



SISIC Group Health Plan Members:

Even as our economy improves, many Indiana schools/businesses are still experiencing double-digit health insurance premium increases that affect both employers and employees. The cost of health care continues to escalate as new drugs, technologies and innovative care options are developed to improve quality of life.

After much review and bidding of our plan to other Third Party Administrators (TPA), ie. United Health Care and Anthem as well as a smaller TPA, the SISIC Board would like to announce the completion of our January 1, 2018, Group Health Plan renewal. We are pleased to announce we are still able offer our members access to the quality benefit and healthcare choices we've all come to appreciate. Anthem will continue to administer our benefits and offer us network access as well as the best discounts in the industry.

While Industry trend average increase is over 12%, many employer groups continue to average over 20% yearly, while smaller employer groups continue to average over 30% yearly. For several years, SISIC members have been somewhat sheltered from these cost increases with minimal changes to annual health plan premiums that have averaged less than five per cent (5%) over the years. During this same time period, the Consortium has been *financially supportive* by providing cash for members Health Savings Accounts, free clinics and free prescriptions.

It's important to understand that paid health claims for covered members and their covered dependents are what drives premium costs. As the new premiums are applied January 1, the increase in revenue will help the Consortium rebuild the funds needed. After much discussion and analysis, the Board has accepted benefit modifications and a premium increase of approximately 12% overall.

We are committed to sharing information and resources that will allow members to make good healthcare and financial decisions. We encourage members to consider the financial benefits of the High Deductible Health Plans (HDHP). HDHP 1 and HDHP 2 both offer the best value for your premium dollars. Due to the plan designs, they encourage you to make wise choices on how your healthcare dollars are spent. These qualified HDHPs allow you to open your own Health Savings Account (HSA), where unused funds roll over year after year. HSAs allow you to set aside pre-taxed dollars for current or future healthcare expense. If left unused, you can build a nest egg that can be used for retirement.

We encourage members to continue to take advantage of opportunities and programs that are available through their healthcare plan. Age appropriate preventative care benefits are paid at 100%, regardless of your plan selection. This means no deductible, copay or coinsurance is required.

All plan enrollees have access to your local **Hospital Wellness Clinics**. **Members enrolled in all plan options are eligible for clinic services FREE of charge**. While you are not required to visit the clinic, nor does it need to replace your own doctor, the clinics offer an optional place of care that will save both time and money. If you can't visit a clinic or if a non-emergency occurs after hours, Anthem offers **LiveHealth Online** (telemedicine).

While this change is not easy for the Board to announce or for employees to accept, it is a necessary step to safeguard the future of the Consortium. The Consortium belongs to all of us, and everyone can have impact on our success. By being informed health care consumers, staying actively engaged in managing chronic health conditions and setting personal health & wellness goals, we can all do our part to foster a healthier population in the hope of long-term positive impact on our claims expense. Together we can overcome this challenge and face the future with confidence that our employees and their families will continue to have quality benefit choices and innovative options available to meet their needs.

Thank you for your continued support of the Consortium.



Why is Health Insurance Becoming So Expensive?

The simple answer is that health insurance is expensive because health care is expensive. In truth, many factors impact the cost of health insurance. Specific factors driving rising health care costs include:

- *Less competition among health insurance companies -*
- *Higher compensation for hospitals and medical groups;*
- *High cost technology and drugs;*
- *Changing demographics of the insured population*
- *Government mandates.*

Sophisticated technologies, such as the MRI, help doctors accurately diagnose illness. Revolutionary devices, such as arterial shunts and balloons, help avoid invasive surgery. Miracle drugs reduce cholesterol, relieve allergies, improve health, save lives and keep people out of the hospital. These advances are costly. Not only are they costly, but, in the case of prescription medicine, pharmaceutical companies increase the demand for their medication by advertising directly to consumers. Demand for specialty medications adds to the cost of health insurance. Specialty medications are expected to continue to rise.

Federal and state governments require that health plans include certain benefits. A few examples of these mandates include: health plans paying for the treatment of specific mental illnesses as they would any other illness; health plans paying for a woman to stay a minimum number of days in the hospital following the delivery of a child; and, hospitals staffing a specific ratio of nurses to patients. All would agree that these are important components of health care. However, they cost money and they add to the price of health insurance.

HIPAA, the Health Insurance Portability & Accountability Act of 1996, is an example of a good, but costly, government mandate. HIPAA requires that insurance companies and medical providers protect the privacy of medical information. The protection of medical information is a laudable goal. However, the administrative time and legal fees associated with HIPAA compliance add to the cost of health insurance. Consider that the cost of simply mailing HIPAA compliance notifications to the roughly 10 million commercially insured people in California adds \$3.7 million (for postage alone) to the cost of health insurance.

PPACA, Patient Protection Affordable Care Act, Healthcare Reform – with mandated coverages and additional fees required of health insurers as well as employers, the Affordable Care Act accounts for 3-5% of increased costs overall.