

**EAST CENTRAL COLLEGE  
BOARD OF TRUSTEES MEETING  
November 6, 2017**

**AGENDA ITEM 7: EMPLOYEE INSURANCE**

**Recommendation:** To **approve** the following carriers to provide insurance benefits for employees in 2018:

Medical Insurance	<i>Anthem</i> – 5% increase in rates and changes to pharmacy benefits
Dental Insurance	<i>Delta Dental</i> – 8.9% increase in rates
Vision Insurance	<i>VSP</i> - no change in rates
Life/Accidental Death & Dismemberment, Long-Term Disability	<i>Anthem</i> – no change in rates

Attachment

11/6 /2017

**East Central College**

1964 Prairie Dell Road, Union, Missouri 63084  
(636) 584-6501  
FAX (636) 583-6602

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**Addendum**



TO: Dr. Jon Bauer  
DATE: November 6, 2017  
FROM: Wendy Hartmann  
SUBJECT: 2018 Employee Insurance Benefits Renewal

The Insurance and Wellness Benefits Committee has worked with J.W. Terrill for the 2018 employee insurance benefits renewal. This memorandum serves as a recommendation by the Insurance Committee for the Board of Trustees to approve employee insurance premium and providers for 2018. The insurance benefits include medical, dental, vision, life/AD&D and long-term disability and the renewals are outlined below.

### **MEDICAL**

The College has had medical coverage through Anthem Blue Cross Blue Shield since January 1, 2014. Anthem's original renewal included a proposed 18.5% increase so the committee recommended marketing our plan.

**Anthem:** The negotiated two options with Anthem are a 7% increase with no plan changes or a 5% increase with a formulary changes. The Committee recommends accepting the one year renewal with a 5% increase with changing formulary for pharmacy benefits for employee and dependent coverage for the Base plan and the H.S.A. plan. Employees are happy with the Anthem network and services. Remaining with Anthem reduces interruptions to services. The 5% increase is within budget and would be equally shared by all employees. Renewing with Anthem, we continue with four plans with two networks. The H.S.A. contribution for Anthem would be \$180.60 monthly/\$2167.20 annually for the BJC option and \$207.65 monthly/\$2491.78 annually for the nonBJC option which is more than Cigna.

**Cigna:** The negotiated one year proposal from Cigna is an overall 4.09% increase for employee and dependent coverage. For Cigna, the changes reflect an overall 2% reduction to the base plan and an overall 7% increase for the H.S.A. The Cigna change for dependent coverage under the Base plan ranges from a decrease of 2.46% - 2.69% while the H.S.A. plan ranges from an increase of 6.11% to 6.30%. Moving to Cigna would result in two plans with one network versus four plans with two networks. Moving to Cigna would include formulary changes and will require prior authorization for certain medications. Moving to Cigna could result in disruption of medical providers for employees. Moving to Cigna would include a reduction in the College contribution to the H.S.A. The H.S.A. contribution for Cigna would be \$142.12 monthly/\$1705.44 annually.

Overall, the committee members agreed that staying with Anthem with a 5% increase with a change in pharmacy benefits is a better option than moving to Cigna. Employees will continue to have a choice of four plan options with no premium cost to the employee. Employees are happy with Anthem, administration is painless, and moving to another carrier at this time is not warranted financially nor on a service level. Staying with Anthem would help with future renewals and

marketing and Anthem worked with ECC on rates in order to maintain the business. The College will continue to purchase a Health Reimbursement Account (HRA) as part of the plans which reduces the overall premium costs and reduces the deductible for the employees.

2018 Estimated Medical Insurance Cost per Employee paid by the College

Monthly: \$664.40

Annually: \$7,972.80

**DENTAL**

In 2016, we moved to Delta Dental with a two year rate guarantee. Last month, Delta Dental submitted a renewal with an increase of 12.05% but J.W. Terrill negotiated an increase of 8.9% for 2018. Delta Dental has the largest network of providers in Missouri, annual Maximum Benefit at \$1,250 and the Max Advantage Benefit. The committee is recommending to continue with Delta for 2018 and market for 2019.

2018 Estimated Dental Insurance Premium Cost per Employee paid by the College

Monthly: \$36.60

Annually: \$439.20

**VISION**

The College has been Vision Service Provider (VSP) for over ten years and have a rate lock with no premium increase through 2018. The committee is recommending to continue with VSP.

2018 Estimated Vision Insurance Premium Cost per Employee paid by the College

Monthly: \$6.04

Annually: \$72.48

**BASIC LIFE/AD&D AND LONG-TERM DISABILITY**

In 2016, we moved basic life/AD&D and long-term disability to Anthem Life Basic and have no premium increase in 2018. The College provides full-time employees a \$50,000 policy. The committee is recommending to continue with Anthem Life.

2018 Estimated Life Insurance Premium Cost

\$ .082 per \$1,000 of coverage

2018 Estimated AD&D Insurance Premium Cost

\$ .02 per \$1,000 of coverage

2018 Estimated Long Term Disability Insurance Premium Cost

\$ .225 per \$100 of coverage

Please let me know if you need any additional information.

**EAST CENTRAL COLLEGE  
BOARD OF TRUSTEES MEETING  
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**AGENDA ITEM 11: \*PERSONNEL**

**A. Resignations**

**Recommendation:** To **accept** the resignation of Mardy Leathers, Executive Director, Workforce Development, effective October 27, 2017.

**Recommendation:** To **accept** the resignation of Jeremy Goss, Coordinator, Business Development and Training, effective November 27, 2017.

11/6/2017

**East Central College**

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**ADDENDUM**



**EAST CENTRAL COLLEGE**

**Interoffice Memo  
HUMAN RESOURCES**

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TO: Dr. Jon Bauer  
DATE: November 6, 2017  
FROM: Wendy A. Hartmann, Director  
RE: Requesting Release from Contract

Jeremy Goss, Coordinator, Business Development & Training for Center for Workforce Development has requested to be released from the remainder of his FY2018 employment contract. He submitted a letter of resignation from his position effective November 27, 2017. The official letter is on file in the Human Resources Office.

Signatures:

  
\_\_\_\_\_  
Wendy Hartmann, Director  
Human Resources

  
\_\_\_\_\_  
Joel Doepker, Vice President  
External Relations



**EAST CENTRAL COLLEGE**

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