employees pay for each plan. The college confirmed the Board of Trustees previously chose the hard cap and that the decision stands for 2027.

Kristi Dawley explains Public Act 152 limits total employer contributions and sets either a hard cap or an 80/20 option.

Kristi Dawley reports LCC uses the hard cap for 2027 and lists the per-employee annual caps for single, two-person, and family coverage.

Kristi Dawley clarifies premiums above the hard cap become the employee payroll deduction.

Kristi Dawley notes the Board of Trustees previously selected the hard cap and that it remains in effect for the 2027 plan year.

2027 employer contribution examples

The team presents a plan-by-plan table showing 2027 premiums, current enrollment, and the percent the college will pay under the hard cap. Contributions vary widely across plans: richer PPO plans have lower employer percentage, and high-deductible Priority Health options can be 100% employer-paid for singles and families in some cases. These contributions drive employee monthly costs and explain why some employees are seeing large percentage increases to their payroll deductions.

Kristi Dawley highlights the Blue Cross PPO select (lower deductible) as one of the most expensive plans with the college paying 55% for single coverage.

Kristi Dawley notes the Priority Health high-deductible plan shows the college paying 100% for single and family coverage for current enrollment distribution in one instance.

Kristi Dawley points out the new Priority Health PPO (1500/3000) will have college contributions of about 78% single, 73% two-person, and 76% family.

Christine Coon explains that when total premiums increase faster than the Public Act 152 cap (which rose only modestly), employees absorb a disproportionate share of the increase, making employee payroll deductions jump more than the headline premium percentage.

RFP process and outcomes

Setseg conducted a third-party medical RFP in spring 2026, soliciting Michigan carriers and presenting results to the task force. Few carriers provided competitive quotes; Blue Cross and Messa quoted but exceeded WIMHIP rates, while many carriers declared themselves uncompetitive. Setseg's analysis supported keeping WIMHIP and adding a Priority Health option.

Casey Kilcherman describes Setseg's role as an unbiased third-party running the RFP and presenting carrier responses to the task force.

Casey Kilcherman reports MESSA and Blue Cross provided rates that were higher than WIMHIP, and several carriers responded as uncompetitive.

Casey Kilcherman states the RFP findings contributed to adding a seventh plan and keeping WIMHIP as the primary vendor through 2026.

Pool structure and market pressures

Western Michigan Health Insurance Pool representatives explain the pool is a self-funded consortium of 280+ public employers covering ~27,000 employees, using committees to manage value programs and cost control. Rising hospital and pharmacy costs since COVID are primary drivers of 2027 rate increases, and pool governance seeks strategies to contain costs while offering value-added programs.

Christine Coon explains the pool is a large self-funded group of over 280 public employers and ~27,000 employees to pool risk and offer competitive plans.

Christine Coon attributes rising rates to healthcare costs outpacing inflation and hospital reimbursement negotiations (e.g., Michigan Medicine/Blue Cross).

Christine Coon says pool committees (executive, member experience, value, strategic initiatives) work to identify value and cost-management strategies.

Insurance plan mechanics

Setseg walks through insurance terminology (deductible, copay, coinsurance, out-of-pocket maximum) and contrasts traditional PPOs with high-deductible health plans (HDHPs) paired with HSAs. The presentation clarifies how expense flows affect employees' financial risk and why plan design drives premium and payroll deductions.

Casey Kilcherman defines deductible, copayment, coinsurance, and out-of-pocket maximum and describes how they combine to determine annual risk.

Casey Kilcherman explains traditional plans have copays from day one while HDHPs require paying full cost until deductibles are met, with preventive care exempted.

Casey Kilcherman notes plan design tradeoffs: lower deductibles and first-dollar copays raise premiums (and employee cost share) while HDHPs lower premiums but create upfront cost exposure.

Traditional plan details

Presenters review the four traditional plans (Blue Cross and a new Priority Health traditional option) showing differences in deductible, coinsurance, copays, visit allowances, prescription tiers, and out-of-pocket maximums. Differences explain premium variation and employee cost exposure for common services.

Casey Kilcherman outlines that traditional plans include first-dollar copays for office visits, specialists, urgent care, and prescriptions.

Casey Kilcherman highlights that a plan with a higher deductible but zero percent medical coinsurance can be more expensive in premium than a lower-deductible plan with coinsurance.

Casey Kilcherman specifies the new Priority Health traditional plan has higher deductibles (1500/3000) and different copays/prescription maxima that yield lower premiums and lower employee payroll share.

High-deductible (HSA) plan details

Three HDHPs are presented: Blue Cross minimum threshold HSA (1750/3500), a Blue Cross value HSA (3000/6000) with reduced visit counts and a third prescription tier, and a Priority Health HDHP (35xx/70xx) with differing drug maxes. HSAs offer tax advantages and cover deductible phase expenses with employee funds; preventive care remains covered.

Casey Kilcherman describes HDHPs require paying full cost for medical and prescription services until the deductible is met, except preventive care.

Casey Kilcherman explains HSA contribution limits for 2027 (individual up to \$4,500, family up to \$9,000) and that HSAs have a triple tax advantage.

Casey Kilcherman notes the Blue Cross value HSA reduces physical therapy/kinesio visit allowances and adds a third drug tier to lower premium and employee cost share.

Embedded vs aggregate deductibles and FSAs vs HSAs

The meeting clarifies embedded (individual limits within family deductible) versus aggregate (one person may satisfy the entire family deductible) designs and contrasts FSAs with HSAs. FSAs provide the full elected amount on day one for use; HSAs are funded over time and offer savings/investment advantages.

Casey Kilcherman explains embedded deductibles cap individual responsibility within a family deductible while aggregate deductibles let one person exhaust the entire family deductible.

Stephanie Dodge clarifies flexible spending accounts (FSAs) provide the full elected pre-funded amount up front for the plan year while HSAs make funds available as contributions are deposited.

Stephanie Dodge states both FSA and HSA contributions are pre-tax, but HSAs offer long-term tax-advantaged savings and differ in availability of funds.

Carrier network differences (Blue Cross vs Priority)

Pool staff outline key operational differences when switching networks: new ID cards, different drug formularies, distinct provider networks (in-state networks differ; out-of-state access for Priority uses Cigna Open Access), and need to re-establish prior authorizations. Value-added programs and HSA administration remain available across carriers via the pool.

Christine Coon advises that switching from Blue Cross to Priority requires checking provider participation and prescription formulary differences because drugs and providers may be covered differently.

Christine Coon explains Priority Health uses the Cigna Open Access Network for out-of-state coverage and will issue different ID cards showing the Cigna logo for out-of-state care.

Christine Coon notes that prior authorizations or administrative processes that existed with Blue Cross must be re-submitted under Priority Health and that the pool's value-added benefits remain accessible regardless of carrier.

Value-added benefits and navigation

The pool offers many value-added programs (e.g., infusion at home, diabetes prevention, Medicare navigation, Mayo Clinic complex care, Hinge Health, second opinions, maternity/postpartum support, surgical concierge) and a centralized care navigation service (Stella) staffed by Michigan nurses to guide members to

the right resource for complex or costly situations. These services apply regardless of carrier choice within the pool and aim to reduce total cost and improve member experience.

Christine Coon lists value-added services including infusion at home (Quantifi), diabetes support (Verda), benefits navigation (BedLogic), Mayo Clinic complex care, Hinge Health, second opinions, Maven for maternity support, and Lantern for surgical cost reduction.

Christine Coon states the pool launches a care navigation tool (Stella) staffed by Michigan nurses to help members access appropriate value-added programs and navigation support.

Christine Coon says value-added programs apply to eligible members regardless of which medical carrier they choose under the pool.

Questions and communications plan

Attendees asked detailed plan questions during the session (HSA transfer logistics, out-of-pocket maximum clarifications, PT/OT/ST visit limits, specialty drug support, rate increases). Presenters committed to follow-up where needed and to publish FAQs, updated rates, summaries, and slide materials soon to employees. The team reiterated that materials, the recording, and a centralized Open Enrollment webpage will be published next week and another in-person session is scheduled Monday 2:30–4:30 PM in Washington Court Place room 110.

Kristi Dawley confirms 2027 rate packets and FAQs will be published next week and that presentation materials and the recording will be shared.

Stephanie Dodge explains HSA custodial accounts are maintained by HealthEquity and require transfers if changing HSA vendors, and FSAs are currently through Clarity moving to iSolved.

Casey Kilcherman and Christine Coon commit to double-check specific out-of-pocket maximum figures and prescription coverage questions and to update communications accordingly.

Stephanie Dodge states the recording, rates, and related materials will be posted to the Open Enrollment webpage next week.

Kristi Dawley notes an additional in-person information session will be held Monday from 2:30–4:30 PM in Washington Court Place room 110.

Action items

- Kristi Dawley or Stephanie Dodge to follow up with Lori (and finance/benefits team) to investigate reported cases of employees reaching their out-of-pocket maximum but still being charged for prescriptions and provide clarification or resolution.
- Kristi Dawley and Stephanie Dodge to publish the 2027 plan rates, FAQs, and 'benefits at a glance' summaries on the LCC open enrollment webpage next week and notify employees when posted.
- Kristi Dawley to promote the in-person repeat benefits session on Monday (2:30–4:30 PM, Washington Court Place room 110) and encourage staff to invite colleagues to attend for additional education.
- Stephanie Dodge to confirm and communicate details about HSA vendor logistics (HealthEquity account handling and transfers between Blue Cross and Priority Health HSAs) to employees in the upcoming materials.
- Christine Coon to confirm in the plan documents whether PT/OT/SLP visit limits (60 visits) have exceptions for autism diagnoses and report findings back to Michelle.
- Kristi Dawley to route private or detailed employee benefit questions submitted by email to Casey or Christine as appropriate for case-specific follow-up.
- Christine Coon to provide Christy with Blue Cross vs Priority Health comparison flyers and Priority Health transition line details for distribution to employees considering switching carriers.
- Casey Kilcherman to verify and correct the Priority Health HSA plan out-of-pocket maximum numbers (single/family) and provide the accurate figures for the materials before distribution.
- Kristi Dawley to send updated presentation slides and the meeting recording to all employees after correcting figures and when the materials are posted next week.