



CY2027 ASU System Health Plan

Frequently Asked Questions

Beginning Jan. 1, 2027, the ASU System Health Plan will implement changes to employee premiums and plan design. The ASU System Benefits Committee reviewed several options to address continued increases in medical and prescription drug costs and selected an approach that balances modest increases in employee premiums with changes to deductibles, copays, and other cost-sharing provisions.

The following FAQ explains the CY2027 changes and what employees should expect during Open Enrollment.

PREMIUM CHANGES

How much more will I pay for health insurance in 2027?

The increase depends on the health plan and coverage tier you select. The additional employee cost will be:

Coverage	Premier PPO	Classic PPO	HDHP
Employee Only	\$14.40/month (\$7.20/paycheck)	\$9.60/month (\$4.80/paycheck)	\$2.60/month (\$1.30/paycheck)
Employee + Spouse	\$51.40/month (\$25.70/paycheck)	\$37.60/month (\$18.80/paycheck)	\$16.25/month (\$8.13/paycheck)
Employee + Children	\$39.00/month (\$19.50/paycheck)	\$28.32/month (\$14.16/paycheck)	\$12.60/month (\$6.30/paycheck)
Family	\$58.10/month (\$29.05/paycheck)	\$41.60/month (\$20.80/paycheck)	\$17.25/month (\$8.63/paycheck)

Why are health insurance costs increasing?

The ASU System Health Plan continues to experience increases in the cost of medical care, prescription drugs, stop-loss insurance, and other expenses associated with providing health coverage.

The actuarial review for CY2027 projected that the overall cost of the Health Plan would need to increase approximately 10.3% if no changes were made.

Rather than addressing the entire increase through higher employee premiums, the Benefits Committee selected an approach that combines modest premium increases with changes to the plan design. ASU System institutions will also continue to fund a significant portion of the cost of employee health coverage.

Why does the dollar increase vary by plan and coverage level?

Each health plan and coverage tier has a different cost. The Premier PPO, Classic PPO, and HDHP also have different claims experience and plan designs.

During the CY2027 review, the System identified that the Premier PPO consistently pays more in claims and expenses than it receives in premiums and employer contributions. The CY2027 changes address that imbalance while continuing to offer the Premier PPO as an option to employees.

PLAN DESIGN CHANGES

What is changing with the Premier PPO?

The Premier PPO will continue to provide the highest overall level of coverage offered by the ASU System Health Plan. For CY2027, the following changes will take effect:

Benefit	2026	2027
Individual Deductible	\$1,000	\$1,200
Family Deductible	\$2,000	\$2,400
Individual Out-of-Pocket Maximum	\$3,000	\$3,200
Family Out-of-Pocket Maximum	\$6,000	\$6,400
Primary Care Visit	\$35	\$40
Specialist Visit	\$50	\$55
Urgent Care	\$35	No Change
Tier 1 Prescription	\$12	\$15
Tier 2 Prescription	\$50	\$55
Tier 3 Prescription	\$80	\$90
Tier 4 Prescription	\$100	\$150

Coinsurance will remain unchanged at **20%**.

Emergency room services will move from the current \$200 copay structure to being subject to the deductible and coinsurance.

What is changing with the Classic PPO?

The following changes will take effect for the Classic PPO:

Benefit	2026	2027
Individual Deductible	\$1,500	\$1,800
Family Deductible	\$3,000	\$3,600
Individual Out-of-Pocket Maximum	\$4,000	\$4,500
Family Out-of-Pocket Maximum	\$8,000	\$9,000
Primary Care Visit	\$35	\$45
Specialist Visit	\$50	\$60
Urgent Care	\$35	\$40
Tier 1 Prescription	\$12	\$20
Tier 2 Prescription	\$50	\$60
Tier 3 Prescription	\$80	\$100
Tier 4 Prescription	\$100	\$200

Coinsurance will remain unchanged at **20%**.

Emergency room services will move from the current \$200 copay structure to being subject to the deductible and coinsurance.

What does the out-of-pocket maximum mean, and why is it important?

The out-of-pocket maximum provides an important financial safeguard for employees and their covered family members. It represents the most an individual or family would generally be responsible for paying during the plan year for covered, in-network medical and prescription drug expenses that count toward the maximum.

For 2027:

- Under the **Premier PPO**, the individual out-of-pocket maximum will be \$3,200, and the family maximum will be \$6,400.

- Under the **Classic PPO**, the individual out-of-pocket maximum will be \$4,500, and the family maximum will be \$9,000.
- Under the **HDHP**, the individual out-of-pocket maximum will remain \$6,650, and the family maximum will remain \$13,300.

Once the applicable out-of-pocket maximum has been reached, the Plan generally pays 100% of additional covered, in-network expenses for the remainder of the plan year.

This is important context when considering changes to deductibles and copays. While employees may pay somewhat more when certain health care services are used, the Plan continues to provide a defined limit on an employee's potential out-of-pocket exposure for covered, in-network care.

Monthly health insurance premiums do not count toward the out-of-pocket maximum. Certain expenses, such as non-covered services and some out-of-network costs, may also not count toward the maximum.

What is changing with the High Deductible Health Plan (HDHP)?

The HDHP will have significantly fewer plan design changes.

The individual deductible will increase from \$3,400 to \$3,500, and the family deductible will increase from \$6,800 to \$7,000. These changes are necessary to comply with federal requirements applicable to HSA-qualified high deductible health plans.

The individual and family out-of-pocket maximums will remain unchanged at \$6,650 and \$13,300, respectively, and coinsurance will remain at 20%.

In addition, the ASU System is increasing the employer-funded contribution to employees' Health Savings Accounts (HSA) for CY2027 as follows:

Coverage	2026 Employer HSA Contribution	2027 Employer HSA Contribution	Increase
Employee Only	\$500/year	\$650/year	+\$150
All Other Coverage Tiers	\$1,000/year	\$1,300/year	+\$300

These funds are contributed by the employer to eligible employees' HSAs and can be used toward qualified medical expenses, including expenses that apply toward the HDHP deductible.

Why is the employer HSA contribution increasing?

The increased employer HSA contribution is intended to provide additional financial support to employees who choose the HDHP and help offset out-of-pocket health care expenses.

For employee-only coverage, the additional \$150 in employer HSA funding is greater than the \$100 increase in the annual deductible.

For employees covering dependents, the additional \$300 in employer HSA funding is greater than the \$200 increase in the family deductible.

HSA funds also belong to the employee and, subject to applicable federal rules, unused funds can remain in the account and carry forward from year to year.

Why are deductibles and copays changing in addition to monthly premiums?

The Benefits Committee considered several ways to address rising health care costs. Maintaining the existing plan design would have required larger increases in monthly employee premiums.

The selected approach balances the impact between the amount employees pay each month and the amount paid when health care services are actually used.

This means employees will see a more moderate increase in their regular premium while certain costs associated with using the Plan — such as deductibles and copays — will also increase.

Will preventive care still be covered?

Yes. Eligible preventive care will continue to be covered at 100% when received in accordance with the Plan's preventive care provisions.

WORKING SPOUSE PROVISION

What is the Working Spouse Provision?

Beginning Jan. 1, 2027, the ASU System Health Plan will implement a Working Spouse Provision.

If an employee's spouse is employed and has access to medical coverage through their own employer, the spouse will be expected to enroll in the medical coverage available through their employer.

The Working Spouse Provision applies to spouses only. It does not change eligibility for dependent children or situations where both spouses are ASU System employees.

Why is the ASU System implementing a Working Spouse Provision?

The ASU System Health Plan is self-funded, meaning the System and its participating institutions ultimately fund the medical and prescription drug claims incurred by Plan members.

The cost of providing health coverage continues to increase. When a working spouse has access to employer-sponsored medical coverage through their own employer, utilizing that coverage allows the cost of the spouse's health care to be shared with their employer rather than being funded entirely through the ASU System Health Plan.

The Working Spouse Provision is a common provision among large employers and is one of several steps being taken to help manage costs and protect the long-term affordability and sustainability of the Plan.

If my spouse works, does that automatically mean they cannot be covered by the ASU System Health Plan?

No. The provision is based on whether your spouse has access to employer-sponsored medical coverage through their employment, not simply whether they are employed.

If your spouse does not have access to employer-sponsored medical coverage, the Working Spouse Provision will not affect their eligibility for the ASU System Health Plan.

What if my spouse's employer coverage is more expensive?

The Working Spouse Provision is based on whether the spouse has access to eligible employer-sponsored medical coverage rather than which employer offers the lower premium.

How will the Working Spouse Provision be administered?

Employees who wish to cover a spouse will be asked during Open Enrollment to provide information regarding whether their spouse is employed and has access to employer-sponsored medical coverage.

Additional instructions regarding this process will be provided as part of the Open Enrollment materials.

What happens if an employee provides inaccurate information on the Working Spouse attestation?

Employees are expected to provide complete and truthful information when completing the Working Spouse attestation. Attestations will be subject to random external verification.

Knowingly providing false or misleading information regarding a spouse's eligibility for coverage is a serious matter. Such misrepresentation will result in the removal of the spouse from the Health Plan and may result in the reversal of claims paid on the spouse's behalf. It may also result in disciplinary action, up to and including termination of employment, consistent with applicable institutional policies and procedures.

What if my spouse loses their employer-sponsored coverage during the year?

Loss of employer-sponsored health coverage may constitute a **qualifying life event** that allows an eligible spouse to enroll in the ASU System Health Plan outside of Open Enrollment.

Employees should contact their Benefits Coordinator or Human Resources Office promptly following a change in their spouse's coverage.

How will the ASU System verify whether my spouse has access to employer-sponsored coverage?

During Open Enrollment, employees seeking to cover a spouse under the ASU System Health Plan will be required to complete an attestation regarding whether their spouse is employed and has access to employer-sponsored medical coverage.

Employees will not be required to provide supporting documentation as part of the standard attestation process. However, attestations will be subject to random external review and verification.

Employees selected for review may be asked to provide documentation supporting the information provided in their attestation.

Employees are expected to provide complete and accurate information regarding their spouse's employment and access to employer-sponsored medical coverage.

Why will attestations be subject to random external review?

The purpose of the review process is to ensure that the Working Spouse Provision is administered consistently and fairly across the ASU System.

Using an external review process also provides an independent means of verifying eligibility while allowing most employees to complete the process through a straightforward attestation during Open Enrollment.

WHAT HAPPENS NEXT?

When do these changes take effect?

The CY2027 premium, plan design, and Working Spouse Provision changes will take effect Jan. 1, 2027.

Employees will receive additional information before Open Enrollment, including detailed premium rates, plan comparisons, information about the Working Spouse Provision, and enrollment instructions.

Who should I contact if I have questions?

Employees should contact their institution's Benefits Coordinator or Human Resources Office with questions regarding the CY2027 changes or their individual circumstances.

We recognize that health insurance is an important benefit for our employees and their families. Our goal throughout this process has been to balance the continued affordability of coverage for employees with the need to maintain a financially sustainable Health Plan for the future.