On February 3rd I attended the SEBAC meeting as your representative; here are the highlights:

Claims are running higher than this time last year, mostly due to increased drug prices (especially for hepatitis C drugs), but the health insurance plan is still healthy (if you will pardon the pun), so they do not expect to have to raise premiums next year. In addition, the current legislative outlook is positive, so there may be an increase in the state contribution to offset our premiums.

The health insurance plan for next year will have a higher out-of-pocket maximum due to a new requirement of the ACA ("Obamacare") to include drug copayments in the out-of-pocket maximum, but TAMUS still expects to be lower than UT or ERS.

As required by state rules, coverages must be rebid at least every six years; this year the pharmacy benefits plan was up for bid, and Express Scripts was chosen, with a new 3-year contract expected to save $26 million over three years. The Express Scripts "RationalMed" program checks for drug interactions, changes in dosage or utilization, etc., and saved us nearly $1 million last fiscal year in addition to the health benefits.

Payflex was also renewed for three years with no change, and EyeMed was renewed for three years with a 6% increase in vision coverage premiums in September.

Finalist presentations for medical plan administration bids will be held March 4th, and there is also an RFP out for Relocation Services.

Some emergency room doctors who are contractors instead of hospital employees practice "balance billing," which can result in a huge bill. However, the TAMUS plan pays 80% of emergency room bills, so this should not blindside TAMUS employees.

The same procedure may have greatly varying prices, e.g., an outpatient MRI, so Blue Cross can tell you what it costs at different providers.

Each System member is developing additional wellness programs, which might include exercise programs, health fairs, etc.

A postscript: your W-2 form will show in Box DD the cost of employer-sponsored health coverage. This amount is not currently taxable, but the history of the IRS warns us that once items are singled out and quantified, new taxes may be imposed on them.