



MONTANA UNIVERSITY SYSTEM
OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION
Benefits Department

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April 12, 2016

To: Montana University System Benefit Plan Members

From: Montana University System Employee Benefits

Subject: Spring Tour Schedule 2016 and Benefit Plan Information

Spring Tour 2016 is underway. We encourage you to plan to attend a benefits enrollment and education meeting on your campus during April 2016.

This year the Montana University System (MUS) is moving to an electronic format for the benefit booklet. You can find the booklet by going to www.mus.edu/choices and looking for the Active Employee Booklet. It will be online as of April 15, 2016.

In October 2015 our members received a communication from MUS Benefits outlining mid-year benefit changes and premium increases. We have continued to monitor our claims data and review cost-drivers for our plan and our members' coverage. In 2015 we saw that we had some very high cost claims as well as overall increases in the cost of services, particularly in hospital based claims.

Since that time, we have not continued to see the extremely high cost claims, i.e. those that exceed \$1M in cost. However, we have continued to see cost increases particularly for hospital inpatient and outpatient care. In particular, we have seen pharmacy as a significant cost driver in our population with specialty pharmacy costs increases at the forefront.

For the upcoming 2017 Plan Year, our Active employees will see medical rates increase in aggregate by 19.9%. At the same time, the employer contribution, or state share, will go from \$887 to \$1,054 per month or an 18.8% increase. This increase in employer contribution means that employees will see increases ranging from \$0 - \$50 per month depending on which plan you select and whether you cover dependents. Our actuary also reviewed the relative costs of dependents for those who cover children and adult dependents/spouses. The rate tiers were slightly undercharging for adult dependents/spouses and slightly overcharging for children. Rate bands have been adjusted to reflect the correct actuarial amounts.

The MUS Wellness Program is also adjusting incentives which will be paid in July 2017. Participants in the MUS Wellness Program are engaged from January 11 – December 25, 2016. Employees can achieve Levels 1-4 based on their participation in the program during the year and are eligible for certain incentives or awards at each level.

Level 1 (Scout) will receive either a FitBit activity monitor or an \$80 contribution to a Tax-Advantaged Account (TAA). The FitBit is received following qualification but the TAA contribution will be made in July

2017. Level 2 (Explorer) will receive a \$25 Amazon gift card. For Level 3 (Trailblazer), the incentive that will be available in July 2017 will be entry into a drawing for 10 awards of \$250 to be contributed to a Tax-Advantaged Account (TAA). Level 4 (Expedition Leader) awards will be a plaque and a hooded sweatshirt.

With respect to benefit changes, it appears that those implemented mid-year were effective in helping to impact utilization appropriately. Looking toward Plan Year 2017, the MUS will not be making significant changes beyond those implemented in December 2015. The most significant impact will be to Rehabilitation Services which will now expand to include Acupuncture and Chiropractic services within the combined annual visit limits. Please review the Active employee booklet for additional details.

If you have questions or need additional information, we encourage you to contact the MUS Employee Benefits office at 1-877- 501-1722 or email us at www.benefit@montana.edu.

Sincerely,



Connie Welsh,
Director of Benefits
Montana University System Employee Benefits