



HEALTH MATTERS

SPECIAL ISSUE



Change is Coming: Be Informed

It has been a number of years since we have seen significant changes to our health insurance plan. For a variety of reasons—fiscal, regulatory and marketplace—it is necessary to make some adjustments. These adjustments fall into three categories: plan design, rates and incentives. All three will affect the decisions you make regarding your health care options for 2013. We encourage you to review these changes carefully in preparation for our 2013 open enrollment period, which will occur in the first part of December.

Throughout October and November we will provide additional information to help you with your 2013 elections. In October Sue Wolfgang will be meeting with employees to answer general questions about plan changes. Every employee is welcome to attend one of the following meetings:

- Tuesday, October 9, 1:00 PM - Street Department Conference Room
- Wednesday, October 17, 2:30 PM—Water Department Conference Room
- Tuesday, October 30, 2:30 PM - Wastewater (at the range building)

In November we will hold educational meetings about High Deductible Health Plans (HDHPs) and Health Savings Accounts (HSAs), for those who are interested in the new plan option. Also in November we will be distributing a new document required under the Affordable Care Act—a Summary of Benefits and Coverage (SBC) that will help you compare not only the City's plans but all health plans for which you may be eligible.

We encourage you to consider all of your insurance options, including coverage you may have available through your spouse's employer, to determine what is best for you and your family.

While change is always difficult, we believe the adjustments outlined below will put our plan in a position to regroup and stabilize—our major goal is to see claims costs level off and to moderate the sizable rate increases we have experienced over the past few years.

Plan Design Changes

Plan C will be discontinued, to be replaced by Plan A, a High Deductible Health Plan (HDHP), summarized as follows.

In-Network Deductible	Individual: \$2,000 Family: \$4,000
Out-of-Network Deductible	Individual: \$4,000 Family: \$8,000

Copays	There are NO copays in an HDHP; until you meet your deductible you pay 100% of the cost of all services.
In-Network Coinsurance	100%; after you meet your deductible, the plan pays 100% of all eligible expenses.
Out-of-Network Coinsurance	60%; after you meet your deductible, you pay 40% of all eligible expenses until you meet your annual out-of-pocket maximum.
In-Network Out-of-Pocket Maximum	Individual: \$2,000 Family: \$4,000
Out-of-Network Out-of-Pocket Maximum	Individual: \$4,000 Family: \$8,000
Preventive Care	In-network preventive care is covered at 100%; smoking cessation, hearing exams and pre-approved non-surgical weight loss programs will be covered as preventive services.
Dental and Vision Coverage	Dental and vision are separate plans, which will exist alongside the HDHP with their own deductibles, copays and benefit structures.
Health Savings Account (HSA)	You can put pre-tax dollars in an HSA to offset your out-of-pocket expenses; the City will also make a contribution on your behalf (see incentive section below). Unlike a flex account, unused HSA funds can be carried over from year to year and go with you if you leave the City. The easiest way to make HSA deposits is through the payroll system. Contributions limits for 2013 are \$3,250 for an individual and \$6,450 for a family. (HDHP participants can also elect to participate in a <u>dependent care flex account</u> .)

Plan B has been amended as follows.

In-Network Deductible	Individual: \$500 Family: \$1,000
Out-of-Network Deductible	Individual: \$1,000 Family: \$2,000
Copays	Office visit (\$25), Retail clinic (\$15), Allergy Shot (\$10 per injection), Emergency room facility (\$100), Emergency room physician (\$50)
In-Network Coinsurance	80%; after you meet your deductible, you pay 20% of all eligible expenses until you meet your annual out-of-pocket maximum.
Out-of-Network Coinsurance	60%; after you meet your deductible, you pay 40% of all eligible expenses until you meet your annual out-of-pocket maximum.
In-Network Out-of-Pocket Maximum	Individual: \$1,000 Family: \$2,000
Out-of-Network Out-of-Pocket Maximum	Individual: \$2,000 Family: \$4,000
Preventive Care	In-network preventive care is covered at 100%; smoking cessation, hearing exams and pre-approved non-surgical weight loss programs will be covered as preventive services.
Flexible Spending Account	Under the Affordable Care Act, the maximum contribution to a medical flex account will be \$2,500.
Other	Supplemental accident insurance is deleted.

General Provisions

Covered Drugs and Exclusions	Lists of covered and excluded drugs are updated (2013 formulary list will be provided as soon as it becomes available).
Clinic	The employee health clinic will offer primary care services at no cost to employees and family members who are enrolled in the plan.
Appeals Procedures	Appeals procedures for denied claims have been enhanced to comply with the Affordable Care Act.

Incentives

The City wants you to adopt a wellness mentality—to think about your health before you get sick, address your risk factors, make wise lifestyle decisions and engage in regular activity that is designed to maintain a healthy body and mind.

Toward that end, the following incentives will apply for active wellness participants:

- A \$10 bi-weekly premium reduction for new (in 2013) participants who meet established quarterly objectives
- A \$15 bi-weekly premium reduction for continuing participants who met all quarterly goals in 2012 and who continue to meet established quarterly objectives in 2013
- A \$20 bi-weekly premium reduction for continuing participants who met all quarterly goals in 2011 and 2012 and who continue to meet established quarterly objectives in 2013

The City also wants you to accept greater responsibility for your own health care expenses by enrolling in the High Deductible Health Plan HDHP.

To help you manage the higher deductible, the City will make a bi-weekly contribution into the HSA of an employee who elects Plan A, in the following amounts:

- \$15.39 (\$400 annually) for employee only coverage
- \$23.08 (\$600 annually) for employee/spouse or employee child(ren) coverage
- \$30.77 (\$800 annually) for family coverage

Dependent coverage is costly; **the City would rather encourage spouses to enroll in their own employer plans rather than require it.**

The City will make a contribution into the Health Savings Account (HSA) or give a premium credit, as described below, for each employee whose spouse: (a) is enrolled in a City health plan in 2012; (b) is eligible for employer coverage through his or her own job; and (c) elects his or her employer coverage rather than City of Carmel coverage in 2013. The employee must provide documentation of the other coverage and verify that he or she is not legally separated and has not filed for divorce from the spouse to be eligible for this incentive.

- For a participant enrolled in Plan A, a bi-weekly contribution into the Health Savings Account (HSA) in the amount of \$70.75 if the spouse opts out of both the City's medical and dental plan, or \$65.00 if the spouse opts out of the City's medical plan but enrolls in the City's dental plan. There will be no contribution if the spouse opts out of the City's dental plan only.
- For a participant enrolled in Plan B, a bi-weekly premium credit in the amount of \$65.00 for medical insurance plus \$5.75 for dental insurance if the spouse opts out of both. If the spouse opts out of the City's medical plan, but enrolls in the City's dental plan, the credit will be \$65.00. There will be no premium credit if the spouse opts out of the City's dental plan only.

Rates

The 2013 rate sheets for Employees, Council Members, Retirees and COBRA participants are attached. Please note that the first set of rates on each sheet are for the new Plan A, the High Deductible Health Plan (HDHP). If you want to compare Plan B rates, look in the middle of each page for the 2013 rates.

Attachment A

ACTIVE EMPLOYEES 2013 BI-WEEKLY HEALTH INSURANCE RATES SURCHARGES AND DISCOUNTS MAY BE APPLIED TO THE RATES BELOW

Plan A (HDHP)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Employee Only	\$278.00	\$236.00	85%	\$42.00	15%
Employee/Spouse	\$642.00	\$546.00	85%	\$96.00	15%
Employee/Child(ren)	\$590.00	\$502.00	85%	\$88.00	15%
Employee/Family	\$964.00	\$819.00	85%	\$145.00	15%

Plan B (PPO)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Employee Only	\$327.00	\$262.00	80%	\$65.00	20%
Employee/Spouse	\$755.00	\$607.00	80%	\$148.00	20%
Employee/Child(ren)	\$694.00	\$558.00	80%	\$136.00	20%
Employee/Family	\$1,134.00	\$912.00	80%	\$222.00	20%

Dental

	Total Premium	City Portion	City %	Employee Portion	Employee %
Employee Only	\$23.00	\$17.25	75%	\$5.75	25%
Employee/Spouse	\$43.00	\$32.25	75%	\$10.75	25%
Employee/Child(ren)	\$40.00	\$30.00	75%	\$10.00	25%
Employee/Family	\$60.00	\$45.00	75%	\$15.00	25%

Attachment B

COMMON COUNCIL MEMBERS
2013 BI-WEEKLY HEALTH INSURANCE RATES
SURCHARGES AND DISCOUNTS MAY BE APPLIED TO THE RATES BELOW

Plan A (HDHP)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Employee Only	\$278.00	\$208.50	75%	\$69.50	25%
Employee/Spouse	\$642.00	\$481.50	75%	\$160.50	25%
Employee/Child(ren)	\$590.00	\$442.50	75%	\$147.50	25%
Employee/Family	\$964.00	\$723.00	75%	\$241.00	25%

Plan B (PPO)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Employee Only	\$327.00	\$245.25	75%	\$81.75	25%
Employee/Spouse	\$755.00	\$566.25	75%	\$188.75	25%
Employee/Child(ren)	\$694.00	\$520.50	75%	\$173.50	25%
Employee/Family	\$1,134.00	\$850.50	75%	\$283.50	25%

Dental

	Total Premium	City Portion	City %	Employee Portion	Employee %
Employee Only	\$23.00	\$17.25	75%	\$5.75	25%
Employee/Spouse	\$43.00	\$32.25	75%	\$10.75	25%
Employee/Child(ren)	\$40.00	\$30.00	75%	\$10.00	25%
Employee/Family	\$60.00	\$45.00	75%	\$15.00	25%

Attachment C

RETIREES
2013 MONTHLY HEALTH INSURANCE RATES
SURCHARGES AND DISCOUNTS MAY BE APPLIED TO THE RATES BELOW

Plan A (HDHP)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Retiree Only	\$603.00	\$0.00	0%	\$603.00	100%
Retiree/Spouse	\$1,391.00	\$0.00	0%	\$1,391.00	100%
Retiree/Child(ren)	\$1,279.00	\$0.00	0%	\$1,279.00	100%
Retiree/Family	\$2,089.00	\$0.00	0%	\$2,089.00	100%

Plan B (PPO)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Retiree Only	\$709.00	\$0.00	0%	\$709.00	100%
Retiree/Spouse	\$1,636.00	\$0.00	0%	\$1,636.00	100%
Retiree/Child(ren)	\$1,504.00	\$0.00	0%	\$1,504.00	100%
Retiree/Family	\$2,457.00	\$0.00	0%	\$2,457.00	100%

Dental

	Total Premium	City Portion	City %	Employee Portion	Employee %
Retiree Only	\$50.00	\$0.00	0%	\$50.00	100%
Retiree/Spouse	\$94.00	\$0.00	0%	\$94.00	100%
Retiree/Child(ren)	\$87.00	\$0.00	0%	\$87.00	100%
Retiree/Family	\$130.00	\$0.00	0%	\$130.00	100%

Attachment D

COBRA
2013 MONTHLY HEALTH INSURANCE RATES
SURCHARGES AND DISCOUNTS MAY BE APPLIED TO THE RATES BELOW

Plan A (HDHP)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Retiree Only	\$616.00	\$0.00	0%	\$616.00	100%
Retiree/Spouse	\$1,419.00	\$0.00	0%	\$1,419.00	100%
Retiree/Child(ren)	\$1,305.00	\$0.00	0%	\$1,305.00	100%
Retiree/Family	\$2,131.00	\$0.00	0%	\$2,131.00	100%

Plan B (PPO)

	Total Premium	City Portion	City %	Employee Portion	Employee %
Retiree Only	\$724.00	\$0.00	0%	\$724.00	100%
Retiree/Spouse	\$1,669.00	\$0.00	0%	\$1,669.00	100%
Retiree/Child(ren)	\$1,535.00	\$0.00	0%	\$1,535.00	100%
Retiree/Family	\$2,507.00	\$0.00	0%	\$2,507.00	100%

Dental

	Total Premium	City Portion	City %	Employee Portion	Employee %
Retiree Only	\$51.00	\$0.00	0%	\$51.00	100%
Retiree/Spouse	\$96.00	\$0.00	0%	\$96.00	100%
Retiree/Child(ren)	\$89.00	\$0.00	0%	\$89.00	100%
Retiree/Family	\$133.00	\$0.00	0%	\$133.00	100%