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# San Juan County

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## *Employee Benefit Options for 2012*

**Presented by The Partners Group**

*December 7<sup>th</sup>, 2011*

# Health Benefits Renewal for 2012

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- Group Health Proposed Renewal:**
  - 22.4% Premium Increase (\$575,548 annually)
  - No benefit changes
  
- Experience**
  - Medical Claims for the past 12 months have averaged 107.38% of premiums collected.  
(For every \$1.00 of premiums paid, \$1.07 was paid out in claims.)

# HDHP Medical Option for 2012

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- Group Health High Deductible Option:**
  - 16.6% Premium Decrease (\$425,092 Annually)
  
- Medical Plan Changes:**
  - Increased Deductible & Out of Pocket Maximums:
    - \$1,500 Individual & \$3,000 Family Deductibles
    - \$5,100 Individual & \$10,200 Family OOP
      - OOP Includes Deductible
  - All Non-Preventive benefits subject to deductible
  - \$15 Office Visit Copay (applied to deductible)
  - Prescription Drugs Subject to Deductible

# HSA Medical Option for 2012

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- **Health Savings Accounts (HSAs) & Other Changes:**
  - County will fund an HSA for each employee:
    - \$1,500 Employee Only Coverage
    - \$3,000 Employee + Dependent(s) Coverage  
(Initial deposit of \$550 for Employee only and \$1,000 for Employee + Dependents will be made in January 2012)
  - 213 Plan (HRA) will be transitioned to HSA
  - Flexible Spending Account (FSA), for unreimbursed medical expenses will be transitioned to HSA
  - HSA Dollars will be owned by employees and unlike FSA and HRA Plans, may be carried forward each.



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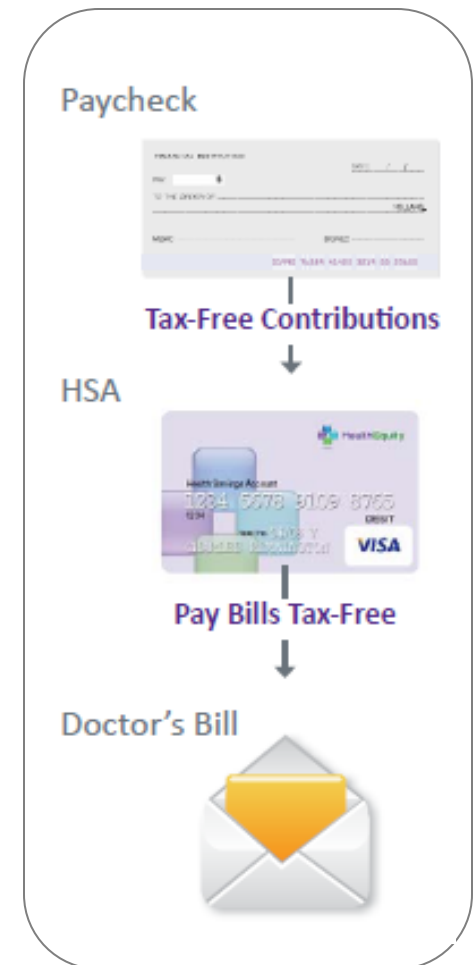
# An Introduction to HSAs

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- [HealthEquity Introduction to Health Savings Accounts Video](#)

# What Is a Health Savings Account (HSA)?

- A **tax-free** savings account that belongs to YOU
  - Money in is tax-free
  - Money out is tax-free
  - Interest is tax-free
- Use it to pay for your insurance deductible and out-of-pocket medical expenses
  - Unused money continues to earn interest
  - Unused money rolls over to next year
- Works with a higher premium medical plan



# IRS Requirements to Open an HSA

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- Covered by a Qualified High Deductible Health Plan (HDHP)
- Have no other unpermitted health coverage\*
- Can't be enrolled in Medicare
- Can't be claimed as a dependent on someone's tax return

\*Automobile, dental, vision, disability ,and long-term care insurance allowed; may also have coverage for a specific disease or illness as long as it pays a specific dollar amount when the policy is triggered. Employer wellness programs permitted if they don't pay significant medical benefits.

# Maximum Contribution Levels

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## Annual Contributions

(subject to change every year,  
adjusted for inflation)

2012:

- **Individuals: \$3,100/yr**
- **Families: \$6,250/yr**
- **55 and over: Added “catch-up” contribution: \$1,000/yr**

2011 & 2012 Individual  
HSA Contribution Limit



**\$3,050** (2011)

**\$3,100** (2012)

2011 & 2012 Family HSA  
Contribution Limit



**\$6,150** (2011)

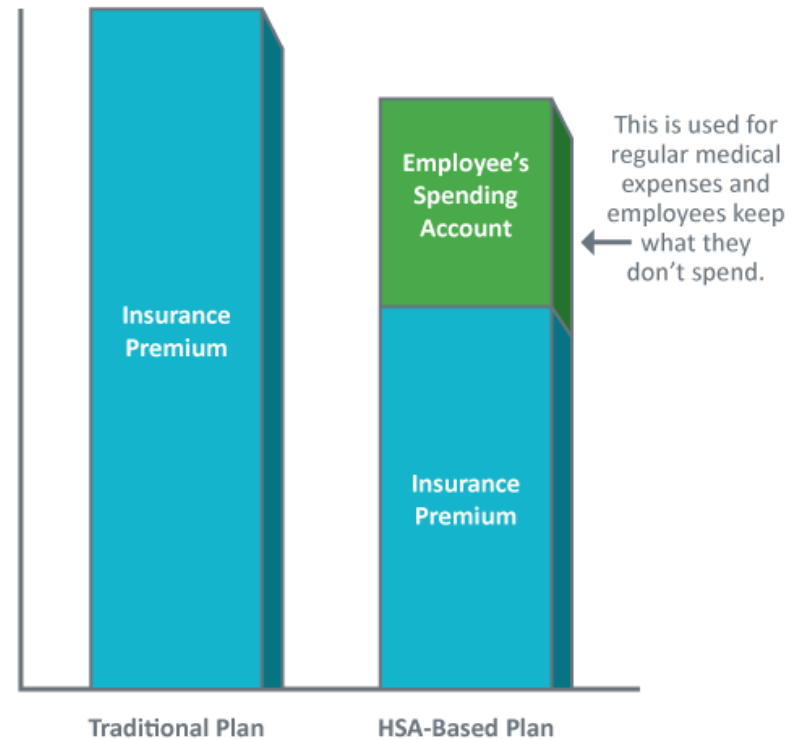
**\$6,250** (2012)

# Health Savings Account: Concept

Lets you “build equity” in your health plan

- Go to higher deductible and savings go to you
- Unspent money rolls over year-after-year
- Over time, have enough saved to cover deductible and OOP

Monthly  
Payment



# Health Savings Account Facts

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- More than 70% of insured people incur less than \$1,000 in medical expenses yearly
- HSA-qualified health plans cover preventive at 100%
- HSA-qualified health plans have fixed out-of-pocket costs
- Take advantage of preventive + adopt healthy lifestyle = not spending much from your HSA.
  - Unspent portion is yours and grows tax-free from year to year

# Current Plan Costs vs. 22.4% Renewal

- Current Premiums Compared Renewal Premiums:

	Current 2011 Full Premiums	2011 Employee Contribution at 20%	Renewal 2012 Full Premiums	2012 Employee Contribution at 20%	Additional Cost on a Monthly Basis	Additional Cost Annually
Employee	\$538.63	\$107.73	\$659.49	\$131.90	\$24.17	\$290.06
Employee & Spouse	\$1,032.84	\$206.57	\$1,264.58	\$252.92	\$46.35	\$556.18
Employee & Children	\$796.44	\$159.29	\$975.15	\$195.03	\$35.74	\$428.90
Employee & Spouse & Children	\$1,290.65	\$258.13	\$1,580.24	\$316.05	\$57.92	\$695.02

# Proposed Plan Premium Savings

- Current Premiums Compared to HDHP/HSA Premiums:

	Current 2011 Full Premiums	2011 Employee Contribution at 20%	Renewal 2012 HDHP/HSA Full Premiums	2012 Employee Contribution at 20%	Savings on a Monthly Basis	Savings Annually
Employee	\$538.63	\$107.73	\$449.37	\$89.87	\$17.85	\$214.22
Employee & Spouse	\$1,032.84	\$206.57	\$861.67	\$172.33	\$34.23	\$410.81
Employee & Children	\$796.44	\$159.29	\$664.46	\$132.89	\$26.40	\$316.75
Employee & Spouse & Children	\$1,290.65	\$258.13	\$1,076.76	\$215.35	\$42.78	\$513.34

- It is strongly encouraged to contribute any premium savings to your own HSA

# Proposed Plan Premium Savings

## GHC Renewal for 2012 Compared to HDHP/HSA Premiums:

	2012 Full Premiums if "Current plan" is renewed	2012 "Current plan" Employee Contribution at 20%	Renewal 2012 HDHP/HSA Full Premiums	2012 Employee Contribution at 20%	Savings on a Monthly Basis	Savings Annually
Employee	\$659.49	\$131.90	\$449.37	\$89.87	\$42.02	\$504.29
Employee & Spouse	\$1,264.58	\$252.92	\$861.67	\$172.33	\$80.58	\$966.98
Employee & Children	\$975.15	\$195.03	\$664.46	\$132.89	\$62.14	\$745.66
Employee & Spouse & Children	\$1,580.24	\$316.05	\$1,076.76	\$215.35	\$100.70	\$1,208.35

- It is strongly encouraged to contribute any premium savings to your own HSA

# Medical Plan and HSA Process

- Visit your Provider, presenting your Group Health Options ID card.
- Provider will submit claim to Group Health Options they will process the claim and the myghc and HealthEquity websites will update with the claim information
- Provider will send you a bill
- You will pay your provider with your HealthEquity debit card or online at HealthEquity's member portal



# Medical and Vision Benefit Changes

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## **Deductible**

- Change from \$500 to \$1,500 Individual
- Change from \$1,500 to \$3,000 Family

## **Out-of-Pocket maximum**

- Increase from \$2,500 to \$5,100 Individual (including deductible)
- Increase from \$7,500 to \$10,200 Family (including deductible)

## **Copayment**

- Change from \$0 to \$15 copayment
  - Prior to deductible being met, if charged will be applied to deductible

# Medical and Vision Benefit Changes

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## Prescription Drugs

- Co-pays change from \$10 generic/\$20 brand In-Network; and \$15 generic/\$25 brand Out-of-Network to \$15 generic/\$30 brand In-Network; and \$30 generic/\$60 brand Out-of-Network .
- Prescription Drugs are subject to deductible. Copays will only be charged after deductible has been met.

## Vision Benefits

- Vision coverage under Group Health Options will only cover 1 vision exam per 12 months at a Group Health contracted provider.
- Vision exams not covered out-of-network
- Vision hardware benefit will be discontinued, funds from HSA can be used for vision care and hardware

## Overview – Benefits Comparison

Medical Plan	Current Group Health Options Network <sup>1</sup>	NEW Group Health Options Network <sup>1</sup>
<b>Benefit Outline</b>		<b>HSA</b>
Deductible ( <i>in-network/out-of-network</i> )	\$500 (3x family)	\$1,500 Ind./\$3,000 Fam.*
<i>Includes 4th Quarter Carryforward</i>	Yes	No
Out-of-pocket Maximum ( <i>in-network/out-of-network</i> )	\$2,000 (3x family)	\$5,100 Ind./\$10,200 Fam.*
<i>Includes deductible</i>	No	Yes
Coinsurance		
Preferred / In-Network	90%	90%
Non-Participating / Out-of-Network	80%	80%
Benefit Maximum	Unlimited	Unlimited
<b>Member Copays and Coinsurance</b>		
Office Visit Copay ( <i>Primary/Specialist</i> ); Coinsurance		
Preferred / In-Network	\$0; 90%	\$15; 90%
Non-Participating / Out-of-Network	\$0; 80%	\$15; 80%
Preventive Care Copay; Coinsurance		
In-Network	\$0; 100% (dw)	\$0; 100% (dw)
Non-Participating / Out-of-Network	\$0; 100% (dw)	\$0; 100% (dw), \$300 limit PCY (2x family)
Outpatient Laboratory and X-ray	Deductible/Coinsurance	Deductible/Coinsurance

**\*HSA option: Entire Family deductible and OOP must be met if 1 or more dependents are enrolled. BRG does not guarantee benefits/payments. The carrier contract will provide complete details on benefits, limitations and exclusions. In all cases, the insurance contract will prevail.**

# Overview – Benefits Comparison, Cont.

Medical Plan Benefit Outline	Current Group Health Options Network <sup>1</sup>	NEW Group Health Options Network <sup>1</sup>
		HSA
Prescription Drug Copay	\$10/\$20 GHC \$15/\$25 Non-GHC MO: 2x Copay	Subject to Deductible, then \$15/\$30 GHC \$30/\$60 Non-GHC MO: 3x Copay
Urgent Care Copay	\$0; 90%	\$15; 90%
Emergency Room Copay	\$75 GHC \$125 Non-GHC	\$0
Outpatient Surgery	Deductible/Coinsurance	Deductible/Coinsurance
Vision		
Exam	1 exam Per 12 months 100%; (dw); In-network 80%; Out-of-network	1 exam Per 12 months \$15; 100%; (dw) In-network Not covered Out-of-network
Hardware	\$200 every 24 months (dw)	Not Covered

**Notes:**

1. DW= Deductible Waived
2. Unless specified, Deductible applies.

BRG does not guarantee benefits/payments. The carrier contract will provide complete details on benefits, limitations and exclusions. In all cases, the insurance contract will prevail.



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# Questions?

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**Thank you.**  
**The Partners Group**

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