

Summary of Changes to State Worker Health Insurance Plan

State Worker Coalition 2018

1. Current Health Insurance remains in effect through December 31, 2018. United through December 31, 2019.

2. Co-share percentages remain the same through the end of the contract

3. Co-share 'bands' will be indexed with the raises

Current Health Care Costs – Traditional Health Care Plan – The Anchor + Plan

2018 EFF: 1/1/18							
Annualized Total Rate	Percentage	Medical	Dental	Vision	Total		
Full Time Worker							
Individual							
Less than \$95,481	20%	\$64.86	\$2.83	\$0.44	\$68.13	\$1,771.38	
Above \$95,481	25%	\$81.07	\$3.54	\$0.55	\$85.16	\$2,214.16	
Family							
Less than \$49,670	15%	\$136.37	\$5.51	\$0.91	\$142.79	\$3,712.54	
Between \$49,670 & \$95,481	20%	\$181.82	\$7.34	\$1.21	\$190.37	\$4,949.62	
Above \$95,481	25%	\$227.28	\$9.18	\$1.51	\$237.97	\$6,187.22	

Proposal - Effective January 1, 2019 – New structure goes into effect

	2019 (factor- 8.1% savings)						
Annualized Total Rate	Percentage	Medical	Dental	Vision	Total		
Full Time Worker							
Individual							
Less than \$99,825	20%	\$59.67	\$2.83	\$0.44	\$62.94	\$1,636.47	
More than \$99,825	25%	\$74.58	\$3.54	\$0.55	\$78.67	\$2,045.53	
Family							
Less than \$51,929	15%	\$125.46	\$5.51	\$0.91	\$131.88	\$3,428.89	
Between \$51,929 & \$99,825	20%	\$167.27	\$7.34	\$1.21	\$175.82	\$4,571.43	
Above \$99,825	25%	\$209.10	\$9.18	\$1.51	\$219.79	\$5,714.48	

NOTE: Numbers are estimates and do not include changes in inflation and utilization

Proposal - Effective January 1, 2020

Note: Assumes a 3% increase in costs over 2019

	2020 (factor - 3% increase)						
Annualized Total Rate	Percentage	Medical	Dental	Vision	Total		
Full Time Worker							
Individual							
Less than \$102,840	20%	\$61.46	\$2.83	\$0.44	\$64.73	\$1,683.01	
Above \$102,840	25%	\$76.82	\$3.54	\$0.55	\$80.91	\$2,103.71	
Family							
Less than \$53,498	15%	\$129.22	\$5.51	\$0.91	\$135.64	\$3,526.75	
Between \$53,498 & \$102,840	20%	\$172.29	\$7.34	\$1.21	\$180.84	\$4,701.91	
Above \$102,840	25%	\$215.37	\$9.18	\$1.51	\$226.06	\$5,877.57	

Savings for a worker making \$55,000 on a family plan is approximately \$378.16 in 2019 and \$247.71 in 2020, a total of \$625.87 or ~1% of salary in hand.

Remember : These are estimates.

How did we do that?

1. Change in deductible structure

Currently \$250 individual / \$500 family

Eff. 1/1/19 \$500 individual / \$1000 family

To pay for the proposal is to increase the value of Wellness payments

Currently \$500 total

Eff. 1/1/19 \$750 individual / \$1000 family

Includes : \$250 if you visit your PCP
 \$250 if your spouse visits their PCP

Important: Only 6% of employees reach the current deductible max

How did we do that?

2. Change Out-Of-Pocket Maximum (OOPM)

Currently

\$250 individual / \$500 family for medical items

\$6,350 individual / \$12,700 for pharmacy items

Proposed

\$1,000 individual / \$2,000 for medical/pharmacy combined

Reduces a family's Out-Of-Pocket exposure from \$13,200 to \$2,000

Important: 80% of members had Out-Of-Pocket expenses of less than \$500

How did we do that?

3. 10% Co-Insurance on certain high costs medical services

- In-patient hospitalization
- Out-patient surgery
- Inpatient mental health/substance abuse treatment
- Non-tiered imaging services (i.e. radiology services at a hospital instead of stand-alone location)

Affects same items the deductible currently applies to. Co-insurance would be after the deductible is fully paid.

Note: remember only 6% of members used services paying the maximum deductible

Bonus – any co-insurance payments would also apply to the OOPM.

How did we do that?

4. Co-pay changes

- Drug costs will increase from \$7/\$25/\$45 to \$10/\$35/\$60/\$100
- Chiropractic care will decrease from \$25 per visit to \$15 per visit
Eliminate the limit of 12 visits per year.

How did we do that?

5. Introduction of a new lower cost alternative health option featuring:

Higher deductible	(\$1,000 individual \$2,000 family)
Higher OOPM	(\$2,000 individual \$4,000 family)
Higher ER Copay	\$150 (\$125 now)

This plan will be known as the **Anchor Plan**

This plan will cost the member less in co-share payments, but expose the member to more cost-risk. **Co-share savings is about 15%.**

This plan is optional. You do not have to take it.

Who would take it? Healthy individuals? Couples without children?

How did we do that?

6. Require the health insurer to monitor costs better

- Medical Necessity

rely more on 'prior authorization' standards for high cost medical procedures and experimental drugs.

- PCP Coordination of Care

require doctors to improve and monitor their referral process

- Place of service tiered imaging services

example – using a hospital based MRI service will cost a higher co-pay and have co-insurance applied but using a free standing location will have a cheaper co-pay and no co-insurance.

Note: items not subject to referrals: OB/GYN services, Behavioral health / substance abuse treatment, Convenience care clinics (i.e. 'Minute Clinics'), Urgi Center visits, ER visits.

In additional to creating cost-savings, there are additional enhancements to health care:

Enhancement #1:

State will fully fund the Health Savings Account deductible for each year of the contract.

Translation, they will deposit \$1500 for each individual and \$3000 for each family that chooses the HSA option, every year of the agreement.

Enhancement #2 – Better Dental Coverage

Every plan will include:

- Add Sealants for children under 14 coverage at 100%
- Remove \$400 maximum for periodontal services
- Increase calendar year maximum from \$1200 to \$1500 per person
- Increase lifetime max for orthodontic services from \$850 to \$1500
- Extend coverage to dependent children to age 26

New Buy Up Option 1 (\$2 per pay period for individuals \$4 per pay period for families)

Examples:

- Increased calendar year maximum of \$2000 per person
- Add coverage for a second oral exam
- Add coverage for a second fluoride treatment for kids under 19

New Buy Up Option 2 (\$4.50 per pay period for individuals \$11 per pay period for families)

Examples:

- Increased calendar year maximum of \$2500 per person
- Cover periodontics at 100%
- Add coverage for specialty consultations at 20% co-insurance

Enhancement #3 – Improved Vision Care

Every plan will include:

- Increase retail frame allowance from \$65 to \$100
- Increase contact lens allowance from \$18 to \$30
- Add a contact lens exam co-pay allowance of \$30

Buy up option : \$7.19 for individuals \$24.57 for families per pay period
\$200 frame allowance
\$200 allowance for materials (i.e. contacts)

Enhancement #4 – Better Care for sicker members

- New Cancer Support Program
 - New Bariatric Resource Program (focused on treated obesity)
 - New Diabetes Prevention Program
- Eligible members can earn an additional \$500 in wellness credits

Finally : the Buy Back for people who opt out of health insurance will remain \$1001.

Resources for members:

1. State of Rhode Island website:

<http://www.employeebenefits.ri.gov/>

2. Open enrollment will run from October 22–November 30, 2018

3. United Health Care Benefit Tracker

<https://www.myuhc.com/>

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Questions ?