University of Oklahoma Health Insurance Renewal 2016
Agenda

• OU Benefits Year in Review
• 2016 Plan Changes
  – HMO Plan
  – High Deductible Plan
• 2016 Plan Rates
• Flexible Spending Accounts
• Non-Tobacco User Incentive
• Waiver of Coverage Credit
• Long Term Care Insurance
2015 Plan Review

- PPO, HCA, and Medicare Plans were moved to a self-funded arrangement
  - Favorable claims experience and building reserves
- HMO Plan remains fully-insured
- Pharmacy costs increased 42% between 2013 and 2014. A similar trend is expected in 2015, based on claims to date.
  - Less than 0.5% of total claims account for almost 20% of total spend.
2016 Plan Rates

- 0% PPO increase  (Self-Insured)
- 13.9% HMO increase  (Fully-Insured)
- No increase in Dental, Life, LTD, or AD&D
- VSP Vision – 17.4% increase  (Example: $7.38 to $8.67)
Health Care Plan Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>PPO/HCA</th>
<th>HMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>68.3%</td>
<td>31.7%</td>
</tr>
<tr>
<td>2013</td>
<td>72.3%</td>
<td>27.7%</td>
</tr>
<tr>
<td>2014</td>
<td>75.6%</td>
<td>24.4%</td>
</tr>
<tr>
<td>2015</td>
<td>78.9%</td>
<td>21.1%</td>
</tr>
</tbody>
</table>
Health Care Renewal History

- PPO/HCA: 9.0% (2014), 4.1% (2015), 0.0% (2016)
- Nat'l Trend: 8.0% (2014), 4.1% (2015), 7.5% (2016)
- HMO: 13.0% (2014), 7.5% (2015), 13.9% (2016)
- Nat'l Trend: 7.0% (2014), 7.5% (2015), 6.8% (2016)
2016 HMO Changes

• The HMO plan will be frozen to new membership
  – Existing members will be able to make changes as normal
  – Full replacement of the HMO Plan is slated for 2017
• Employees enrolled in the HMO are using more services than those enrolled in the PPO and the HMO has fewer members to absorb costs.
• HMO premiums will increase more than 13.9% for employees due to the University’s contribution strategy funds Sooner Credits based on the PPO.
2016 High Deductible Plan

- BlueEdge HCA will be replaced with BlueEdge HSA
  - Individual Deductible $1,500
  - Family Deductible $3,000
  - OU will fund $500/$1000 in the employee HSA
  - All services are subject to deductible and 15% coinsurance, up to the out of pocket max of $3,000, then plan pays at 100%
Benefits of an HSA

- HSA contributions are tax-deductible.
- Annual contribution limits based on IRS rules.
- Withdrawals for eligible health care expenses are tax free (e.g., deductible, co-insurance, prescriptions, vision, dental, etc.).
- Unused funds roll over year to year. There's no "use it or lose it" penalty.
- Potential to build more savings through investing. Employees can choose from a variety of HSA self-directed investment options with no minimum balance required.
- At age 65, funds can be withdrawn for any purpose without penalty but may be subject to income tax if not used for qualified medical expenses.
## 2016 IRS HSA Limits

<table>
<thead>
<tr>
<th>2016 IRS Limits</th>
<th>Single Plan</th>
<th>Family Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Contribution Limit</td>
<td>$3,350</td>
<td>$6,750</td>
</tr>
<tr>
<td>Minimum Deductible</td>
<td>$1,300</td>
<td>$2,600</td>
</tr>
<tr>
<td>Maximum Out-of-Pocket</td>
<td>$6,550</td>
<td>$13,100</td>
</tr>
<tr>
<td>Catch-up Contribution (55+)</td>
<td>$1,000</td>
<td>$1,000</td>
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</tbody>
</table>
Retiree Benefits

• Pre-65 retirees have the same plan and percentage increase as active employees
• The new Age/Service Matrix takes effect 1/1/2016.
• Medicare rates will increase 12.5%
Flexible Spending Account

- Replace Payflex with Connect Your Care
- Flexible Spending Accounts still available
  - $5,000 annual maximum for Day Care
  - $2,550 annual Maximum for Health Care
  - Limited Purpose FSA for HSA plan users
- 15 month plan provision remains
  - Can incur health claims through March 15, 2016 and file until April 15, 2016
  - Dependent care claims must be incurred by December 31, 2015, but claims can be submitted through April 15, 2016
- Any remaining 2015 funds will transfer to Connect Your Care
Tobacco Cessation

- Implement non-tobacco user incentive in 2017
- Employees will complete a tobacco attestation form.
- OU is committed to assisting employees who wish to stop using tobacco products.
- BCBS also offers up to $500 annually in reimbursement toward qualified quit methods
Waiver of Coverage Credit

- Eliminate $50 per month credit for waiving OU insurance
- Existing credit does not support OU’s overall benefit strategy
- Reduces annual benefit costs approximately $500,000
Long Term Care

- CNA is canceling the group contract effective Feb 2016
  - Underwriting methodologies left insurers with inadequate resources
  - Few providers in the market place
  - Rates will likely increase for individual contracts
  - Educational sessions planned
## LTC Educational Seminars

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Campus</th>
<th>Seminar Type</th>
<th>Location</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>10/19/15</td>
<td>Norman</td>
<td>Beginner</td>
<td>Oklahoma Memorial Union Associates Room</td>
<td>11:00am – 12:00 pm</td>
</tr>
<tr>
<td>Monday</td>
<td>10/19/15</td>
<td>Norman</td>
<td>Advanced</td>
<td>Oklahoma Memorial Union Associates Room</td>
<td>12:15 pm – 1:15 pm</td>
</tr>
<tr>
<td>Tuesday</td>
<td>10/20/2015</td>
<td>Norman</td>
<td>Beginner</td>
<td>Oklahoma Memorial Union Heritage Room</td>
<td>10:00am – 11:00 am</td>
</tr>
<tr>
<td>Tuesday</td>
<td>10/20/2015</td>
<td>Norman</td>
<td>Beginner</td>
<td>Oklahoma Memorial Union Associates Room</td>
<td>11:15 am – 12:15 pm</td>
</tr>
<tr>
<td>Wednesday</td>
<td>10/21/2015</td>
<td>HSC</td>
<td>Beginner</td>
<td>Bird Library Auditorium</td>
<td>9:00 am – 10:00 am</td>
</tr>
<tr>
<td>Wednesday</td>
<td>10/21/2015</td>
<td>HSC</td>
<td>Advanced</td>
<td>Bird Library Auditorium</td>
<td>10:15 am – 11:15 am</td>
</tr>
<tr>
<td>Thursday</td>
<td>10/22/2015</td>
<td>HSC</td>
<td>Beginner</td>
<td>Bird Library Auditorium</td>
<td>5:30 pm – 6:30 pm</td>
</tr>
<tr>
<td>Thursday</td>
<td>10/22/2015</td>
<td>HSC</td>
<td>Advanced</td>
<td>Bird Library Auditorium</td>
<td>6:45 pm – 7:45 pm</td>
</tr>
<tr>
<td>Friday</td>
<td>10/23/2015</td>
<td>Tulsa</td>
<td>Beginner</td>
<td>The Learning Center, Room 137</td>
<td>11:00am – 12:00 pm</td>
</tr>
<tr>
<td>Friday</td>
<td>10/23/2015</td>
<td>Tulsa</td>
<td>Advanced</td>
<td>The Learning Center, Room 137</td>
<td>12:15 pm – 1:15 pm</td>
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## Benefits Fairs

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Campus</th>
<th>Location</th>
<th>Time</th>
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<tbody>
<tr>
<td>Thursday</td>
<td>10/29/15</td>
<td>Tulsa</td>
<td>Schusterman Academic Center, Innovation Commons Room</td>
<td>10:00am – 2:00pm</td>
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<tr>
<td>Monday</td>
<td>11/2/15</td>
<td>HSC</td>
<td>David L. Boren Student Union, Room 102</td>
<td>7:30am – 12:30pm</td>
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<tr>
<td>Tuesday</td>
<td>11/3/15</td>
<td>HSC</td>
<td>Stephenson Cancer Center, Charlotte Jackson Seminar Room 5058</td>
<td>1:00pm – 5:00pm</td>
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<tr>
<td>Wednesday</td>
<td>11/4/15</td>
<td>Norman</td>
<td>Zarrow Hall, JJ Rhyne Community Room</td>
<td>9:00am – 4:00pm</td>
</tr>
</tbody>
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**Annual Enrollment October 26 - November 13**
Questions??
Comments