

Calvin Benefits Renewal 2010

What is changing in Benefit Plans for next year?

What do I need to know?

- No change in coverage
 - All services that were covered before are still covered and at the same rate
 - No change in co-pays
 - No change in prescription coverage
- Paper enrollment process
- Implementation of the Mental Health Parity Act
- Plan includes dependents until age 24
- Change to fiscal year plan (July-June)

Change to a fiscal year plan

- ❑ The college is transitioning benefit plans from calendar year plans to fiscal year plans (July–June).
- ❑ This will align the plans with the college budget year.

What is the impact of this?

- ❑ The college has negotiated premium share rates for 18 months (January 2010 – June 2011). This means that rates will increase in January 2010 and then not again until July 2011.
- ❑ Insurance companies view this 18 month period as 2 "*plan years*", which means that you can make changes to your health and dental coverage for January 2010 and for July 2010.
- ❑ It also means that you will need to enroll in flex spending for January 2010 and for July 2010.
- ❑ The college will have another open enrollment period in Spring 2010.

Update on the HMO/HRA

- ❑ 650 (95%) employees and their families are enrolled on this plan.
- ❑ The plan has a personal/family deductible of \$250/\$500 and then the college pays the next \$1750/\$3500 before Priority Health begins paying the costs.
- ❑ Due to a lower than expected utilization of deductible services the college payments have been less than anticipated.

Changing the HMO/HRA to a fiscal year plan

- ❑ The premium share will increase by 8% in January 2010 and then remain the same until July 2011.
 - 18 month rate
- ❑ Personal deductibles (\$250/\$500) will not be reset until July 2010.
 - The college will pay the personal deductible for the first 6 months of 2010 with HRA dollars collected in 2009.

HMO/HRA Employee Rates

	Annual 2009	Annual 2010-2011	Monthly 2009	Monthly 2010-2011
HMO/HRA Single	\$ 454.37	\$ 490.72	\$ 37.86	\$ 40.89
HMO/HRA Double	\$ 1,034.97	\$ 1,117.77	\$ 86.25	\$ 93.15
HMO/HRA Family	\$ 1,330.86	\$ 1,437.33	\$ 110.91	\$ 119.78

Update on the POS

- ❑ 37 (5%) employees and their families are enrolled on this plan.
- ❑ The plan has an in-network deductible of \$250/\$500 and an out-of-network deductible of \$500/\$1000.
- ❑ The plan has a maximum out of pocket for prescription costs of \$1000/\$2000.
- ❑ Data from Priority Health show that only 25% of the employees on the plan utilize these services to a level that saves them money under this plan, after accounting for the increased cost of the premium share.

Changing POS to a fiscal year plan

- ❑ The college will contribute the same amount toward a POS premium share as it does toward an HMO/HRA premium share.
- ❑ The premium share will increase by 16% in January 2010 and then remain unchanged until July 2011.
- ❑ All deductibles and maximums will be reset in January 2010 and again in July 2010.
 - *POS reset 2X in 18 months, HMO/HRA 1X in 18 months*

Changing POS to a fiscal year plan

- ❑ If you are on POS and want to know how your costs would be covered under the HMO/HRA plan, please contact Priority Health.
- ❑ Now is a great time to try the HMO/HRA plan since you can change back in July 2010 if you prefer.

POS Employee Rates

	Annual	Annual	Monthly	Monthly
	2009	2010-2011	2009	2010-2011
POS Single	\$ 1,119.33	\$ 1,300.81	\$ 93.28	\$ 108.40
POS Double	\$ 2,550.06	\$ 2,964.25	\$ 212.51	\$ 247.02
POS Family	\$ 3,278.67	\$ 3,910.12	\$ 273.22	\$ 325.84

Changing dental to a fiscal year plan

- ❑ Based on quotes from Delta Dental the premium shares will increase 8.8% (single) and 4.4% (double/family).
- ❑ Deductibles (\$25) and plan year maximums (\$1250 per person) will be reset in January 2010 and July 2010.
- ❑ Dental employee rates

	Annual 2009	Annual 2010-2011	Monthly 2009	Monthly 2010-2011
Dental Single	\$ 51.57	\$ 56.13	\$ 4.30	\$ 4.68
Dental Double	\$ 96.90	\$ 101.38	\$ 8.08	\$ 8.45
Dental Family	\$182.00	\$ 190.11	\$ 15.17	\$ 15.84

Changing flex spending to a fiscal year plan

- ❑ January 2010–June 2011 will be considered two “*plan years*” so you will need to enroll in flexible spending for January (*for 6 months*) and again for July (*for 12 months*).
- ❑ The health flex spending maximum will be \$5000 per enrollment period.
- ❑ The dependent care flex spending maximum will be \$2500 for the six month plan year and return to \$5000 for July 2010-June 2011.
- ❑ You will continue to have an extra 2.5 months (through September 15) to incur expenses under the 6 month plan year.

What's next?

- Open enrollment in health, dental, and flex spending for January 2010–June 2010 will begin next week.
- You will receive the forms in ICM and will need to complete and submit them by December 9, 2009.
- Next Spring there will be open enrollment in health, dental and flex spending for July 2010 – June 2011.

Questions?