Benefits Update
Fiscal Year 2017

May 2016

Prepared by Misty Gaeke
Senior Director, Total Rewards & HRIS
Office of Human Resources
Premium Changes

- **Medical** – 5.5% premium increase

- **Dental**
  - Delta Dental Basic – No premium increase
  - Delta Dental Plus – 5.7% premium increase; First of multi-year increase
  - DHMO – No premium increase

- **Vision**
  - No premium increase in either plan

- **STD and LTD**
  - No premium increase in either plan

- **Life and AD&D**
  - New contract awarded to Dearborn National; Standard contract terminating
Plan Changes

- **Medical**
  - **Bariatric Benefits**
    - Co-pay decreasing from $5,000 to $3,000
    - Must be continuously covered under the UT SELECT Medical plan for 3 years before procedure will be covered
    - No limitation on type of bariatric procedure
  
  - **Mental Health and Chemical Dependency Benefits**
    - Removal of lifetime maximum for chemical dependency
    - Removal of 30-day inpatient treatment for mental health
    - Removal of 20-day limit for office visits
    - Co-pay increasing from $30 to $35 per visit
Plan Changes

Medical (Continued)

- “Ologist” Benefit
  - Applies to Emergency Room, Anesthesiology, Radiology and Pathology
  - If out-of-network hospital provider utilized, the plan will only pay 80% of in-network allowable charges
    - Participant may be balanced billed for the difference between billed and allowed by the provider
  - For the FY17 transition year, participants will be able to appeal to Blue Cross Blue Shield for payment of the difference between billed and allowed
  - Educational tools will be available to participants (checklist, BCBS website, Benefits Value Advisor)
Plan Changes

Medical (Continued)

- New Prescription Plan for Medicare Age Retirees and Dependents
  - Employer Group Waiver Plan (EGWP); Commonly known as Medicare Part D
  - Effective January 1, 2017
  - Medicare age retirees and dependents will transition to EGWP plan
    - Enrollment period to be held in Fall 2016
    - Opt out of EGWP means opt out of UT SELECT Medical plan
  - Express Scripts will continue as third party administrator
    - Enhanced coverage
    - Co-pays and deductible remain the same
    - Different formulary list
  - No impact if Medicare-age dependent is covered under active employee benefits
Plan Changes

- **Flexible Spending Accounts**
  - **New Vendor: Maestro Health**
    - Increased technology and improved customer service
    - No changes on limits
      - Medical - $2,550
      - Dependent care - $5,000
    - New debit cards to be mailed prior to September 1, 2016
  - Transition from PayFlex
    - Maestro will administer claim for flex medical run out period from Sept 1st to Nov 15th
    - PayFlex balance snapshot will be taken and move to Maestro just prior to Sept 1st
    - PayFlex will payout claims submitted by Sept 1st
    - PayFlex debit cards will be deactivated as of Sept 1st
Plan Changes

- **Life Insurance and AD&D** *(Active Employees and Dependents)*
  - **Vendor:** Dearborn National
  - Basic Life and AD&D will increase from $20K to $40K
  - Maximum Benefit for Life and AD&D will increase to $2M
  - Maximum coverage for life will increase from 6 to 10 times salary
  - During FY17 Annual Enrollment, employees can elect life up to 3 times salary without EOI (ie, medical approval)
  - Dependent Basic and Spouse Supplemental Life – No Change
  - Participants of the Standard Life Insurance and AD&D plans will be transitioned to the new Dearborn National plan on Sept 1st
Plan Changes

Life Insurance and AD&D (Retirees and Dependents)

- Vendor: Dearborn National
  - Basic Retiree Life – no change
  - Voluntary Retiree Maximum will increase from $50K to $100K
  - Spouse Voluntary Life (new) – $3K
  - Retirees on the Standard Life plan will transition to the Dearborn Plan effective September 1, 2016
    - Benefit reduces from $500K to $100K
Plan Changes

- **Long-Term Care (LTC)**
  - As of September 1, 2016 premium payment no longer will be payroll deducted
  - CNA will reach out to participants to establish direct payment of premiums
  - LTC is no longer being offered as a benefit at CNA; most vendors are no longer writing new policies
  - Premium increase by CNA was approved by the Texas Department of Insurance as follows:
    - Effective September 1, 2017 – 70.0% increase in premium
    - Effective September 1, 2018 – 25.5% increase in premium
Plan Changes

- Mandatory Retirement Plans
  - Teacher Retirement System of Texas (TRS)
    - Employee contribution increases from 7.2% to 7.7% effective September 1, 2016
    - Employer Contribution – no changes; remains at 6.8%
    - Return-to-work Retiree Surcharge increases from 14.0% to 14.5%
  - Optional Retirement Program (ORP)
    - No Changes – Employee is 6.65%; Employer is 8.5%