

**2018 HEALTH CARE INSURANCE
GAA 3RD CIRCUIT COURT CHAPTER
MEMBERSHIP MEETING
September 20, 2017**

Overview

- The High Deductible Plan will begin for 3rd Circuit Court Chapter members January 1, 2018.
- Wayne County open enrollment is scheduled for October 10, 2017 through November 5, 2017
- The opt-out stipend program at 3rd Circuit Court for health insurance is discontinued. The cost of health care is so high for employees, the County no longer needs to offer an incentive for employees to opt-out.
- As of January 1, 2018, the employer shall make a 2% contribution for all members with twenty or less years of seniority as of that date, and who are otherwise not eligible for the MacDonald health care stipend, toward the Employee Retirement Healthcare Benefit Trust. Employees shall also make a 2% contribution to the Trust. The Trust can be utilized to purchase post retirement health care.

Medical Insurance

- The County will offer three health care plans. Simply Blue, Blue Care Network HMO and Blue Care Network PCP Focus HMO.
- All three plans are High Deductible Blue Cross plans with a similar plan design. The HMOs require that you select a primary care physician who will direct your health care. The PCP HMO provides a limited network of physicians and slightly different prescription copays and coinsurance.
- Simply Blue is a PPO. This plan allows members to see doctors outside of the network, but at significantly higher deductibles and coinsurance rates. The HMO plans have no out of network coverage. You should verify that your doctor is in the network.

Definitions

- Premium is the cost of the health insurance policy.
- Employee Premium Share – The cost of the premium for which the employee is responsible. Under the CBA, the employee premium share is 25% of the total premium.
- Copay – The fixed amount paid by the employee in addition to that made by the insurance company such as the \$10 copay for generic prescriptions.
- Coinsurance – The percentage of the cost for health services or prescription drugs paid by a member after they have reached their deductible.

- Deductible – The amount of money that the employee must pay before the insurance company will begin to pay claims.
- Out of Pocket Maximum (OOPM) - is the most an employee will have to pay during a policy year for health care services. OOPM limits the amount of coinsurance an employee will pay.
- True Out of Pocket Maximum (TROOP) is an Affordable Care Act disclosure. It is the most you will pay toward health care services before insurance coverage is 100%. This amount includes copays, coinsurance and deductibles.

Wayne County High Deductible Plan Design

- Deductibles are \$1,300 for single coverage and \$2,600 for family (2 or more) in network. Out of network deductibles are \$2,600 for single coverage and \$5,200 for family (2 or more). The deductible includes prescription drugs.
- For family plans, the entire deductible of \$2,600 must be paid before Blue Cross starts paying for services. It does not matter if it is one family member's medical expenses or multiple family member's expenses that meet the \$2,600.
- After the employee meets the deductible, insurance will begin paying claims at 80%. Employees are responsible for paying 20% coinsurance in network up to the Out of Pocket Maximum. If the employee goes out of network, coinsurance is 60%/40%.
- Out of Pocket Maximums are \$1,000 for a single person or \$2,000 for a family (2 or more) in network and \$2,000 single and \$4,000 for family (2 or more) out of network. This is the amount of coinsurance that an employee must pay after the deductible is met before insurance coverage is 100%.

- The most an employee will pay out of pocket for covered medical expenses is \$2,300 for single contracts and \$4,600 for family contract.
- Preventative care is covered at 100%. (Note: If you have a chronic condition, make sure your doctor's office knows when you are coming in for your annual exam so you are not charged for the visit.)
- Under the Simply Blue Plan, PPO only, the first \$500 worth of preventative drugs in their formulary is covered at 100%. (See attached formulary.)

Example

- An employee with the Simply Blue PPO family plan goes to the doctor for back pain and the bill is \$200. The doctor prescribes the employee \$300 in prescription medication. The employee is responsible for paying \$500 which will be applied to the deductible.
- The employee's wife then goes to the doctor for her annual wellness exam. The visit is covered at 100% because it is preventative.
- The employee returns to his doctor and the doctor orders an MRI. The doctor's visit is \$200 and the MRI is \$3,000 for a total of \$3,200. The employee must pay an additional \$2,100 out of pocket to meet his deductible. After the deductible of \$2,600 is met, there is a balance of \$900. The employee is responsible for 20% or \$180, Blue Cross's portion is \$720.

Employee Dr. Visit + RX	Deductible	\$500
Wife annual exam		\$0
Dr. Visit + MRI (\$3200)	Deductible	\$2100
	Coinsurance	\$180
Surgery (\$20000)	Coinsurance	\$1820
Employee TROOP		\$4600
Less Annual Bonus		\$1300
Employee Cost		\$3300

- The employee's son needs surgery. The cost is \$20,000. 20% would be \$4,000; however, the out of pocket maximum is \$2,000 of which the employee has already paid \$180. The employee would pay \$1,820 in coinsurance for the surgery. Blue Cross will pay \$18,180.
- Blue Cross will pay all claims from this point forward at 100%.
- Make sure to submit your insurance card for all medical expenses even though you know you will be paying out of pocket so that Blue Cross will have an accurate account of your deductible and coinsurance payments.

Health Savings Account

- All Wayne County plans are high deductible plans and qualify for a Health Savings Account HSA.
- High deductible plans are defined by the IRS as plans with a minimum deductible of \$1,300 for single and \$2,600 for family coverage. The IRS periodically adjusts the minimum deductible of the high deductible plans. Wayne County will raise the deductible of its plans to comply with the minimum deductible required by the IRS for a high deductible plan.
- Effective January 1, 2018, employees will receive annual bonuses in the amount of \$650 for employees with single-person health care contracts, \$1,000 for two person and \$1,300 for family. Employees can have this money deposited pre-tax into their HSA account or payable as a bonus in their paycheck. During open enrollment, the County should have a form designating the deposit of the annual increase into the HSA. Keep a copy of this form for your records until the deposit is made into your HSA.
- Employees can also designate money to be deducted from their paychecks to be contributed to their HSA. The amount designated can be changed from pay to pay or stopped at any time.

- HSA contributions are tax deductible. You can contribute through payroll deduction or directly to your account.
- 2018 HSA contribution limits are \$3,450 for single and \$6,900 for family (2 or more).
- Employees cannot contribute to an HSA if they are eligible for coverage in a non-high deductible health care plan. If an employee has coverage through their spouse and it is not a high deductible plan, they cannot contribute to an HSA. Medicare counts as a non-high deductible plan. If an employee qualifies for Medicare, they cannot contribute to an HSA.
- Employees with an HSA will be issued a debit/credit card and can use the card to pay for medical services and prescriptions subject to deductibles, copays, and coinsurance. You may want to wait to pay for services until the claim is processed so that you can ensure that the appropriate Blue Cross Discount was applied. The HSA can also be used to pay for dental and vision services.
- If an employee pays for a medical service out of pocket, they can reimburse themselves from their HSA account. Keep the receipt in case you are audited.

- Money in an employee's HSA rolls over from year to year and earns interest depending on the investment options an employee chooses. The money grows tax free and if an employee leaves the Court, their money goes with them. While employees can only contribute to their HSA if they are in a High Deductible Health Care Plan, they can continue to use their HSA money on qualified medical, dental and vision expenses as well as COBRA payments, Health Insurance Premiums if they are receiving unemployment compensation, and Medicare Part A or B premiums.
- Employees cannot have both an HSA and regular Flexible Spending Account (FSA). Wayne County offers a Limited Purpose Flexible Spending Account which is compatible with the HSA and provides reimbursement for out of pocket vision and dental expenses.
- There is a tax penalty of 20% plus applicable income tax for HSA funds used for non-qualifying medical expenses.
- Once an employee turns 65, they can continue to use the money tax free for qualified medical expenses or for any reason with applicable income tax.

Dental Coverage

- Wayne County is no longer required to offer Dental Coverage under the CBA through a specific carrier.
- Employees may select coverage to be offered by several providers. However, the County will only fund up to the cost of a specified DHMO or \$20.00 per month. Additional costs will be paid by the employee.
- Presently, the County offers the Dental EPO Plan and the Golden Dental Smile Guard Plan at zero cost. Delta Dental PPO and the Golden Dental Radiant Plan are offered at an upcharge to the employee.

Vision Coverage

- Vision is provided through Heritage Optical.
- Routine eye exams are covered with a \$10 copay if the employee is also enrolled in Heritage Vision Plan.
- Eyeglasses and contacts are provided through Heritage Optical.
- Policy benefits are renewed every two years.