



2020 Open Enrollment and Benefits Updates

October 16, 2019

Agenda

- Benefits Review
- Health Care Evolution
- 2020 Health Care Renewal
- Annual Enrollment Resources
- Active Open Enrollment

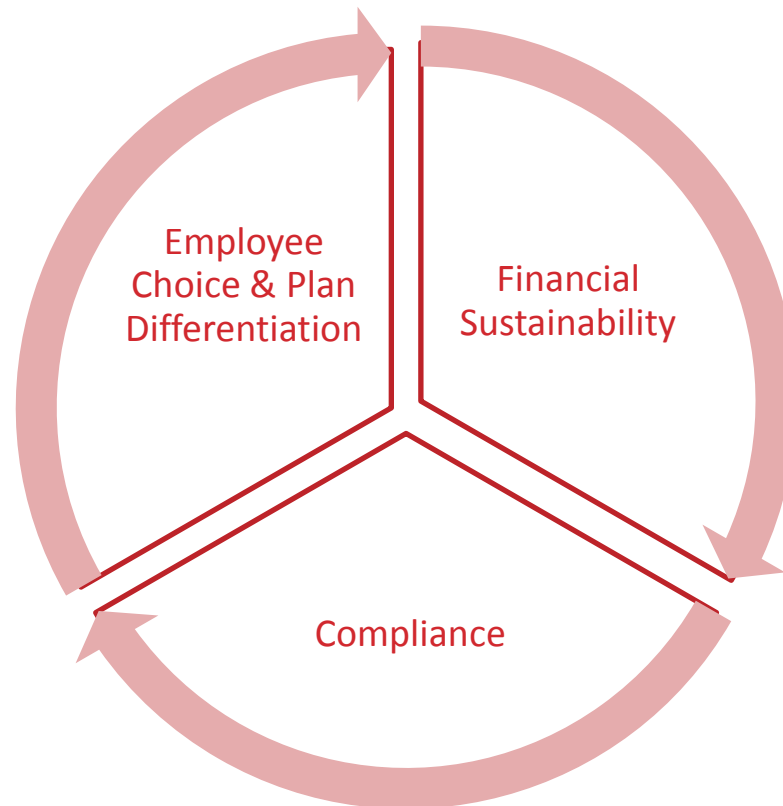
Benefits Review

Overarching Goals:

- Provide employee benefits designed to support and ensure our community's health, wellbeing, and financial sustainability
- Strategically prepare for anticipated changes in the evolving benefits landscape
- Maintain compliance consistent with the regulatory environment

Benefits Review

The College provides competitive and comprehensive benefits to employees, designed with these objectives in mind



Benefits Review

The Review Process

- Analyzed current health plan offerings using national and peer data (Sources: CUPA-HR and NFP Benefits Consultants)
- Analyzed various plan offerings and plan design changes
- Considered potential program enhancements
 - Embedded HDHP deductible
 - HDHP deductible waived for preventive medications for chronic diseases (ie Asthma, Diabetes, Osteoporosis)

Health Care Evolution

- Health care costs and the complexity of health care continues to increase
 - Delivery of care (changes in technology, aging population, high utilization)
- Regulatory Environment
 - Federal and State regulations
 - Affordable Care Act remains uncertain
 - Enhanced benefits (preventive covered at 100%; no pre-existing conditions; coverage for dependents to age 26)



2020 Plan Changes

- Implementing modest increases to payroll contributions for the HMO Employee Only and Employee + 1 Child coverage tiers:
 - Employee Only = \$30 / month
 - Employee + Child = \$48 / month
- Freezing enrollment into the POS plan; this plan will sunset at the end of the 2020 plan year; current participants can remain in the plan through 2020
 - POS & HMO in-network benefits are redundant
 - PPO & HDHPs includes national BlueCard network and BlueCard Worldwide (international), providing broader network access as compared to the POS Keystone Health Plan East service area
- No plan design changes for the HMO, POS or PPO plans

2020 Plan Changes

- Introducing Basic HDHP with no payroll cost for full-time employees for 2020
 - \$3,000 / \$6,000 embedded deductible; 10% coinsurance
- Changing the current HDHP
 - Modest payroll contributions for this higher value HDHP
 - Increase generic and brand formulary prescription copays (\$5 increase to each)
- Adding a Preventive Drug Rider to both HDHPs
 - Waives the deductible for a list of medications used to treat chronic diseases: asthma, COPD, diabetes, high blood pressure, high cholesterol, mental/emotional disorders, osteoporosis, pre-natal vitamins

High Deductible Health Plan Comparison

<u><i>In-Network Benefits</i></u>	<u><i>Basic HDHP</i></u>	<u><i>HDHP</i></u>
Deductible	\$3,000 /\$6,000 <i>Embedded</i>	\$2,000 /\$4,000 <i>Aggregate</i>
Plan Coinsurance	90%	100%
Out-of-Pocket Maximum (includes deductible)	\$5,600/\$11,200 <i>Embedded</i>	\$5,600/\$11,200 <i>Embedded</i>
Preventive Care	Covered 100%	Covered 100%
Physician Services	90% after deductible	100% after deductible
Emergency Room	90% after deductible	100% after deductible
Outpatient Surgery	90% after deductible	100% after deductible
Inpatient Hospital	90% after deductible	100% after deductible
Telemedicine	90% after deductible	100% after deductible
Prescription Drugs	\$10/\$25/\$45 after deductible	\$10/\$25/\$45 after deductible

**Both HDHPs' deductible and out-of-pocket maximums are combined for in and out-of-network services; both plans cover eligible out-of-network services at 80% after the deductible*

2020 Plan Changes

- The new Basic HDHP includes coinsurance
 - Coinsurance is a share of the costs of covered services, calculated as a percentage of the allowed amount
 - Applies after the deductible is satisfied; you share the cost of services with the plan
 - Example:

Allowed Amount for service:	\$200
Plan covers 90% (plan coinsurance):	\$180
Member pays 10% (member coinsurance):	\$ 20
- The coinsurance you pay, along with the deductible and copays, accumulates towards the plan's out-of-pocket maximum

Basic HDHP – Coinsurance Examples

	MRI	Pregnancy ¹	Knee Replacement ²
Allowed Amount	\$1,142	\$18,329	\$30,564
Annual Deductible	Previously satisfied	\$3,000	\$3,000
Plan Coinsurance 90%	\$1,028	\$13,796	\$24,964
Member Coinsurance 10%	\$114	\$1,533	\$2,600
Employer HSA Deposit		\$1,000	\$1,000
Member Responsibility	\$114	\$3,533	\$4,600

1. Illustrative pregnancy related expenses include obstetrician fees for pre-natal care and a normal delivery plus hospital expenses for a two day inpatient stay post-delivery.
2. Illustrative expenses for knee replacement surgery include the cost of the procedure plus ancillary costs pre and post-surgery. In this example, the Member Responsibility is capped at the plan's \$5,600 individual annual out-of-pocket maximum.

Total Cost Illustration – Single Coverage

	<u>Basic HDHP</u>	<u>HDHP</u>	<u>HMO</u>	<u>POS</u>	<u>PPO</u>
Low Claims Utilization					
Annual Payroll Cost	\$0	\$120	\$360	\$796	\$2,264
Out of Pocket Cost	\$790	\$790	\$315	\$325	\$335
Employer HSA Deposit	\$1,000	\$1,000	N/A	N/A	N/A
Total Cost to You	\$0	\$120	\$675	\$1,121	\$2,599
Moderate Claims Utilization					
Annual Paycheck Cost	\$0	\$120	\$360	\$796	\$2,264
Out of Pocket Cost	\$3,179	\$2,180	\$860	\$900	\$930
Employer HSA Deposit	\$1,000	\$1,000	N/A	N/A	N/A
Total Cost to You	\$2,179	\$1,300	\$1,220	\$1,696	\$3,194
Heavy Claims Utilization					
Annual Payroll Cost	\$0	\$120	\$360	\$796	\$2,264
Out of Pocket Cost	\$5,600	\$2,420	\$1,000	\$1,000	\$1,500
Employer HSA Deposit	\$1,000	\$1,000	N/A	N/A	N/A
Total Cost to You	\$4,600	\$1,540	\$1,360	\$1,796	\$3,764

*Out-of-Pocket costs assume claims are in-network and include deductibles, coinsurance and copays. Your costs for services under the HDHPs are reduced by Swarthmore's contribution to your HSA.

Total Cost Illustration – Family Coverage

	<u>Basic HDHP</u>	<u>HDHP</u>	<u>HMO</u>	<u>POS</u>	<u>PPO</u>
Low Claims Utilization					
Annual Payroll Cost	\$0	\$1,200	\$5,705	\$7,160	\$9,180
Out of Pocket Cost	\$955	\$955	\$360	\$375	\$390
Employer HSA Deposit	\$2,000	\$2,000	N/A	N/A	N/A
Total Cost to You	\$0	\$1,200	\$6,065	\$7,535	\$9,570
Moderate Claims Utilization					
Annual Payroll Cost	\$0	\$1,200	\$5,705	\$7,160	\$9,180
Out of Pocket Cost	\$3,644	\$4,000	\$1,010	\$1,055	\$1,090
Employer HSA Deposit	\$2,000	\$2,000	N/A	N/A	N/A
Total Cost to You	\$1,644	\$3,200	\$6,715	\$8,215	\$10,270
Heavy Claims Utilization					
Annual Payroll Cost	\$0	\$1,200	\$5,705	\$7,160	\$9,180
Out of Pocket Cost	\$8,803	\$4,565	\$1,615	\$1,675	\$2,210
Employer HSA Deposit	\$2,000	\$2,000	N/A	N/A	N/A
Total Cost to You	\$6,803	\$3,765	\$7,320	\$8,835	\$11,390

*Out-of-Pocket costs assume claims are in-network and include deductibles, coinsurance and copays. Your costs for services under the HDHPs are reduced by Swarthmore's contribution to your HSA.

Mental Health Benefits & Resources

- Mental Health Parity Act (1996) requires insurance plans to provide equal coverage of mental health conditions and substance abuse disorders as compared to any other medical condition
- Independence plan particulars:
 - Magellan Behavioral Health national network (includes Tele-Behavioral Health providers)
 - No PCP referrals required (including HMO & POS)
 - Pre-certification required for inpatient care & certain outpatient facility services (same as any other condition)
- Added services from Carebridge EAP – no fees
 - Up to 7 face-to-face sessions per year
 - Unlimited telephonic consultations

Annual Enrollment Resources

- For education on the new Basic HDHP plan, assistance with comparing options, provider network questions, general benefits education, etc.:
 - NFP's Benefits Support Team: 1-877-410-2011 or SwarthmoreBenefits@nfp.com
 - Health Advocate: 1-866-695-8622 or answers@HealthAdvocate.com



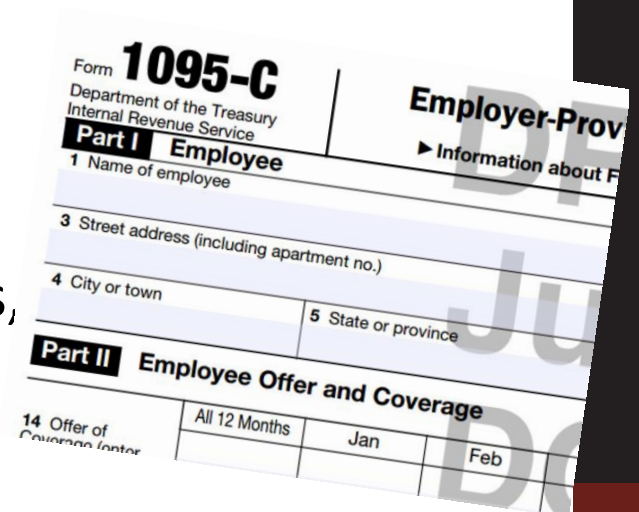
Benefitfocus Enrollment System

- Benefitfocus will be used for the upcoming Annual Open Enrollment again this year
- Self-service benefits enrollment
 - Provides plan details and payroll costs
 - Educational resources and tools to track costs
- Access Benefitfocus directly from mySwarthmore, beginning on October 21 (located in “Employee Main Menu”)

BENEFITFOCUS

Annual Enrollment

- 2020 Annual Open Enrollment will be active, **requiring all employees to make an active election**
- The active enrollment process will include verification of dependent data to ensure compliance with IRS reporting requirements
 - The Affordable Care Act (ACA) requires the College to issue an IRS Form 1095-C to each covered employee annually
 - 1095-C includes covered dependents, Social Security numbers, months of coverage, etc.



Form **1095-C**
Department of the Treasury
Internal Revenue Service

Part I Employee

1 Name of employee

3 Street address (including apartment no.)

4 City or town

5 State or province

Part II Employee Offer and Coverage

14 Offer of Coverage (enter

	All 12 Months	Jan	Feb

What do you need to do?

- **ACTIVE Annual Open Enrollment; all employees are required to participate**
- Review and update your benefits by logging into Benefitfocus from mySwarthmore
- Flexible Spending Accounts (Health Care and Limited Purpose), Dependent Care Spending Accounts and Health Savings Accounts all must be re-elected for 2020 – you current year elections will not roll forward

What do you need to do?

- HDHP/HSA information sessions will be held during the open enrollment period to further explain navigating a High Deductible Health Plan and Health Savings Account
- Technical Assistance sessions will be held in Trotter 201 during the open enrollment period to assist in completing the actual enrollment process
- If you have any questions, please contact the Human Resources office
- **Deadline is Friday, November 8!**





QUESTIONS?