

General

Why are significant changes to benefits being proposed?

Given the significant budget cuts that the University is currently working to manage, the Board of Regents has charged University Administration with looking at several areas—including benefits—where budgetary savings might be garnered. Reviewing the University’s annual expenditure for health care claims, along with the University’s annual expenditure for health insurance, the University was faced with significant cost increases if changes were not made. Working with the University’s consultant, Neace Lukens, we found that some changes could be made to plan offerings that would garner budgetary savings and still maintain a very attractive slate of health insurance plan offerings for employees.

In addition, as we have researched and compared EKU’s benefits with other Kentucky comprehensive universities, we found that EKU’s benefits were not well aligned and these changes will better align our benefits with the other Kentucky comprehensive universities.

Can I keep the same plan?

Yes, the Standard Plan which will be available as the “PPO 1000”; The Economy Plan which will be available as “PPO 2000”.

The High Plan will **NOT** be available in 2017.

A new Consumer Driven Health Plan (CDHP) that comes with a Health Savings Account (HSA) will be added.

How do I know which plan to choose?

We will have a team of advisors available all throughout the benefits expo and during the Open Enrollment Period to personally meet with you, and provide you with educational materials and resources. There will also be information and educational sessions about how to determine what you and your family spent on healthcare this past year to help you determine which plan best fits your health care needs for next year.

It is extremely important that employees make wise health insurance decisions and review their health care expenditures at <https://www.anthem.com/health-insurance/home/overview> .

Will the cost of my plan increase/change?

It depends on which health insurance plan you select.

Will my doctors/healthcare providers change?

No, our health insurance carrier will continue to be Anthem Blue Cross/Blue Shield. Anthem has a nation-wide network of healthcare providers.

Will prescription plans change?

The prescription plan is still administered by Express Scripts. The copay amounts for the PPO 1000 (formerly the ECU Standard Plan) and PPO 2000 (formerly the ECU Economy Plan) plans have not changed; however, the out-of-pocket maximum has increased because of the Affordable Care Act. For the CDHP/HSA, the employee will pay 100% of the prescription up to the out-of-pocket maximum.

How much are employee contributions increasing?

It is not a flat percentage across the board. The University contribution is changing to a fixed amount and the employee contribution will increase based on the plan selected, and the difference between the total premium and the University contribution.

What is a tobacco surcharge?

A tobacco surcharge is additional amount that is charged to the employee for health insurance because of tobacco use by the employee.

How is tobacco usage defined?

Tobacco use is defined by **any** use of tobacco (i.e., smoking, chewing, dipping snuff, etc.) within the last twelve (12) months from the start date of the new plan year, which is January 1, 2017.

How much is the tobacco surcharge?

\$40 per month

Does the University offer assistance with quitting tobacco?

Yes. The University offers a smoking cessation program. Once you complete the program, forward your certificate of completion to the Human Resources office and the tobacco surcharge will be removed.

What will I need to do to get the Healthy You at ECU incentive?

Employees who actively participate in the *Healthy You at ECU* wellness program and achieve established program criteria may receive a credit on their health insurance premium each quarter. Participation requirements can be viewed at wellness.ecu.edu.

Open Enrollment

When is open enrollment?

Open enrollment will launch online and will be available October 10 – 28, 2016.

For assistance with your enrollment, visit one of the Benefits Expos from 9:00 – 4:00 at these locations:

- October 11 & 12 – Perkins Quads
- October 24 & 25 – Keen Johnson Ballroom

Will open enrollment be mandatory this year?

Yes. Because of the proposed changes, all benefitted employees need to review the options and make the best selection based on their needs. If no health insurance selection is made, the employee will **NOT** be enrolled in health insurance.

Consumer Driven Health Plan/Health Savings Account

What is a Consumer Driven Health Plan (CDHP)?

A Consumer Driven Health Plan is a high deductible health plan that has lower premiums and higher deductibles than a traditional PPO health plan. Being covered by a CDHP is also a requirement for having the Health Savings Account (HSA).

The concept behind a Consumer Driven Health Plan is that covered individuals will shop to find the lowest cost services since they are paying 100% of the service up to the designated out-of-pocket maximum.

What is a Health Savings Account (HSA)?

A Health Savings Account is a savings account that is used to pay for qualified medical expenses. The account is available on a tax-free basis to individuals enrolled in high deductible health plans. HSA funds roll over and accumulate year-to-year if not spent. In addition, the HSA is owned by the individual and funds go with you if you separate from the University.

The employer and the employee can contribute to the HSA up to the annual limit for an individual or a family.

Who can have an HSA?

In order to have a Health Savings Account, you must be:

- Covered by a high deductible health plan;
- Not be covered under other health insurance;
- Not be enrolled in Medicare; and
- Not be eligible to be claimed as a dependent on another person's tax return

How is the HSA funded?

The University will be contributing \$600 effective January 1, 2017. Employees may add additional funds up to the combined maximum of \$3,400 for single coverage, and \$6,750 for family coverage. Employees 55 years and older may contribute an additional \$1,000 annually.

When are my HSA funds available?

The full ECU employer contribution will be available on January 1, 2017. Your employee contribution will accumulate with each pay period.

How do I access my HSA funds?

You will receive a "Benny" Master card from the HSA administrator, Chard Snyder. If you have had a medical reimbursement flexible spending account (FSA) for the 2016 plan year, you will not receive a new card unless your card has expired.

What are the tax benefits of an HSA?

There are three major tax advantages to your HSA.

- Cash contributions to an HSA are 100% deductible from your federal gross income, within legal limits;
- Interest on savings accumulates tax deferred;
- Withdrawals from the HSA for qualified medical expenses are free from federal income tax.

If I have HSA can I still participate in an FSA?

If you are enrolled in an HSA, you can also-participate in a Limited FSA. A limited FSA can be used for dental and vision expenses.

What is the difference between an HSA and an FSA?

With an HSA, the account grows as the employee and employer make contributions into the account with each pay period. HSA funds are available for spending as they are contributed. With an FSA, the total elected amount is available at the beginning of the plan year.

HSA funds roll over from year-to-year whereas FSA funds must be used within the plan year. Unspent FSA funds are forfeited at year end.

Can I rollover my old HSA to my new HSA?

Yes.

I'm on Medicare, can I have an HSA?

You are not eligible for an HSA after you have enrolled in Medicare. If you had an HSA before you enrolled in Medicare, you can keep it. However, you cannot continue to make contributions to an HSA after you enroll in Medicare.

I'm a single parent with HDHP coverage but have child/relative that can be claimed as a dependent for tax purposes, and this dependent also has non-HDHP coverage. Am I still eligible for an HSA?

Yes, you are still eligible for an HSA. Your dependent's non-HDHP coverage does not affect your eligibility, even if they are covered by your HDHP.