

Dear Colleagues,

After significant time and attention this summer, University Leadership approved the following recommendations for 2026 benefits from the Benefits Advisory Committee (or BAC):

Employee and Retiree Health Insurance:

- ***Claims Experience:***

As a self-funded health plan, Stetson sets a budget for how much we expect to spend on claims experience for the year, based on past performance. Claims experience tracks the amount of health costs the plan covers when an employee goes in for service. After a multi-year approach targeting a reduction in costs, the BAC noted that claims have been at our projected budget during 2025.

- ***Initial Projections for 2026:***

Plan projections are based on a review of the previous 18-month's claims and a review of medical trend. Medical trend is an aggregate of increases in medical costs that come from everything from the price of medical equipment, wage growth in medical personnel, inflationary pressures from things like tariffs and supply shortages, and other cost impacted items. Trend typically falls around 10%, and the actuaries at Brown and Brown (B&B) calculated trend for 2026 at 9.7%. This resulted in a projected increase of 9.3% if the plan made no changes.

- ***Plan Performance:***

The BAC noted that the HMO plan remains the most cost-effective, with better claims performance due to higher network discounts. In contrast, the PPO plan has seen higher-than-expected costs.

- ***New High-Deductible Plan:***

The BAC received employee requests for a high-deductible health plan (HDHP). After research and review, they are recommending adding an HDHP with a health savings account (HSA) seed. The plan will be placed on the BlueCare HMO network, will not be a part of Stetson's subsidy schedule, and will not be priced as the lowest cost plan. This is to ensure the best claims possible to continue to meet the BAC's long-term goals of reducing costs for members and lowering the risk profile for Stetson's group health insurance.

- ***Plan Design/Tier Changes/Final Projection:***

The group worked with the B&B team to model changes to the plans and changes to the premium tier structure to continue the BAC's long-term goals of reducing employee-only coverage and the plan costs related to items employees utilize most. These changes result in an overall increase of 5.9%, though employees will face various rate changes including rate decreases in some cases.

- ***Samaritan Fund:***

The committee also reviewed a proposal from the Samaritan Fund, a program run by a non-profit organization that works with employers to identify employees who face chronically high

insurance costs due to long-term, high claims conditions. Employees who meet the group's criteria for claims costs and chronic conditions would be removed from Stetson's group health insurance and provided with free health care through the program. Stetson is charged a fee for each program participant.

- ***Retiree Health:***

Our current preferred plan for retirees is the Medicare Advantage plan with United Healthcare. We have received consistent, positive feedback on the plan. Due to changes to Medicare Advantage plans enforced by the Inflation Reduction Act of 2023, and structural changes to reimbursements made by the Center for Medicare/Medicaid Services (CMS), this plan is facing a 27.5% increase. Human Resources is engaging with our partners at Brown and Brown and United to explore options to reduce this increase.

Dental, Vision, Life/STD/LTD coverage, and Other Benefits:

- Delta Dental's current rate agreement with the University ends on December 31, 2026. The committee is recommending no changes.
- VSP's rate agreements with Stetson are set to expire on December 31, 2026. This committee is recommending no changes.
- Our rate guarantee with USABLE for Life/STD/LTD ends December 31, 2026. The committee recommends making no changes.

As members of the Benefits Advisory Committee, we understand that change can be difficult. The group kept that front and center as we developed our recommendations. Please feel free to contact us or Human Resources if you have any questions.

Sincerely,

Benefits Advisory Committee:

William Andrews, Associate Professor of Management
Vickie Bolinger, Administrative Support II – Natural Sciences and Chemistry Department
Catherine Cameron, Professor of Law
Jessica Day, Executive Director, Residential Living and Learning
Michael Eskenazi, Associate Professor of Psychology (President, Faculty Senate)
Jeremy DiGorio, VP for Finance and CFO (ex-officio)
Evan Itle, AVP of Budget and Finance for the College of Law
Maureen McNamara, Director of Budget
Melissa Mundt, Registrar for the College of Law

HR Non-Voting Members:

Graciela Dufour, Chief People Officer and AVP of Human Resources
Vi Bumgarner, People Operations Manager for COL and Benefits Administrator
Chris Chellberg, Associate Director of People Operations
Jess Williams, Benefits Administrator