

# Benefits Coach

FOR LAKELAND HEALTH TEAM MEMBERS

Fall 2016

## What's New for 2017?

### Medical Plan Premiums

The employee premiums have increased slightly for 2017 as health care costs continue to rise. The new premium schedule is as follows:

Coverage Category	Employee Premiums Traditional Plan (Per Pay Period)		Employee Premiums High Deductible Health Plan (Per Pay Period)		Employee Premiums Traditional Plan Lakeland Med Practices (Per Pay Period)	
	2016	2017	2016	2017	2016	2017
EE Only \$78	\$78	<b>\$81</b>	\$64	<b>\$64</b>	78	<b>\$81</b>
EE + 1 Child	\$105	<b>\$113</b>	\$79	<b>\$79</b>	\$134	<b>\$134</b>
EE + Spouse	n/a	<b>\$138</b>	n/a	<b>\$104</b>	n/a	<b>\$159</b>
EE + Children	n/a	<b>\$180</b>	n/a	<b>\$98</b>	n/a	<b>\$207</b>
Family	\$160	<b>\$205</b>	\$98	<b>\$123</b>	\$207	<b>\$232</b>

### Wellness Incentives

As a result of the EEOC rules released this summer, we no longer can have an "all in" incentive for associates and their covered spouses. This means that we need to separate the wellness incentive for the employee from the covered spouse. So if the spouse achieves the outcome the spouse gets an incentive and the employee does not. The only way for them both to get the incentive is for them both to achieve it. The following outlines the per pay period wellness incentives:

#### Employee Only Coverage

Associate meets wellness requirements: **\$50**  
Associate does not meet wellness requirements: **\$0**

#### Employee with Spouse Covered

Associate & spouse meet wellness requirements: **\$75**  
Associate only meets wellness requirements: **\$50**  
Spouse only meets wellness requirements: **\$25**  
Associate and spouse do not meet wellness requirements: **\$0**

### Medical Plan Coverage Categories

As a result of the new wellness requirements, we had to add additional coverage categories under the medical plan to allow for the wellness incentive to be applied properly. The following coverage categories will now be used:

- Employee Only
- Employee + Spouse
- Family
- Employee + 1 child
- Employee + Children (no spouse)

If you need to change coverage categories based on who you are covering on the medical plan, please do so through the Open Enrollment process beginning on 10/31/16.

### Deductible

There will be a slight increase in deductible under the traditional plan:

Annual Deductible	1 Person	2 Person	Family
2016	\$650	\$1,300	\$1,950
2017	\$750	\$1,500	\$2,250

Continued on page 2

Continued from front page

## ER Copay

The ER co-pay will increase from \$125 to \$150 in 2017

## Prescription Drug Plan

The cost of prescription medications continue to skyrocket. Here are some alarming statistics:

- Rapid inflation in the price of medications with the average price of brand name drugs increasing 98.2% since 2011.
- In 2015, one third of branded products experienced a price increase of over 20%.
- In 2015, specialty medications accounted for 37% of the Rx cost, yet are only being used by roughly 1-2% of the population.
- Among the traditional therapy classes, diabetes was the most expensive with an overall increase in spending of 14% driven equally by increases in utilization and cost.
- According to studies, drug spending is forecast to increase between 6 and 8% annually between 2016 and 2018.
- The average monthly cost for a new specialty medication being introduced to the market in 2016 is in excess of \$8,000 per prescription compared to roughly \$2,000 just a few years ago.

### Here are some average Rx treatment cost for various conditions:

- Oncology medications – The average cost of a full treatment regimen is about \$150,000
- Cholesterol – New cholesterol lowering drugs are roughly \$14,000 per year for life
- Hepatitis C medications - \$84,000 per full treatment regimen

Lakeland has several programs in place such as lower cost generic medications, step therapy and prior authorizations for certain medications to help control Lakeland’s cost of prescription medications under the benefit plan. However, the need to change the prescription drug plan design is necessary due to the rapidly rising prescription drug costs. Effective for 2017, the prescription drug maximums have been removed from the plan design. Under the Affordable Care Act, maximum limits have been put into place so that once this limit has been reached, your prescriptions are covered at 100%.

2017 Prescription Drug Plan Overview			
	Lakeland Pharmacies		Non Lakeland Pharmacies
Prescription Type	30 Day Supply	90 Day Supply	30 Day Supply Only
Generic	15% Cost of Rx	15% Cost of Rx	30% Cost of Rx
Preferred Brand	25% Cost of Rx	25% Cost of Rx	35% Cost of Rx
Non-Preferred Brand	35% Cost of Rx	35% Cost of Rx	35% Cost of Rx
Specialty	35% Cost of Rx	Not Available	Not Available
<b>Rx Out of Pocket Maximum-Traditional Plan: \$3,150-single \$5,800-2 person/family</b>			

- No change in premiums for the High Deductible Plan
- Co-insurance and out of pocket maximums will remain the same as in 2016
- Dental and vision premiums will remain the same as in 2016
- Office visit co-pay remains at \$30

## Paid Time Off (PTO) Purchase Program

Full time associates may purchase additional PTO (up to 80 hours per year) and pay for it over 26 pay periods. You must complete the PTO Purchase Authorization form (available on the benefits center) and send to Human Resources by December 15, 2016. Team members will continue to have the opportunity to cash out up to 40 hours of PTO per year by completing a Pay in Lieu of Time Off form.

# Open Enrollment Frequently Asked Questions

## **I am adding my family to the health plan for the first time in 2017 what information do I need to provide?**

When adding a dependent for the first time, you will need to provide verification that your spouse and children are your dependents. This can be a marriage license for a spouse or copies of your children's birth certificates. A copy of the first page of your tax return (with confidential information blacked out) could also be used to provide proof for both spouse and children. The information can be faxed to Human Resources at (269) 982-4971

## **I have a High Deductible Health Plan and a Health Savings Account. Can I elect a Flexible Spending Account (FSA)?**

Yes, however you can only use your FSA for dental and vision expenses. Any medical expense reimbursement must come out of your HSA.

## **Can my spouse be covered on my health plan in 2017?**

If he/she is eligible for coverage through his/her employer, he/she is not eligible to be covered on the medical plan. You may cover him/her on the dental and vision plan, however. It is Lakeland's position that all employers should share in the responsibility for health care costs. Financial responsibility should not be borne by one employer.

## **My child is turning age 19 during 2017. What benefits can I keep for my child?**

- You may keep your child on the medical plan until the age of 26.
- If your child is a full-time student, you may keep him/her on the dental and vision plans until age 25.
- If your child is not a full-time student, you must remove him/her from the dental and vision plans. Coverage would end the date your child turns 19.

## **My child attends school out of state. What happens if he/she needs medical treatment while away at school?**

Services should be provided at Lakeland where possible, but occasionally a child that is away at college will need medical attention. If this occurs, you will need to complete an Extended Network Referral form. The completion of the form is necessary so we can track the out of network service so the claim is paid appropriately. If it is determined that extensive/ongoing care may be needed, your child will be re-directed back to Lakeland for additional medical treatment. Please be aware that wellness/preventive care will not be covered out of network, so it is important to schedule these visits when your child is home on school breaks.

## **I was recently hired at Lakeland and already completed my benefits enrollment. Do I have to do it again?**

As a new hire, you completed enrollment for the remainder of the current year. You will need to enroll for benefits in 2017 if you need to make changes to what you previously elected or if you want to participate in a Flexible Spending Accounts in 2017.

## **I want to purchase additional life insurance during open enrollment. What do I need to know?**

You will need to complete Evidence of Insurability (EOI) otherwise known as proof of good health. This means you will be required to provide medical information, which may include medical records and a physical exam (at your expense), that will be reviewed and approved by the insurance company (Principal Life Insurance) before coverage becomes effective. If you do not enroll in supplemental life, dependent life, and disability plans during the first 30 days of becoming benefit eligible, and decide to increase your coverage at a later date, EOI will be required. This includes any buy up in coverage. The types of optional coverage that may require EOI are the Life and Long Term Disability plans. If you decide to elect additional life insurance, a "Statement of Health" form will be emailed to you shortly after the close of open enrollment.

## **Are there any age restrictions on the life and long term disability benefits?**

If you are planning to work beyond the age of 65, it is important to note that your life insurance coverage will change from the original amount as follows:

- Age 65: 65% of the original amount
- Age 70: 40% of original amount
- Age 75: 25% of original amount

## **Long Term Disability Maximum Benefit Payment Period**

Members age on the date disability begins	Months of the benefit payment period
Before age 65	Greater of 36 months or to Social Security normal retirement age
65 – 67	24 months
68 – 69	18 months
70 – 71	15 months
72 and over	12 months

## **When will I be able to use my flex debit card in 2017?**

The flex debit card is normally loaded with you 2017 election by the 3rd week in January. If you need to use your flexible spending account prior to the debit card being loaded, it is best to file a paper claim form. The form can be located in the Benefits Center under Forms and Other details.

## **When will I receive my insurance ID card?**

New ID cards will be issued to only those associates that are new to the medical/dental plan in 2017. You should expect to receive your card by the end of January. If you need verification of benefit coverage before you receive your ID card, please see your Benefit Coordinator in Human Resources.

# Benefits 2017 Open Enrollment Information

## When is Open Enrollment?

Monday, October 31 through Friday, November 11, 2016

## What am I required to do?

- If you want to elect or renew your flexible spending account – MUST ENROLL
- If you want to make changes to your benefits in 2017 – MUST ENROLL
- If the dependents you are covering cause you to fit into one of the new coverage categories – MUST ENROLL
- If you want to keep your benefits the same as 2016 – DO NOTHING

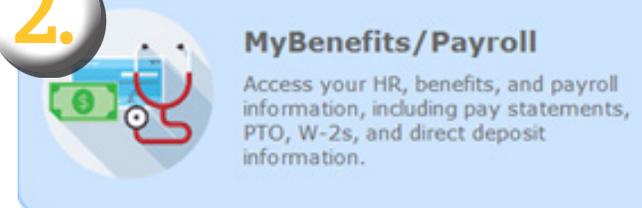
## Where do I go to enroll for my 2017 Benefits?

From a Lakeland computer, go to myLakeland, click on myWorkplace, then select the large myBenefits/Payroll button in the center of the page. This will take you to the login page where you will enter your user name and password.

1.



2.



You can also enroll from any computer with internet access by typing in this address: <https://benefitspayroll.lakelandregional.org> which will take you to the same log in screen.

After logging in, click on the "BENEFITS" tab at the top of the page and choose Benefit Plans. Click on "ENROLL."

Who should I contact if I have questions or need help?

You can contact a Benefit Coordinator who will be glad to assist you:

### Bobbi Mai

Phone: 269-687-1469

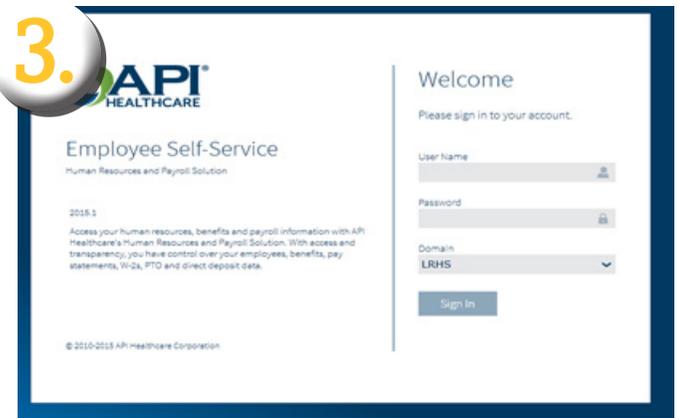
[dmai@lakelandhealth.org](mailto:dmai@lakelandhealth.org)

### Sheryl Paloucek

(269) 687-1860

[spaloucek@lakelandhealth.org](mailto:spaloucek@lakelandhealth.org)

3.



## 2017 Contribution Maximums

Healthcare Flexible Spending Account: **\$2,550**

Dependent Care (Day Care) Flexible Spending Account: **\$5,000**

Health Savings Account: **Employee Only Coverage – \$3,400; Family Coverage – \$6,750**

401(k): The IRS has not yet established the 2017 limits

New Flexible Spending Account Debit Cards to Be Issued In November!

New flexible spending account debit cards will be mailed to all FSA participant homes in early November. The new cards will be loaded with your remaining 2016 balance and will need to be used starting on November 14, 2016. There will be a black out period in early November (date not yet determined) where neither your old card, nor the new card will work. Please be prepared to pay for the expense and submit a claim form in order to be reimbursed.

There is normally a 2-3 week delay in January for you to be able to use your flexible spending account debit card due the transmission of new election data for 2017. If you have a flex claim in early January, you should be prepared to pay for the expense and submit a claim form to ASR at:

ASR Health Benefits - P.O. Box 6392 - Grand Rapids, MI 49516

Your claim form can also be scanned and emailed to: [submitflexclaim@asrhealthbenefits.com](mailto:submitflexclaim@asrhealthbenefits.com)

Flex claim forms can be found on the Benefits Center under "Forms and Other Details"

## Required Notices

Employers sponsoring a group health plan are required by law to provide certain notices to associates. These notices can be found in the Benefits Center under Compliance Documents and are as follows:

- Privacy Policy for Self-Funded and Shared Funding Group Plans
- Notice of Patient Protection
- Women's Health and Cancer Rights Act of 1998 (Janet's Law)
- Availability of Notice of Privacy Practices
- Notice of Creditable Coverage for Medicare Part D for Traditional Plan Enrollees
- Notice of Non-Creditable Coverage for Medicare Part D for HDHP/HSA Plan Enrollees
- New Health Insurance Marketplace Coverage Options and Your Health Coverage
- Notice of Privacy Practices
- Premium Assistance under Medicaid and the Children's Health Insurance Program (CHIP)
- Glossary of Health Coverage and Medical Terms