Summary of Changes to State Worker Health Insurance Plan

State Worker Coalition 2018


2. Co-share percentages remain the same through the end of the contract

3. Co-share ‘bands’ will be indexed with the raises
### Current Health Care Costs – Traditional Health Care Plan – The Anchor + Plan

**2018 EFF: 1/1/18**

<table>
<thead>
<tr>
<th>Annualized Total Rate</th>
<th>Percentage</th>
<th>Medical</th>
<th>Dental</th>
<th>Vision</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full Time Worker</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Individual</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Less than $95,481</td>
<td>20%</td>
<td>$64.86</td>
<td>$2.83</td>
<td>$0.44</td>
<td>$68.13</td>
</tr>
<tr>
<td>Above $95,481</td>
<td>25%</td>
<td>$81.07</td>
<td>$3.54</td>
<td>$0.55</td>
<td>$85.16</td>
</tr>
<tr>
<td><strong>Family</strong></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Less than $49,670</td>
<td>15%</td>
<td>$136.37</td>
<td>$5.51</td>
<td>$0.91</td>
<td>$142.79</td>
</tr>
<tr>
<td>Between $49,670 &amp; $95,481</td>
<td>20%</td>
<td>$181.82</td>
<td>$7.34</td>
<td>$1.21</td>
<td>$190.37</td>
</tr>
<tr>
<td>Above $95,481</td>
<td>25%</td>
<td>$227.28</td>
<td>$9.18</td>
<td>$1.51</td>
<td>$237.97</td>
</tr>
</tbody>
</table>

### Proposal - Effective January 1, 2019 – New structure goes into effect

**2019 (factor- 8.1% savings)**

<table>
<thead>
<tr>
<th>Annualized Total Rate</th>
<th>Percentage</th>
<th>Medical</th>
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</tr>
<tr>
<td><strong>Individual</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Less than $99,825</td>
<td>20%</td>
<td>$59.67</td>
<td>$2.83</td>
<td>$0.44</td>
<td>$62.94</td>
</tr>
<tr>
<td>More than $99,825</td>
<td>25%</td>
<td>$74.58</td>
<td>$3.54</td>
<td>$0.55</td>
<td>$78.67</td>
</tr>
<tr>
<td><strong>Family</strong></td>
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<td></td>
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</tr>
<tr>
<td>Less than $51,929</td>
<td>15%</td>
<td>$125.46</td>
<td>$5.51</td>
<td>$0.91</td>
<td>$131.88</td>
</tr>
<tr>
<td>Between $51,929 &amp; $99,825</td>
<td>20%</td>
<td>$167.27</td>
<td>$7.34</td>
<td>$1.21</td>
<td>$175.82</td>
</tr>
<tr>
<td>Above $99,825</td>
<td>25%</td>
<td>$209.10</td>
<td>$9.18</td>
<td>$1.51</td>
<td>$219.79</td>
</tr>
</tbody>
</table>

**NOTE:** Numbers are estimates and do not include changes in inflation and utilization
<table>
<thead>
<tr>
<th>Annualized Total Rate</th>
<th>Percentage</th>
<th>Medical</th>
<th>Dental</th>
<th>Vision</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20%</td>
<td>$61.46</td>
<td>$2.83</td>
<td>$0.44</td>
<td>$64.73</td>
</tr>
<tr>
<td>Full Time Worker</td>
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</tr>
<tr>
<td>Individual</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Less than $102,840</td>
<td>25%</td>
<td>$76.82</td>
<td>$3.54</td>
<td>$0.55</td>
<td>$80.91</td>
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<tr>
<td>Above $102,840</td>
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</tr>
<tr>
<td>Family</td>
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<td></td>
</tr>
<tr>
<td>Less than $53,498</td>
<td>15%</td>
<td>$129.22</td>
<td>$5.51</td>
<td>$0.91</td>
<td>$135.64</td>
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<tr>
<td>Between $53,498 &amp; $102,840</td>
<td>20%</td>
<td>$172.29</td>
<td>$7.34</td>
<td>$1.21</td>
<td>$180.84</td>
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<tr>
<td>Above $102,840</td>
<td></td>
<td>$215.37</td>
<td>$9.18</td>
<td>$1.51</td>
<td>$226.06</td>
</tr>
</tbody>
</table>

Savings for a worker making $55,000 on a family plan is approximately $378.16 in 2019 and $247.71 in 2020, a total of $625.87 or ≈1% of salary in hand.

Remember: These are estimates.
How did we do that?

1. Change in deductible structure

Currently  $250 individual / $500 family

Eff. 1/1/19  $500 individual / $1000 family

To pay for the proposal is to increase the value of Wellness payments

Currently  $500 total

Eff. 1/1/19  $750 individual / $1000 family

Includes: $250 if you visit your PCP
          $250 if your spouse visits their PCP

Important: Only 6% of employees reach the current deductible max

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How did we do that?

2. Change Out-Of-Pocket Maximum (OOPM)

Currently

$250 individual / $500 family for medical items

$6,350 individual / $12,700 for pharmacy items

Proposed

$1,000 individual / $2,000 for medical/pharmacy combined

Reduces a family’s Out-Of-Pocket exposure from $13,200 to $2,000

Important: 80% of members had Out-Of-Pocket expenses of less than $500
How did we do that?

3. 10% Co-Insurance on certain high costs medical services
   - In-patient hospitalization
   - Out-patient surgery
   - Inpatient mental health/substance abuse treatment
   - Non-tiered imaging services (i.e. radiology services at a hospital instead of stand-alone location)

Affects same items the deductible currently applies to. Co-insurance would be after the deductible is fully paid.

Note: remember only 6% of members used services paying the maximum deductible

Bonus – any co-insurance payments would also apply to the OOPM.

How did we do that?

4. Co-pay changes
   - Drug costs will increase from $7/$25/$45 to $10/$35/$60/$100
   - Chiropractic care will decrease from $25 per visit to $15 per visit
     Eliminate the limit of 12 visits per year.
5. Introduction of a new lower cost alternative health option featuring:

- Higher deductible  ($1,000 individual $2,000 family )
- Higher OOPM  ($2,000 individual $4,000 family)
- Higher ER Copay  $150 ($125 now)

This plan will be known as the Anchor Plan

This plan will cost the member less in co-share payments, but expose the member to more cost-risk. Co-share savings is about 15%.

This plan is optional. You do not have to take it.

Who would take it? Healthy individuals? Couples without children?

6. Require the health insurer to monitor costs better

- Medical Necessity
  rely more on ‘prior authorization’ standards for high cost medical procedures and experimental drugs.

- PCP Coordination of Care
  require doctors to improve and monitor their referral process

- Place of service tiered imaging services
  example – using a hospital based MRI service will cost a higher co-pay and have co-insurance applied but using a free standing location will have a cheaper co-pay and no co-insurance.

Note: items not subject to referrals: OB/GYN services, Behavioral health / substance abuse treatment, Convenience care clinics (i.e. ‘Minute Clinics’), Urgi Center visits, ER visits.
In addition to creating cost-savings, there are additional enhancements to health care:

**Enhancement #1:**

State will fully fund the Health Savings Account deductible for each year of the contract.

Translation, they will deposit $1500 for each individual and $3000 for each family that chooses the HSA option, every year of the agreement.

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**Enhancement #2 – Better Dental Coverage**

Every plan will include:
- Add Sealants for children under 14 coverage at 100%
- Remove $400 maximum for periodontal services
- Increase calendar year maximum from $1200 to $1500 per person
- Increase lifetime max for orthodontic services from $850 to $1500
- Extend coverage to dependent children to age 26

New Buy Up Option 1 ( $2 per pay period for individuals $4 per pay period for families )
- Examples:
  - Increased calendar year maximum of $2000 per person
  - Add coverage for a second oral exam
  - Add coverage for a second fluoride treatment for kids under 19

New Buy Up Option 2 ( $4.50 per pay period for individuals $11 per pay period for families)
- Examples:
  - Increased calendar year maximum of $2500 per person
  - Cover periodontics at 100%
  - Add coverage for specialty consultations at 20% co-insurance
**Enhancement #3 – Improved Vision Care**

Every plan will include:

- Increase retail frame allowance from $65 to $100
- Increase contact lens allowance from $18 to $30
- Add a contact lens exam co-pay allowance of $30

*Buy up option:* $7.19 for individuals $24.57 for families per pay period
  - $200 frame allowance
  - $200 allowance for materials (i.e. contacts)

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**Enhancement #4 – Better Care for sicker members**

- New Cancer Support Program
- New Bariatric Resource Program (focused on treated obesity)
- New Diabetes Prevention Program
  - Eligible members can earn an additional $500 in wellness credits

Finally: the Buy Back for people who opt out of health insurance will remain $1001.
Resources for members:

1. State of Rhode Island website:  
   http://www.employeebenefits.ri.gov/

2. Open enrollment will run from October 22–November 30, 2018

3. United Health Care Benefit Tracker  
   https://www.myuhc.com/

4. Pat Crowley – NEARI – pcrowley@neari.org 463-9630

Questions?