Regents Approve 2020 Health Plan Premiums for Employees and Retirees
FAQ
August 2019

Background: At the Aug. 8, board meeting, the Board of Regents approved the 2020 University System of Georgia (USG) healthcare plan design changes and premiums for active employees and pre-65 retirees. The Board also approved the USG funding for the supplemental coverage for Medicare eligible retirees age 65 and older. These changes were carefully considered by the USG Total Rewards Steering Committee and system leadership as a result of state and national healthcare trends, costs and other factors.

FAQs:

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Open Enrollment:

When is Open Enrollment?
- Open Enrollment for active employees is from Oct. 28 through Nov. 8, 2019.

How do I enroll this year?
- Enrollment in benefits for the 2020 plan year will take place online, via the OneUSG Connect – Benefits system.

When will I start to receive information on Open Enrollment?
- Active employees will begin receiving Open Enrollment information in mid-October.

What is the status of the Dependent Audit?
- The dependent audit began July 22, 2019. We are continuing to conduct the dependent audit through Sept. 6, 2019, to ensure all dependents covered under the healthcare plans meet the eligibility requirements.

When is the Medicare enrollment period?
- The Medicare enrollment period is Oct. 15 through Dec. 7, 2019, for the Jan. 1, 2020, coverage begin date.
Premiums:

Are premiums increasing, and if so, by how much?
- Yes, there is an increase to employee monthly healthcare plan premiums, between $7 to $64 per month, or on average, between 5.5 percent to 7.5 percent, depending on the plan.

Why are premiums increasing?
- The USG healthcare plan experienced higher than expected claims costs in 2018 and the first part of 2019 leading to a projected increase of $47M for the 2020 plan year prior to any plan design changes or premium increases. There are also higher than average cost increases in the pharmacy plan. Prescription drugs costs have increased 29% in the last two years and now account for 31% of the overall healthcare plan costs. Premium increases are being made to address these rising plan costs and ensure the long-term sustainability of the plan. Premium increases are also a way to share the increase in costs between employees and the employer.

Monthly Working Spouse Surcharge:

What is the monthly working spouse surcharge?
- In 2020, there will be a $100 monthly surcharge for employees who cover a spouse in the USG healthcare plan and the spouse receives an offer of coverage from their employer.

Why is there a monthly working spouse surcharge now?
- This option has been discussed and reviewed for the past few years by the Total Rewards Steering Committee (TRSC). With projected increases higher this year than the past few years, the TRSC and the University System Office sees this as the most equitable option to keep overall healthcare costs lower for those that do not have other employer healthcare options available to them.

When will I be asked if the monthly working spouse surcharge applies to me?
- Employees covering spouses in the USG plan will be required to certify whether their spouse has an offer of coverage during the Open Enrollment period.

Is anything else changing as part of the working spouse surcharge change?
- As part of the spouse surcharge change, we will be changing the “Employee + Child” coverage tier to “Employee + Children.” Currently, employees who cover two or more children must enroll in the “Family” coverage tier. In 2020, an employee covering two or more children without a spouse can enroll in the “Employee + Children” tier and pay less than they would today in the “Family” tier.

Pharmacy Coverage:

What is changing in terms of pharmacy coverage this year?
- There are pharmacy coverage changes for the Comprehensive Care Plan and BlueChoice HMO plan. Brand prescriptions will move from co-pay ($40) to co-insurance – 20 percent of the cost of the drug ($40 min. /$100 max.). Non-formulary brand prescriptions move from 20 percent co-insurance to 35 percent ($100 max.)
min./$200 max.). This means the cost will fluctuate based on the cost of the drug up to the maximum for a 30-day prescription.

How can I reduce the impact of this pharmacy coverage change?
- We encourage employees, where possible, to move to generic medications and preferred brand name drugs to reduce their out-of-pocket costs. Also note, there are maximums in place to limit the out-of-pocket costs each month and for the year.

Are there pharmacy coverage changes for Consumer Choice HSA and Kaiser HMO plans?
- The Consumer Choice HSA plan is not included because it already has a co-insurance structure. The Kaiser HMO plan has a co-pay structure which will increase for generic and preferred brand-name prescriptions (from $10 to $15 and $35 to $45, respectively) and specialty drugs will move to a 20 percent co-insurance ($200 maximum).

Tobacco Surcharge:

Is the tobacco surcharge changing?
- Yes, there will be an increase in the tobacco surcharge, from $75 to $100 monthly. A tobacco use certification will be required during open enrollment.

What happens if I don’t log-in to the OneUSG Connect – Benefits system and certify my tobacco use status?
- Certification of tobacco use status is required each year for all employees and pre-65 retirees who enroll in the USG healthcare plan. If you do not certify your status and remain enrolled in the USG healthcare plan, you will be defaulted to tobacco use and will be charged the $100 monthly surcharge.

Co-Pays:

What are the changes to co-pays for medical benefits?
- The Comprehensive Care Plan has a specialist office visit increase of $5, moving from $30 to $35, and a $100 increase in emergency room visit co-pay, moving from $150 to $250. The Kaiser HMO plan will also have a specialist office visit increase of $10, moving from $25 to $35.

Well-being:

What is changing for this year’s well-being offering?
- We will continue to offer employees the opportunity to earn $100 well-being incentive in 2020, and we will be providing additional ways in which employees can earn the $100 incentive. Also, we are adding systemwide weight loss programs, as well as diabetes prevention and management programs to improve employee health.

Why are these new well-being programs being added at this time? What are the new programs?
- We are rolling out new programs to assist individuals with weight loss and weight management, in order to help improve overall health and reduce conditions
impacted by excess body mass. We are currently in the process of evaluating programs and will provide more information as we near the 2020 plan year.

**Retirees:**

**What is the 65+ Retiree HRA Contribution for 2020?**
- For the 65+ Retiree HRA Contribution amount will remain the same, at $2,736.

**Why is it the 65+ Retiree HRS Contribution staying the same?**
- The contribution is staying the same based on the review of the average premiums of the plans in which USG retirees are enrolled, and this amount is continuing to provide a great value to retirees.

**Will you continue to provide the Catastrophic HRA?**
- Yes, we will continue to provide the Catastrophic HRA for retirees with high prescription drug costs.

**When is the Medicare enrollment period?**
- The Medicare enrollment period is **Oct. 15 through Dec. 7, 2019**, for the Jan. 1, 2020, coverage begin date.