

# **November 13 and 14 Insurance Meetings**

**CEC Staff, Unified Group, Josh Estelle**

# Purpose of Today's Meeting

- Provide a brief background
- Provide impact of change thus far
- Answer questions
- Address concerns

# Brief Background

- Rising Cost of Health Benefits
- Total cost for 2018/19 \$6,372,264 with \$4.3 million in claims alone
- **Last year, 43% of NC Health Insurance Claims were from spouses**
- **From 2015 to 2018, actual dollars per student spent on NC Health Benefits increased by \$731**
- For the past two years, health insurance claims and health related expenses have been approximately 1M above expected costs
  - FY 2015 \$4,580,319
  - FY 2016 \$5,646,087
  - FY 2017 \$5,293,388
  - **FY 2018 \$6,436,593**
  - **FY 2019 \$6,372,264**

# HEA 1260

- HEA 1260 states that the Corporation's plan may not exceed the state plan health insurance costs by more than 12%
- Without an Insurance Plan change, NC would have been between 19% to 22% over the states costs, causing us to be out of compliance and eventually moved onto the state's plan.

# The following meetings took place to discuss insurance plan solutions and changes

December 13 Insurance Committee Mtg with 6-10 Teachers/NonCertified Staff

February 14 Insurance Committee Mtg with 6-10 Teachers/Noncertified Staff

March 19 Insurance Committee Mtg with 6-10 Teachers/NonCertified Staff

April 11 Insurance Committee Mtg with 6-10 Teachers/NonCertified Staff

May 23 Insurance Committee Mtg with 6-10 Teachers/NonCertified Staff

June 20 Insurance Committee Mtg with 6-10 Teachers/NonCertified Staff

June 26 Insurance Committee Mtg with 6-10 Teachers/NonCertified Staff

August 1 Insurance Proposal Mtg open to all Teachers (Spouses attended as well)

August 5 Insurance Proposal Mtg open to all Teachers (Spouses attended as well)

August 7 Insurance Proposal Mtg open to all Teachers

August 13 Morning Insurance Proposal Mtg to explain changes to NonCertified Staff

August 14 Afternoon Insurance Proposal Mtg to explain changes to NonCertified Staff

August 13 All staff meet with Josh, Unified and Advantus

August 14 Insurance Proposal Mtg to explain changes to NonCertified Staff

August 14 All staff meet with Josh, Unified and Advantus

August 15 All staff meet with Josh, Unified and Advantus

**November 13 Meet with Josh, Unified, and CEC Staff**

**November 14 Meet with Josh, Unified, and CEC Staff**

# Impact

- Approximately 250 individuals less now on corporation insurance with approximately 100 less spouses
- Premium savings combined with staff reductions resulted in \$3,000 Teacher base pay increases with additional stipends for certified and noncertified staff (stipend amounts varied)
- With the reduction of individuals on the group plan compared to last year, we are hopeful that medical and prescription claims are reduced significantly

		Single Plan Corporation Contribution	Deductible	Family Plan Corporation Contribution	Deductible
	New Castle	7,084	2,700	15,758	5,300
	Greenfield Ctrl.	3,847	2,500	8,958	5,000
		3,237		6,800	
		\$124 per pay difference		\$261 per pay difference	
	New Castle: Salary plus health benefit of lowest paid teacher on a Single Plan	Greenfield: Salary plus health benefit of lowest paid teacher on a Single Plan	New Castle: Salary plus health benefit of lowest paid teacher on a Family Plan	Greenfield: Salary plus health benefit of lowest paid teacher on a Family Plan	
Salary	38,000	38,633	38,000	38,633	
Health Benefit	7,084	3,847	15,758	8,958	
Dental	0	400	0	400	
Total Value	45,084	42,880	53,758	47,991	
Difference	2,204		5,767		

	New Castle Salary plus health benefit of highest paid teacher on a Single Plan	Greenfield: Salary plus health benefit of highest paid teacher on a Single Plan	New Castle: Salary plus health benefit of highest paid teacher on a Family Plan	Greenfield: Salary plus health benefit of highest paid teacher on a Family Plan
Salary	66,282	67,859	66,282	67,859
Health Benefit	7,084	3,847	15,758	8,958
Dental	0	400	0	400
Total Value	73,366	72,106	82,040	77,217
Difference	1,260		4,823	

## Q & A:

Q: Advice if I have a VEBA and an HSA and I want to contribute the max or close to the max in my HSA.

A: Total combined employee and employer HSA contributions cannot exceed the annual limit set by the IRS. The annual limit on HSA contributions for CY 2019 is \$3500 for single and \$7000 for family coverage. CY 2020 the limit increases to \$3550 for single and \$7100 for family coverage. \*Anyone 55 or older can contribute an additional \$1000 annually in catch-up contributions.

Example: Employee enrolled in single HDHP 9/1/19 and opened HSA. Employer contributed \$1000 to the plan in October 2019, and the employee elected for their employer VEBA contributions to be converted to an HSA contribution, which totals \$40 per month. The employee can only contribute an additional \$2340 to an HSA for calendar year 2019.  $\$3500 - \$1000 - \$160 = \$2340$

## Q & A:

Q: How can I find the balance of my Health Savings Account (HSA) or request a new HSA card?

A: HSA contributions, disbursements and balance information can be accessed and cards can be requested at <https://americanfidelity.com/claims/claim-forms/> after registering your account. **American Fidelity 1-800-662-1113**

Q: Can I spend my HSA funds on a spouse or dependent not on my plan?

A: An HSA can be used to pay for qualified medical expenses for yourself, a spouse, and your dependents, even if they are covered by other insurance.

## Q & A:

Q: Why are HSA payroll deductions not posting to my account the day of payroll.

A: HSA payroll deductions are mailed to American Fidelity the day of payroll and it takes between 5-10 business days for the payment to be processed.

Q: Can I change my HSA contributions at any time?

A: Yes, a form is available at CEC and will also be posted on the corporation website under Departments - Human Resources.

## Q & A:

Q: Where can I find a list of HSA eligible expenses.

A: The IRS determines which expenses are eligible for reimbursement. Eligible expenses include health plan copayments, dental work and orthodontia, eyeglasses and contact lenses, and prescriptions. A complete list can be found at <https://americanfidelity.com/claims/fsa-hsa-eligibility-list>.

Q: Can funds from my Health Savings Account (HSA) be used to pay insurance premiums in the future?

A: No, according to the IRS, funds from your HSA may not be used to pay insurance premiums. Exceptions would be COBRA payments, premiums for long-term care, or to offset retiree health expenses, such as Medicare Part B.

## Q & A:

Q: Are all claim costs covered 100% after my out-of-pocket limit is met?

A: Yes.

Q: Can I move from a high deductible back to a PPO plan?

A: Yes, but plan changes can only be made during open enrollment.

Q: Where can I find a list of providers in the Advantus Network?

A: <https://www.advantusnetwork.com/provider-search-filters/>

If you are having trouble locating a provider, contact Unified Group Services.

**UGS 800-291-5837**

## Q & A:

Q: Why did my prescription costs increase when I switched to the high-deductible plan?

A: With a high-deductible plan, the employee pays the full cost of a prescription until the \$2700 single deductible is met. After deductible, the employee will only pay the drug copay.

Q: Is there anything I can do to reduce my prescription cost?

A: Contact physician to determine if switching to a generic drug is an option, or contact True Rx to determine if other options exist like Rx Help Centers.

**True Rx 866-921-4047**

## Q & A:

Q: What are the locations offering free generic prescriptions and labs through Healthlink?

A: Neighborhood Pharmacy Locations: Forest Ridge, Fred's and Northfield Park  
Lab Services Locations: Main Campus/HCH Hospital, Forest Ridge Medical Pavilion, Northfield Park and Healthlink

Q: Are claims incurred by college students or dependents living out of town/state covered as in-network or out-of-network if the dependent is not near a facility included in the Advantus Network?

A: Generally these claims would be covered in-network. However, it is recommended you check with UGS in advance. **UGS 800-291-5837**