

# 2017 Benefits Review

November, 2016





- What's New in 2017?
- Who is NFP?
- Medical Insurance
  - Renewal
  - Blue Cross Blue Shield Value Adds
- HSA / Medical FSA
- Dental Renewal
- Life and Disability
- Vision Benefit **NEW**
- Legal and ID Theft **NEW**
- Action Items
- Questions

## Your Tools

- Benefit Guide
- Blue Cross Blue Shield help number
- Human Resources
- Handouts

## Terminology

- **Premium:** The amount that must be paid for your health insurance or plan. You and/or your employer usually pay it monthly, quarterly or yearly.
- **Deductible:** The amount you owe for health care services your health insurance or plan covers before your health insurance or plan begins to pay. For example, if your deductible is \$1,000, your plan won't pay anything until you've met your \$1,000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.
- **Co-Pay:** A fixed amount you pay for covered medical services at the time you receive the service (\$15 or so).
- **COINSURANCE:** A percentage of the bill the patient is responsible for once the deductible has been paid until the patient reaches their out of pocket maximum.



**The plane is going down, but at least we got the coffee maker working.**



## Our approach – Budget Advisory Committee & HR

- Introduction and motivation
- Pace ourselves
- Fairness and internal equity
- Being transparent in an attempt to build trust and understand where we stand with our benefits
- Lower premium costs & quality health care
- We can't make everyone happy, but will focus on as many people as we can
- Budget realities
- We want to position ourselves for self-funding

## Reasons why healthcare costs rise

### **New and emerging therapies are expensive and over utilized**

1. Technology – over abundance of MRI's, CT's etc.
2. Prescription drugs – brand vs. generic
3. Lack of awareness from providers – most medical providers are not aware of costs

### **Lifestyles are working against us**

4. Poor nutrition
5. Lack of exercise
6. Tobacco and Alcohol

### **There are many Hidden Costs patients don't see**

7. Lack of cost transparency – you never know what it will cost
8. Cost shifting – Private insurance vs. Medicare/Medicaid reimbursement
9. Defensive medicine – Fear of being sued

### **Delivery and Payment system is inefficient**

10. Quantity vs. Quality – providers paid on RVU's
11. Fragmented Care – only treating one thing at a time
12. Unnecessary treatments and facility duplications



- Medical Plan Year Effective Date Change – *Jan. 1, 2017*
- Gustavus HSA Contribution
- Dental Carrier Change – *Delta Dental*
- Voluntary Vision Offer – *EyeMed*
- Legal and ID Theft Plan – *Legal Shield*



Employee benefit consulting firm partnering with Gustavus Adolphus College to:

- Analyze and interpret benefit trends and market conditions
- Recommend products and services
- Provide employees with value added benefit programs
- Educate employees about benefit options
- Graduate of Gustavus!





## My observations

- We spend considerably more at Gustavus than at other organizations with considerably more employees
- I don't know any other organization with a HRA
- We need to have a more robust benefits package
- We need to work on the plan design to promote options our employees need
- We are only going to make progress if we work together. Given our small community, we have a great opportunity

## Under the Affordable Care Act (ACA): Many benefits are covered by all insurance

- Immunizations
- Annual physical exams
- Birth control (most plans)
- No limits to care
- No restrictions with preexisting conditions
- Preventative screenings (STI, cholesterol, pap smear, etc.)

**You have to do the research, know your policy, and ask questions!**

## How you can help control your costs

- Research care solutions (Julie's MRI example)
- Ask for pricing, in advance
- Determine if there are alternative treatments or generic prescriptions
- Consider if a HSA is right for you – Triple the tax benefits
  - Pre-tax contributions, tax free withdrawals, interest is tax free
  - Long-term financial security
  - Safety net for near term medical expenses
  - No limit on carryover contributions
- Talk to the Health Service Office about their services
- [www.doctorsondemand.com/bluecrossmn](http://www.doctorsondemand.com/bluecrossmn) = \$40

# Medical Renewal

## Blue Cross Blue Shield – Same coverage, different contract

- Our broker referred to this bid as “the most competitive bid they have seen in years”
- Savings of over \$325,000 in which a majority has been passed back to employees in premium savings
  - Some dollars were saved to fund what we were losing by switching contracts
- Over 70 preventative drugs covered under the new HSA

## How do I choose the right plan for me?

- Run different scenarios based on your individual health situation
- Talk to your physician about treatment options
- Evaluate expenses
- READ the information we've provided



<b>Aware Network</b>	
<b>Annual Deductible</b>	\$2,000 single / \$4,000 family (HRA \$500 single / \$1,000 family)
<b>Out-of-Pocket Maximum</b>	Medical: \$4,000 single / \$8,000 family Prescriptions: \$750 single / \$1,000 family
<b>Preventive Care</b>	100% coverage
<b>Office Visits / Urgent Care</b>	80% coverage after deductible
<b>Hospitalization</b>	80% coverage after deductible
<b>Prescription Drugs</b>	Generic: \$15 copay Preferred Brand: \$15 copay Non-preferred Brand: Not covered
<b>Emergency Room</b>	80% coverage after deductible



<b>Aware Network</b>	
<b>Annual Deductible</b>	\$5,000 single / \$10,000 family (HRA \$500 single / \$1,000 family)
<b>Out-of-Pocket Maximum</b>	Medical: \$6,000 single / \$12,000 family Prescriptions: \$750 single / \$1,000 family
<b>Preventive Care</b>	100% coverage
<b>Office Visits / Urgent Care</b>	80% coverage after deductible
<b>Hospitalization</b>	80% coverage after deductible
<b>Prescription Drugs</b>	Generic: \$15 copay Preferred Brand: \$15 copay Non-preferred Brand: Not covered
<b>Emergency Room</b>	80% coverage after deductible



## Aware Network

<b>Annual Deductible</b>	\$3,250 single / \$6,500 family
<b>Out-of-Pocket Maximum</b>	Medical & Prescriptions: \$3,250 single / \$6,500 family
<b>Preventive Care</b>	100% coverage
<b>Office Visits / Urgent Care</b>	100% coverage after deductible
<b>Hospitalization</b>	100% coverage after deductible
<b>Prescription Drugs</b>	Preventive: 100% coverage All Others: 100% coverage after deductible
<b>Emergency Room</b>	100% coverage after deductible

# 2017 Employee Contributions – Decreasing!



	Monthly Payroll Deductions								
	\$2000 HRA			\$5000 HRA			\$3250 HSA		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
<b>Employee</b>	\$126.40	156.00	\$126.40	\$36.85	\$61.00	\$36.85	\$15.95	\$38.00	\$15.95
<b>Employee + Spouse/Partner</b>	\$471.90	\$540.00	\$471.90	\$248.35	\$303.00	\$248.35	\$152.10	\$200.00	\$152.10
<b>Employee + Spouse/Partner &amp; Child</b>	\$558.50	\$639.00	\$558.50	\$323.10	\$389.00	\$323.10	\$457.25	\$535.00	\$457.25
<b>Employee + Child</b>	\$213.00	\$255.00	\$213.00	\$111.60	\$147.00	\$111.60	\$152.10	\$200.00	\$152.10
<b>Employee + 2 or more children</b>	\$342.90	\$403.50	\$342.90	\$223.70	\$276.00	\$223.70	\$457.25	\$535.00	\$457.25
<b>Family</b>	\$606.35	\$693.00	\$606.35	\$395.00	\$469.00	\$395.00	\$457.25	\$535.00	\$457.25



# HSA vs. Medical FSA

	<b>Health Savings Account</b>	<b>Medical Flexible Savings Account</b>
<b>Eligibility</b>	<b>\$3250-100% HSA participants</b>	<b>HRA participants (HSA participants may participate in a limited medical FSA)</b>
<b>Contribution Limit</b>	Single: \$3,400 Single + 1: \$6,750 Family: \$6,750	\$2,600
<b>Catch-up Contribution</b>	\$1,000 for 2017 if 55+	N/A
<b>Gustavus Contribution</b>	Single: \$500 Single + 1: \$1,000 Family: \$1,000	N/A
<b>Tax Advantages</b>	<ul style="list-style-type: none"><li>- Contributions are tax-free</li><li>- Withdrawals for eligible expenses are not taxed</li><li>- Investment earnings on balance are tax-free</li></ul>	<ul style="list-style-type: none"><li>- Contributions are tax-free</li><li>- Withdrawals for eligible expenses are not taxed</li></ul>

# Dental Renewal

- Carrier change from EBSO to Delta Dental of MN
- Largest regional provider of dental benefits
- Delta Dental networks include approx. 89% of all licensed practicing dentists in MN
- Waiting periods: None!



## Delta Network Options

Delta PPO	Delta Premier	Non-Participating
<ul style="list-style-type: none"> <li>✓ Smaller network</li> <li>✓ Significant discounts</li> <li>✓ No balance-billing</li> <li>✓ No paperwork</li> </ul>	<ul style="list-style-type: none"> <li>✓ Largest network nation-wide</li> <li>✓ Negotiated fees</li> <li>✓ No balance-billing</li> <li>✓ No paperwork</li> </ul>	<ul style="list-style-type: none"> <li>✓ No negotiated fees</li> <li>✓ Potential higher charge for services</li> <li>✓ Balance-billing</li> <li>✓ May be asked to submit your own claim</li> </ul>

# Summary of Dental Benefits



	<b>Delta Dental PPO</b>	<b>Delta Dental Premier</b>	<b>Out-of-Netw ork</b>
<b>Calendar Year Maximum</b>	\$1,000 per person		
<b>Calendar Year Deductible</b>	\$50 single; \$150 family		
<b>Preventive &amp; Diagnostic</b>	100%	100%	100%
<b>Basic Services</b>	100%	100%	100%
<b>Periodontics &amp; Endodontics</b>	80%	80%	80%
<b>Complex Oral Surgery</b>	50%	50%	50%
<b>Major Restorative</b>	50%	50%	50%
<b>Orthodontia</b>	50%	50%	50%
<b>Orthodontia Lifetime Maximum</b>	\$1,000/person (to age18)	\$1,000/person (to age18)	1,000/person (to age18)

*Please note: If you choose an out-of-network dentist you will pay 100% of the charges above the usual and customary cost*

# Dental Rates for 2017 – Decreasing!



## Employee Monthly Premiums

<b>Employee</b>	<b>\$6.40</b>
<b>Employee + 1</b>	<b>\$51.30</b>
<b>Family</b>	<b>\$64.95</b>



# Voluntary Vision Plan

Hi Gustavus!

We're EyeMed.



# Our only focus is vision care



- Providing vision care since 1988
- Serving more than 39 million members through 10,000 clients
- Fastest growing managed vision care company in the industry
- Largest, most diverse network



The biggest network and the most choice. Because more is more.

# Tools to make managing your plan a breeze.

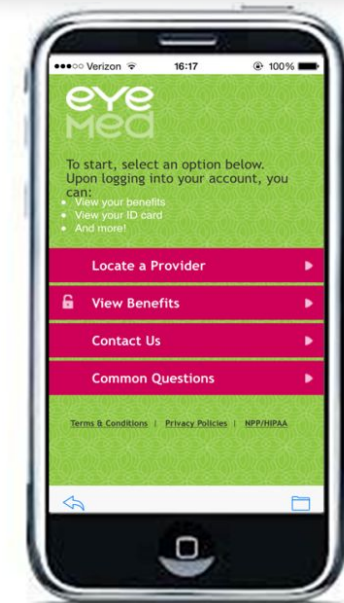
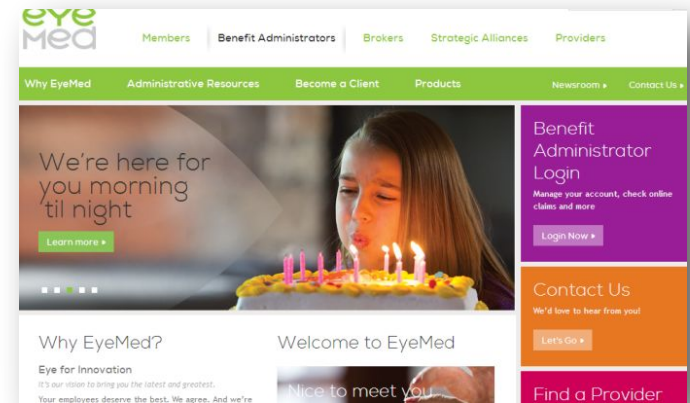
## EyeMed.com

- Print replacement ID cards for members
- View individual plan benefits and service eligibility
- Locate Provider on the Insight Network

## Members get fingertip access to:

- Provider locations and driving directions
- Benefits eligibility
- In-network benefit details
- ID card
- FAQs
- Help line
- Log into app, shake phone for ID Card!

Available today for iPhone users, Coming soon for Android users!



# 2017 Vision Plan – Voluntary with EyeMed



Service	In-Network	Out-of-Network
<b>Materials Copay</b>	\$25	N/A
<b>Eyeglass Lenses</b> <ul style="list-style-type: none"> <li>- <b>Single</b></li> <li>- <b>Bifocal</b></li> <li>- <b>Trifocal</b></li> <li>- <b>Progressive</b></li> </ul>	<ul style="list-style-type: none"> <li>100% after copay</li> <li>100% after copay</li> <li>100% after copay</li> <li>100% after copay (copays range from \$90 to \$135)</li> </ul>	Reimbursed: Up to \$30 Up to \$50 Up to \$70 Up to \$50
<b>Frames</b>	\$130 allowance (20% off balance over \$130)	Up to \$91
<b>Contact Lenses</b>	\$130 allowance (medically necessary covered in full with prior authorization)	Up to \$130 if elective or \$210 if medically necessary
<b>Frequency</b>	Lenses every 12 months Frames every 24 months	

<b>Tier</b>	<b>2017 Monthly Cost</b>
<b>Employee</b>	\$4.32
<b>Employee + Spouse</b>	\$8.20
<b>Employee + Children</b>	\$8.63
<b>Family</b>	\$12.69

Note: These rates are guaranteed through 12/31/2020.

# LegalShield Benefits Overview



## Services

Consulting	Unlimited
Research/Phone Calls/Letters	To 3 <sup>rd</sup> parties
Document Review	Up to 15 pages per matter
Will Preparation	Trusts, Living Wills & Health Care POA for employee and spouse
Representation	Moving traffic violations / IRS Audit / Lawsuit Defense / Identity Theft Defense
27 / 7 Access	To attorneys for emergencies
Covered	You, spouse (partner), children up to age 26 at home

# IDShield Benefits Overview



- ▶ ID Theft is the #1 crime in America and the fastest growing crime
- ▶ 82% of ID Theft doesn't show up on a credit report – monitoring is not enough
- ▶ On average it takes up to 600 hours & thousands of dollars to clear your name

Consulting	Unlimited with fraud investigators
Medical & Financial Restoration	Quarterly FICO score tracker
Monitoring	Passport, Name DOB, SSN, DL, Email, Address, Black Market Websites
Security Monitoring	Bank Accounts, Credit, Children, Credit Card Numbers (up to 5)
Restoration	Complete restoration with licensed investigators
27 / 7 Access	Live Member Support
Covered	You, spouse (partner), up to 8 minor children



# LegalShield & IDShield Rates



<b>Monthly Rates</b>	<b>LegalShield</b>	<b>IDShield</b>	<b>Combined</b>
<b>Employee</b>	\$16.95	\$8.97	\$25.91
<b>Family</b>	\$18.95	\$18.95	\$33.89

- Very little will carryover from the prior year so you need to enroll
- You don't have to come to the open enrollment meetings
- You must enroll by 11/17
  - No exceptions
- If you have questions, please reach out to HR now



# Questions?

GUSTAVUS 

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GUSTAVUS ADOLPHUS COLLEGE

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