Spring Tour 2012

choices

Montana University System Employee Benefit Plan
Spring Tour 2012

ANNUAL BENEFIT ELECTION PERIOD
for benefit year beginning
July 1, 2012

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Agenda for Today

- Benefit Plan Basics
  1. Benefits 101
  2. That was then, this is now!
  3. The road ahead.....

- Benefit Changes and Your Decisions for FY2013

- Time Frames for Making Benefit Change Decisions
Benefit Plan Basics

Benefits 101

- MUS Employee Group Benefit plan provides medical, dental, and prescription drug benefits for 18,000 Montanans (including our 8,400 employees and retirees).

- We are not an insurer. We are an employer benefit plan. We combine our premiums in order to provide benefits for our employees, retirees, and their dependents (also called self-insurance).

- Historically our premiums are funded through a combination of employer contribution (also called “State Share”) and the amounts employees contribute to cover their dependents. Retirees must pay premiums to cover themselves and their dependents on the plan.

- During FY2013 our benefit plan is projected to spend $70 million to provide medical, dental, and prescription drug coverage to our members.
Benefit Plan Basics

That was then…..

- Last year we did not receive an increase in the State Share which reduced the available funding.

- We made a number of changes to our benefit plan during FY2012 to reduce expenses and close the gap between income and costs.

This is now!

- We were successful in closing the gap between our income and our expenses for FY2012!

- Our benefit plan is in a good position as we move into FY2013!
Benefit Plan Basics

The Road Ahead…..

- Health care costs are anticipated to continue increasing. For FY2013 we project the increase will be 9%.

- The Patient Protection and Affordable Care Act of 2010 (PPACA) will continue to phase in with significant changes coming in 2014 and 2018.

- The health care market in Montana is changing. New West Health Services is transforming into a company that provides Medicare Advantage Plans. The MUS currently offers a MAP plan to Medicare eligible retirees.

- New companies are entering the market in Montana and working with employer groups like MUS to offer services and choice to our members.
Challenges and Choices

- UNUM recently announced it was exiting the group long-term care business.
  - UNUM sells Disability, Life, and LTC coverage
  - UNUM halted sales of individual LTC coverage in 2009 but has continued to service the customers who were enrolled at that time.
  - Costs are greater due to increased longevity and investment returns are lower than anticipated in the LTC market
  - UNUM’s total LTC portfolio is about $1B
  - Existing groups who have LTC policies with UNUM will remain unchanged. The MUS plan with UNUM will continue to be offered as it has in the past.
  - MUS will monitor the status and financial health of UNUM and the group LTC product.

- The MUS currently uses the State Share to pay the full cost of covering employees and to subsidize a portion of the cost of retiree coverage and dependent coverage on the plan. The amount of subsidy and how it is to be allocated will continue to be reviewed and adjusted.
Benefit Changes and Your Decisions for FY2013

- Managed Care Plans
  - **NEW! PacificSource** will be a new managed care plan offering! They acquired a portion of the New West Health Services business.
  - Add Acupuncture and Naturopathic benefit (15 visits per year combined)
  - Add Bariatric Surgery benefit (must meet criteria – contact MUS benefits for information)
  - Add Travel benefits (requires Prior Authorization - previously was only available for transplants)

- All Plans
  - Provide breast pump to new moms enrolled in the WellBaby program
  - Generic oral contraceptives are covered at 100%

- Dental Plan
  - Updated fee schedule for diagnostic and preventive services (reduces out-of-pocket costs to you)
  - For the Premium Plan, most preventive and diagnostic codes no longer count toward the $1500 maximum benefit
Benefit Changes and Your Decisions for FY2013 (cont.)

- **Dependent Subsidy**
  - Reduce subsidy by 5%

- **Retiree Subsidy and Rate Tier Adjustment**
  - Set non-Medicare loss ratio to 150%
  - Set Medicare loss ratio to 100%
  - Reduce subsidy by 5%
  - Align Medicare and non-Medicare rate tiers (where one spouse is Medicare eligible) to be the same regardless of which spouse is the contract holder

- **NEW! Adoption Assistance Flexible Spending Account**

- **QCC Oncology Program ends June 30, 2012**
  (contact MUS Benefits for more information)
Benefit Changes and Your Decisions for FY2013

RATES AND FEES

- ACTIVE EMPLOYEES
  - 0% Average Rate Increase!

- NON-MEDICARE RETIREES
  - 0% Average Rate Increase!
  - Non-Medicare retirees with a Medicare spouse will see a reduction in rates. These rates are adjusted to be the same as the similar Medicare rate tiers irrespective of the status of the contract holder.

- MEDICARE RETIREES
  - 0% Average Rate Increase!
  - Medicare retirees with a non-Medicare spouse will see an increase in rates. These rates are adjusted to be the same as the similar non-Medicare rate tiers irrespective of the status of the contract holder.

NOTE! For active employees and retirees, depending on which medical plan you select and whether you cover dependents, you may pay more or pay less than your current rates.
Benefit Changes and Your Decisions for FY2013

RATES AND FEES (cont.)

- Medicare Advantage Plan (MUS MAP)
  - Rate is unchanged through June 30, 2013!

- Dental
  - No Change in Rates!
  - Diagnostic and preventative services no longer count toward $1500 maximum benefit on the Premium Plan
  - Updated fee schedule

- Vision Plan
  - 11.5% Average Rate Reduction!
  - Benefits are unchanged

- Flex Administration Fee
  - $2.50 per month beginning July 1, 2012
  - You only pay one administrative fee per month regardless of how many flexible spending accounts you may use (Medical, Dependent Care, or Adoption Assistance)
Health Plans and Networks

To receive your best benefits,
**STAY IN-NETWORK**
with your health plan


**Blue Cross and Blue Shield** 1-800-820-1674, [www.bcbsmt.com](http://www.bcbsmt.com)


**MUS MAP** 1-888-873-8049, [www.newwesthealth.com](http://www.newwesthealth.com)

**NOTE:** Peak Health Plan will not be offered in FY2013
Wellness Updates

- WellHeart
- WellWeight
- Take Control – Diabetes Program
  Go to: takecontrolmt@gmail.com
- Tobacco Cessation
- WellBaby

For more information go to: www.mus.edu/choices
Wellness Updates

- Employee Assistance Program - TLC

- Ask an Expert

For more information go to: www.montana.edu/wellness

- NEW Lab Vendor It Starts With Me
go to: www.itstartswithme.com or see Wellness/Benefits newsletter for more information.
Retiree Updates

- Please review your medical plan choices carefully
  1. Review Managed Care Plan choices carefully
  2. If you are a Medicare eligible retiree, consider whether the MUS Medicare Advantage Plan (MUS MAP) offered through New West Health Services may be an option for you.

- Look for the retiree information and updates that will be mailed to your home and/or attend a campus presentation

- Contact your Campus benefit staff or the MUS Employee Benefits Office if you have questions – we are happy to help!

- All forms for any changes must be received by the date specified by your campus and submitted to the appropriate address noted on your enrollment form.

- If NO CHANGES are desired, you don’t need to do anything!
Changes to CHOICES

- Please watch for campus mailings/information regarding key dates benefit changes must be submitted by.

- **BE SURE TO SUBMIT YOUR CHANGES ON/OR BEFORE THE DATE SPECIFIED BY YOUR CAMPUS!**

- Reminder - Closed enrollment for FY2013 (qualifying event required to add dependents)

- If you do not submit any changes, then:
  1. Current enrollees will stay in the current year’s medical plan
  2. New West enrollees will be enrolled in PacificSource
  3. Peak enrollees will be enrolled in BCBS

- **FLEX PLAN ENROLLMENT**
  1. You must re-enroll in Flex each year and specify the dollars you wish to go into your account
  2. Remember that Flex is **USE IT OR LOSE IT**
  3. Beginning July 1, 2012 there will be a $2.50 monthly admin fee for having one or more flex accounts.
QUESTIONS?

Thank you for your time!