

VEHI Health Plans

EFFECTIVE

1/1/2018

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**BlueCross BlueShield
of Vermont**

An Independent Licensee of the Blue Cross and Blue Shield Association.

Agenda

- Review new health plan options
- Provide an overview of medical spending accounts
- Guide you through the change process and timeline

VEHI – Your Health Pool

- VEHI is a member-owned pool serving the school districts of Vermont and the Vermont State Teachers Retirement System
- All funding for VEHI's health program comes from its members and is used to pay claims and costs associated with providing health benefits for school employees and retirees
- Over 90% of all funding goes to pay actual claims, 9% pays for BCBSVT administration of the program and state & federal assessments & fees. The remaining 1% funds VEHI's wellness program and administrative costs.
- Any funds not needed to pay claims or run the program remain with VEHI to use on behalf of its members
- Vermont Schools, VSTRS and school employees, active and retired, all benefit from the smart use of health care dollars

Why New Health Plans?

- In a post-Green Mountain Care world, VEHI is changing to meet the guidelines of the Affordable Care Act, the new national standard
- To be competitive with Vermont Health Connect
- To offer school districts and their employees a wider variety of cost-sharing options
- Opportunity for both parties to save premium dollars and for employees to set aside health care dollars in a tax-sheltered way
- Preserve the flexibility and security of having an exclusive school employee health benefit pool

New Plans

New VEHI Health Plans

Will continue to have:

- Excellent benefits
- Comprehensive networks
- World-class customer service
- State-of-the-art wellness programs
- Range of cost-share options

The new VEHI plans will offer comprehensive medical coverage in every major benefit category currently available to subscribers.

<p align="center"><i>Medical & Rx Services</i></p> <p align="center"><i>Categories of Essential Benefits</i></p>	<p align="center"><i>Current VEHI Plans</i></p>	<p align="center"><i>Future VEHI Plans</i></p>
<p>Hospitalization:</p> <ul style="list-style-type: none"> ✓ In-Patient/Out-Patient Care/Surgical ✓ Covered Physician Services ✓ Maternity Care ✓ Diagnostic & Therapy Services 	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Physician Visits:</p> <ul style="list-style-type: none"> ✓ Primary & Preventive Care, Physical Exams & Immunizations ✓ Specialty Care ✓ Diagnostic Care ✓ Physical/Speech/Occupational Therapies 	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>OB-GYN Care:</p> <ul style="list-style-type: none"> ✓ Gynecological Care ✓ Prenatal & Post-Natal Care 	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Emergency Room & Urgent Care Facility</p>	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Infertility Treatments</p>	<p align="center">Yes</p>	<p align="center">No</p>
<p>Ambulance Service:</p> <ul style="list-style-type: none"> ✓ To nearest facility in emergency ✓ Non-emergency transfers 	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Home Care:</p> <ul style="list-style-type: none"> ✓ Skilled Nursing Visits ✓ Private Duty Nursing ✓ Short-term Therapy in Home 	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Chiropractic Care</p>	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Medical Supplies & Equipment</p>	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Mental Health & Substance Abuse Care:</p> <ul style="list-style-type: none"> ✓ Inpatient / Outpatient 	<p align="center">Yes</p>	<p align="center">Yes</p>
<p>Prescription Drugs:</p> <ul style="list-style-type: none"> ✓ FDA-Approved Drugs and Antigens prescribed by doctor ✓ Diabetic Supplies, including test strips, insulin and syringes 	<p align="center">Yes (Sexual dysfunction drugs covered)</p>	<p align="center">Yes (Sexual dysfunction drugs not covered)</p>
<p>Vision Exams</p>	<p align="center">Only in VHP</p>	<p align="center">Yes – now on all plans (adult and children)</p>

National/International Network

- Same network for all plans in 2018
- The Exclusive Provider Organization (EPO) Network provides you with the same great network in Vermont, as well as
- Access to any National and International BlueCard network provider
- Must use a BCBS provider, unless
 - You are in an urgent or emergent situation
 - You receive prior approval to see a non-network provider
 - 96% of VEHI subscribers stayed within this network over the past year.
- Find a provider at: www.bcbsvt.com/findadoctor
- All members must designate a Primary Care Provider (PCP)

New tier level – Parent/Child(ren)

- All of VEHI's new plans will now offer a Parent & Child(ren) coverage tier for employees with 1 or more children on the policy, who are not covering another adult on the policy
- Less expensive than a two-person or family tier
- VEHI/BCBSVT will automatically transition eligible employees and their children to these plans during the implementation; however, please let VEHI/BCBSVT know if anyone has been missed.

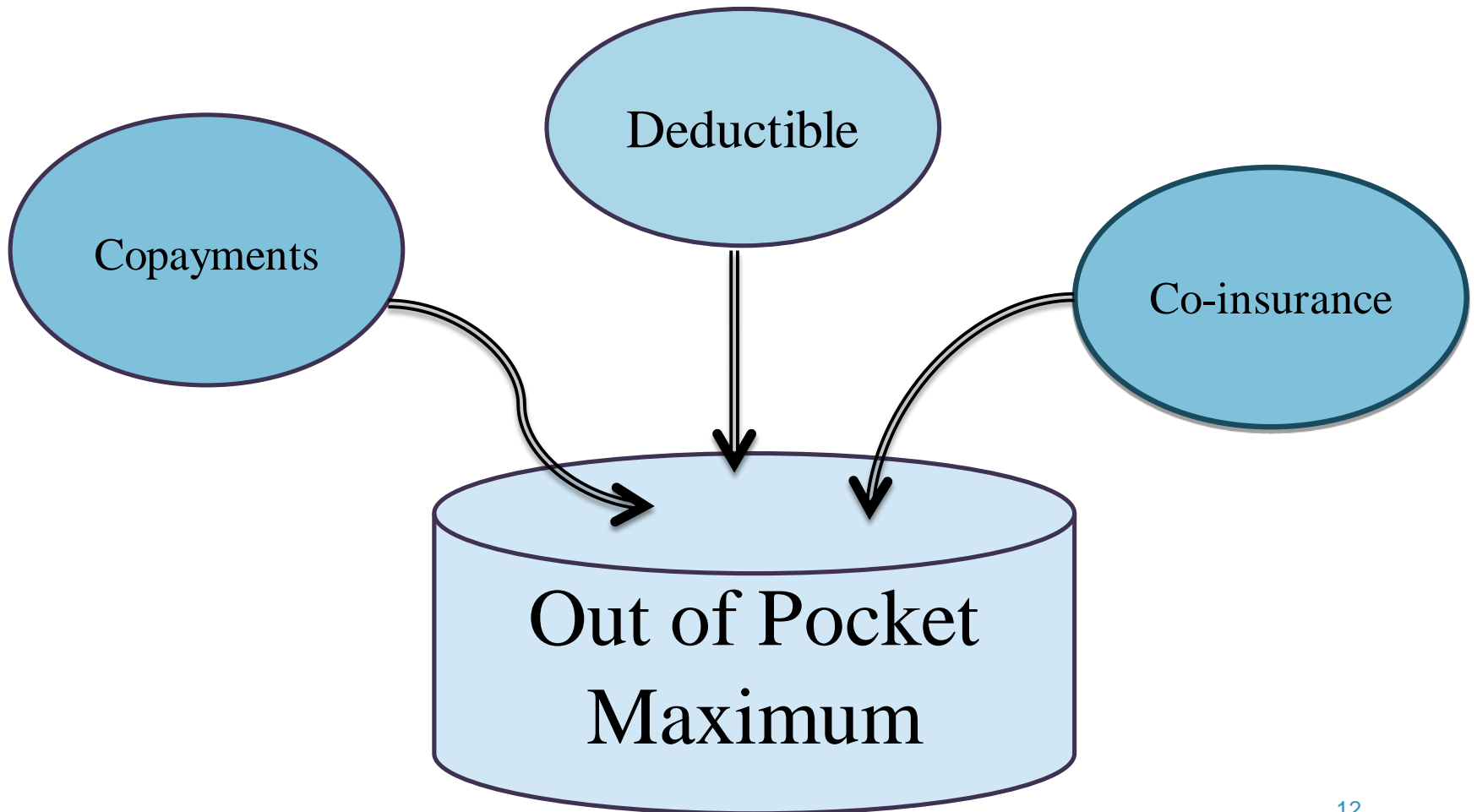
Overview of Cost-sharing Terms

- **Co-payment** – A fixed dollar amount you must pay at the time of service for specific services; for example, the member may pay a \$25 copay for an office visit.
- **Deductible** – The amount you must pay toward the cost of specific services each calendar year before BCBSVT-VEHI make payment.
 - **Stacked deductible** - Plan pays for an individual once the individual deductible is met.
 - **Aggregate deductible** - Full single or entire family deductible must be satisfied before benefits are paid.
- **Coinsurance** – A percentage of our allowed price you must pay, after you meet your deductible; for example, after deductible BCBSVT-VEHI pays for 80% and the member is responsible for 20% of the charges.

Overview of Cost-sharing Terms

- **Out-of-pocket (OOP) Maximum** – this is a set amount on the policy that is the maximum that a member can be responsible for in a calendar year.
 - Federal law sets this threshold for 2016 at no more than \$6,850 for an individual and \$13,700 for a two-person or family plan. This threshold may increase each year.
 - The maximum in all VEHI plans in 2018 is considerably lower than the 2016 federal threshold.
 - Stacked and aggregate also apply to out-of-pocket maximums
- **Premium** – total cost of the health plan
- **CDHP** – Consumer-Directed Health Plan, (Health Savings Account (HSA) compatible per IRS regulations)

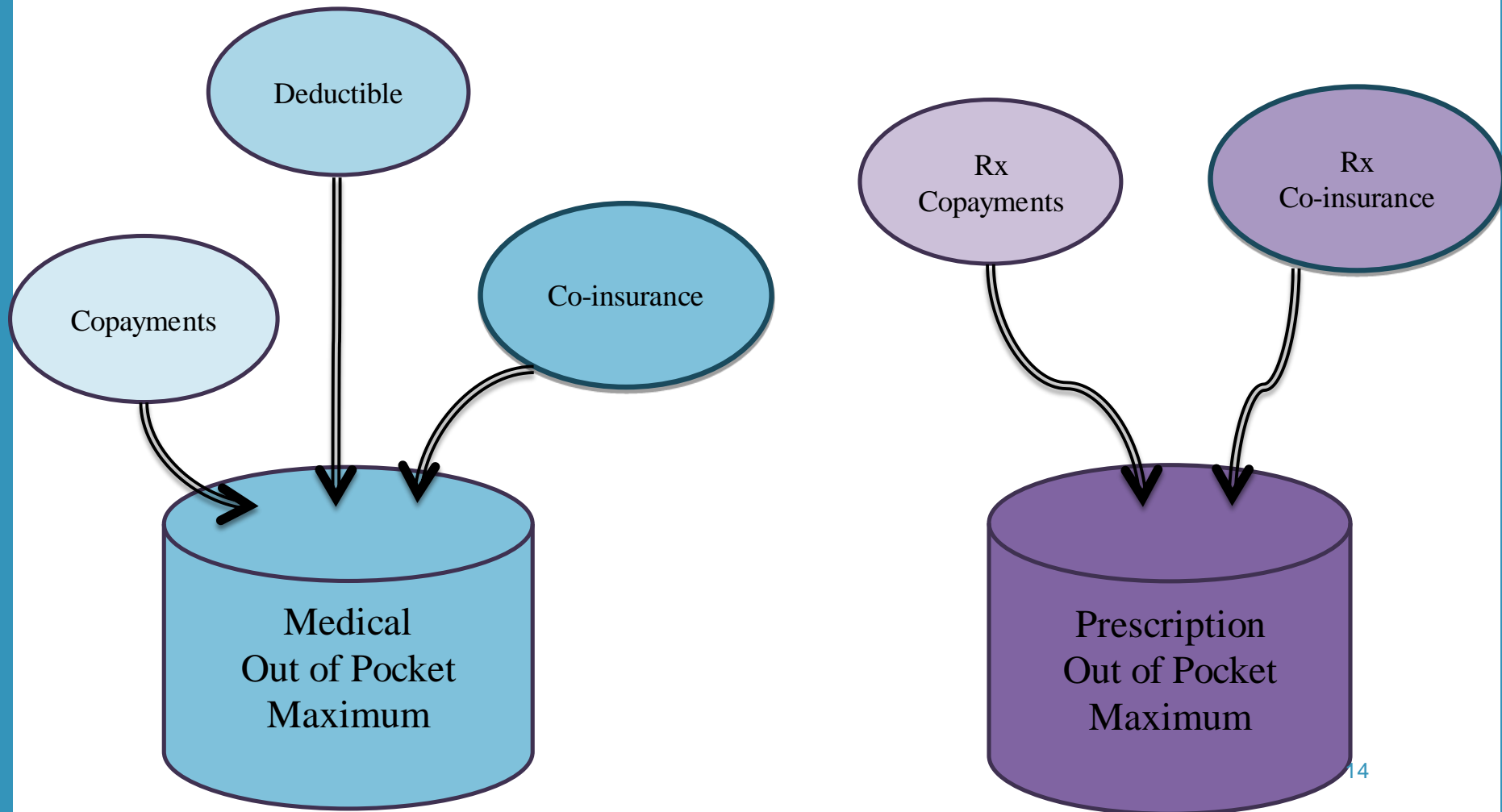
How is Out-of-Pocket Calculated?



Health Plans	VEHI Platinum Member Cost Share	VEHI Gold Member Cost Share	VEHI Gold CDHP Member Cost Share	VEHI Silver CDHP Member Cost Share
HRA or HSA Compatible	HRA	HRA	HRA/HSA	HRA/HSA
Medical Deductible	\$500/\$1,000	\$1,200/\$2,400	\$1,800/\$3,600 (aggregate)	\$3,000/\$6,000
Medical Out of Pocket Maximum	\$1,500/\$3,000	\$1,800/\$3,600	\$2,500/\$5,000 (aggregate)	\$4,000/\$8,000
Prescription Deductible	\$0	\$0	Included in medical deductible	Included in medical deductible
Prescription Out of Pocket Maximum	\$1,300/\$2,600	\$1,300/\$2,600	\$1,300/\$2,600 (aggregate) (included in Medical OOPM)	\$1,300/\$2,600 (aggregate) (included in Medical OOPM)
Total Out of Pocket Exposure (Medical and Rx)	\$2,800/\$5,600	\$3,100/\$6,200	\$2,500/\$5,000 (aggregate)	\$4,000/\$8,000
Preventive PCP Visit	\$0	\$0	\$0	\$0
Primary Care Physician / Mental Health or Substance Abuse Visit	\$25	\$25	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Specialist Visit	\$35	\$35	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Urgent Care Facility	\$75	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Emergency Room	\$250	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Inpatient, Outpatient, Radiology, DME, Ambulance, etc.	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Generic tier 1 / tier 2 / Brand / NP Brand	\$4 / \$10 / \$20 / 50%	\$4 / \$10 / \$20 / 50%	Deductible, then 20% coinsurance	Deductible, then 20% coinsurance
Wellness Prescriptions	\$4 / \$10 / \$20 / 50%	\$4 / \$10 / \$20 / 50%	No member cost	No member cost
Monthly Rates (Illustrative)	Platinum	Gold	Gold CDHP	Silver CDHP
Single	\$650.73	\$615.25	\$524.56	\$456.60
Two Person (Two Adults)	\$1,301.45	\$1,230.49	\$977.84	\$913.20
Parent/Child(ren)	\$1,126.49	\$1,066.21	\$837.29	\$797.13
Family	\$1,893.89	\$1,792.08	\$1,490.04	\$1,337.42

Copayment Style Plans

VEHI Platinum & Gold



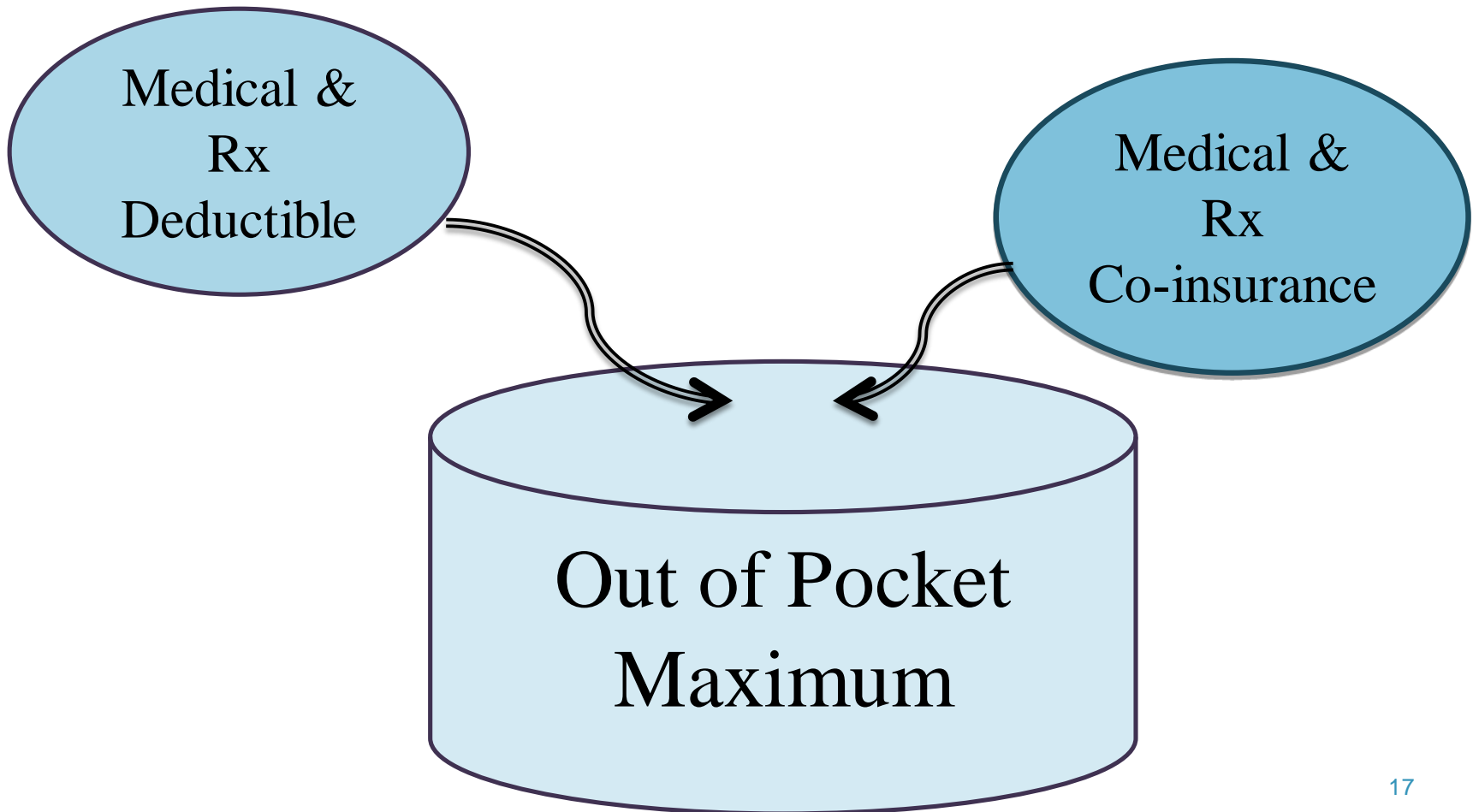
VEHI Platinum			Member Cost Share	
Medical Deductible			\$500 / \$1,000	
Medical Out of Pocket Maximum			\$1,500 / \$3,000	
Prescription Deductible			\$0	
Prescription Out of Pocket Maximum			\$1,300 / \$2,600	
Total Out of Pocket Exposure (Medical and Rx)			\$2,800 / \$5,600	
Preventive PCP Visit			\$0	
Primary Care Physician / Mental Health or Substance Abuse Visit			\$25	
Specialist Visit			\$35	
Urgent Care			\$75	
Emergency Room			\$250	
Inpatient, Outpatient, Radiology, DME, Ambulance, etc.			Deductible, then 20% coinsurance	
Generic tier 1 / Generic tier 2 (new)			\$4 / \$10	
Preferred / Non-Preferred Brand			\$20 / 50%	
Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) (new)	Family
VEHI Platinum (Illustrative)	\$650.73	\$1,301.45	\$1,126.49	\$1,893.89
FY 17 VEHI VHP	\$752.41	\$1,478.99	n/a	\$1,982.66

VEHI Gold	Member Cost Share
Medical Deductible	\$1,200 / \$2,400
Medical Out of Pocket Maximum	\$1,800 / \$3,600
Prescription Deductible	\$0
Prescription Out of Pocket Maximum	\$1,300 / \$2,600
Total Out of Pocket Exposure (Medical and Rx)	\$3,100 / \$6,200
Preventive PCP Visit	\$0
Primary Care Physician / Mental Health or Substance Abuse Visit	\$25
Specialist Visit	\$35
Urgent Care	Deductible, then 20% coinsurance
Emergency Room	Deductible, then 20% coinsurance
Inpatient, Outpatient, Radiology, DME, Ambulance, etc.	Deductible, then 20% coinsurance
Generic tier 1 / Generic tier 2 (new)	\$4 / \$10
Preferred / Non-Preferred Brand	\$20 / 50%

Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) (new)	Family
VEHI Gold (Illustrative)	\$615.25	\$1,230.49	\$1,066.21	\$1,792.08
FY 17 VEHI VHP	\$752.41	\$1,478.99	n/a	\$1,982.66
FY 17 VEHI \$1,200	\$601.91	\$1,183.12	n/a	\$1,586.30

CDHP Style Plans

VEHI Gold & Silver CDHP



VEHI Gold CDHP	Member Cost Share			
Medical Deductible (Aggregate)	\$1,800 / \$3,600			
Medical Out of Pocket Maximum	\$2,500 / \$5,000			
Prescription Deductible	Included in medical deductible			
Prescription Out of Pocket Maximum	\$1,300 / \$2,600 (included in Medical OOPM)			
Total Out of Pocket Exposure (Medical and Rx)	\$2,500 / \$5,000			
Preventive PCP Visit	\$0			
Primary Care Physician / Mental Health or Substance Abuse Visit	Deductible, then 20% coinsurance			
Specialist Visit	Deductible, then 20% coinsurance			
Urgent Care, Emergency Room	Deductible, then 20% coinsurance			
Inpatient, Outpatient, Radiology, DME, Ambulance, etc.	Deductible, then 20% coinsurance			
Generic or Brand drugs	Deductible, then 20% coinsurance			
Wellness drugs (new)	No member cost			

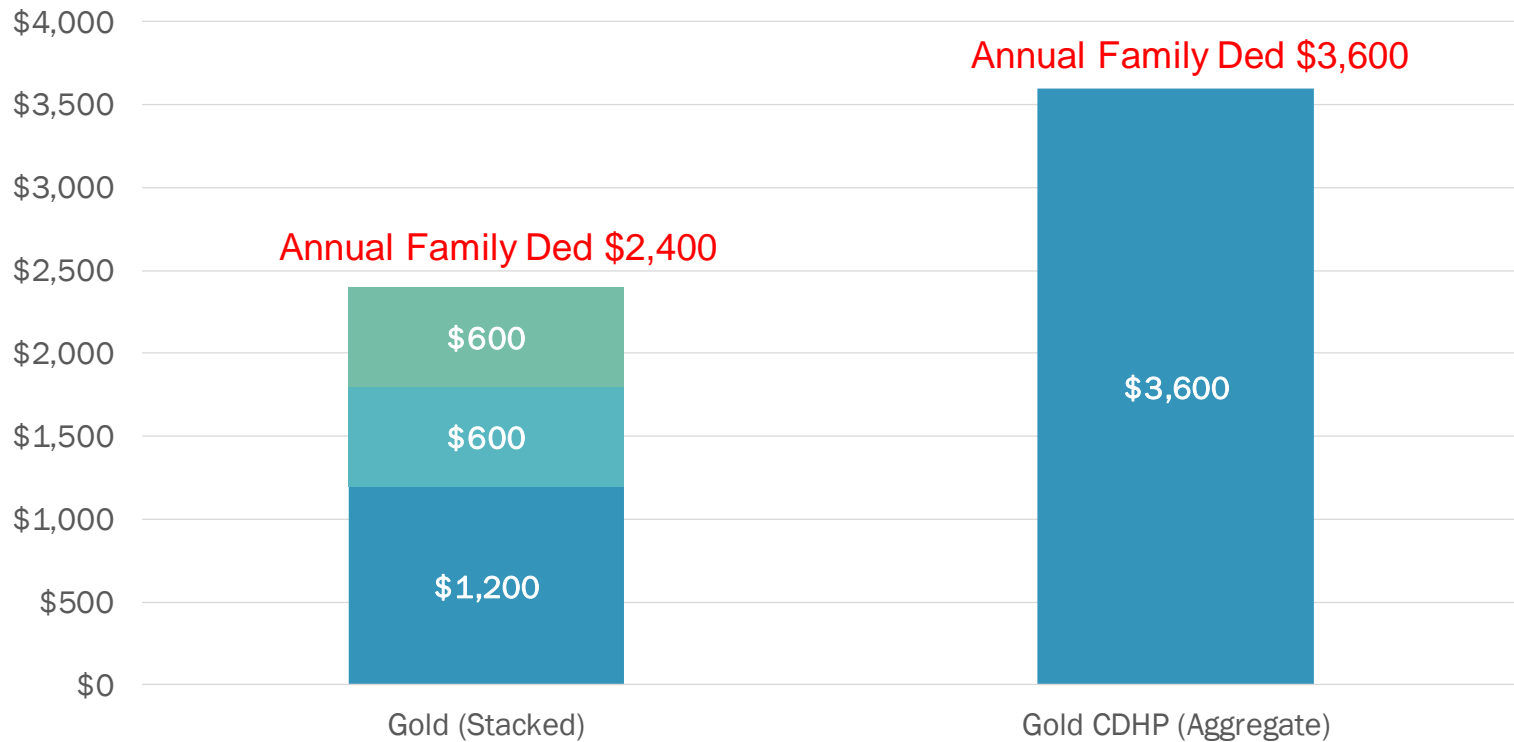
Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) (new)	Family
VEHI Gold CDHP (Illustrative)	\$524.56	\$977.84	\$837.29	\$1,490.04
FY 17 VEHI VHP	\$752.41	\$1,478.99	n/a	\$1,982.66
FY 17 VEHI \$1,800	\$601.91	\$1,183.12	n/a	\$1,586.30

VEHI Silver CDHP	Member Cost Share			
Medical Deductible	\$3,000 / \$6,000			
Medical Out of Pocket Maximum	\$4,000 / \$8,000			
Prescription Deductible	Included in medical deductible			
Prescription Out of Pocket Maximum	\$1,300 / \$2,600 (included in Medical OOPM)			
Total Out of Pocket Exposure (Medical and Rx)	\$4,000 / \$8,000			
Preventive PCP Visit	\$0			
Primary Care Physician / Mental Health or Substance Abuse Visit	Deductible, then 20% coinsurance			
Specialist Visit	Deductible, then 20% coinsurance			
Urgent Care, Emergency Room	Deductible, then 20% coinsurance			
Inpatient, Outpatient, Radiology, DME, Ambulance, etc.	Deductible, then 20% coinsurance			
Generic or Brand drugs	Deductible, then 20% coinsurance			
Wellness drugs (new)	No member cost			

Monthly Rates	Single	Two Person (Two Adults)	Parent & Child(ren) (new)	Family
VEHI Silver CDHP (Illustrative)	\$456.60	\$913.20	\$797.13	\$1337.42
FY 17 VEHI VHP	\$752.41	\$1,478.99	n/a	\$1,982.66
FY 17 VEHI \$1,800	\$601.91	\$1,183.12	n/a	\$1,586.30

Stacked vs Aggregate Deductibles

Family Gold Policy Deductible Examples



Wellness Prescriptions

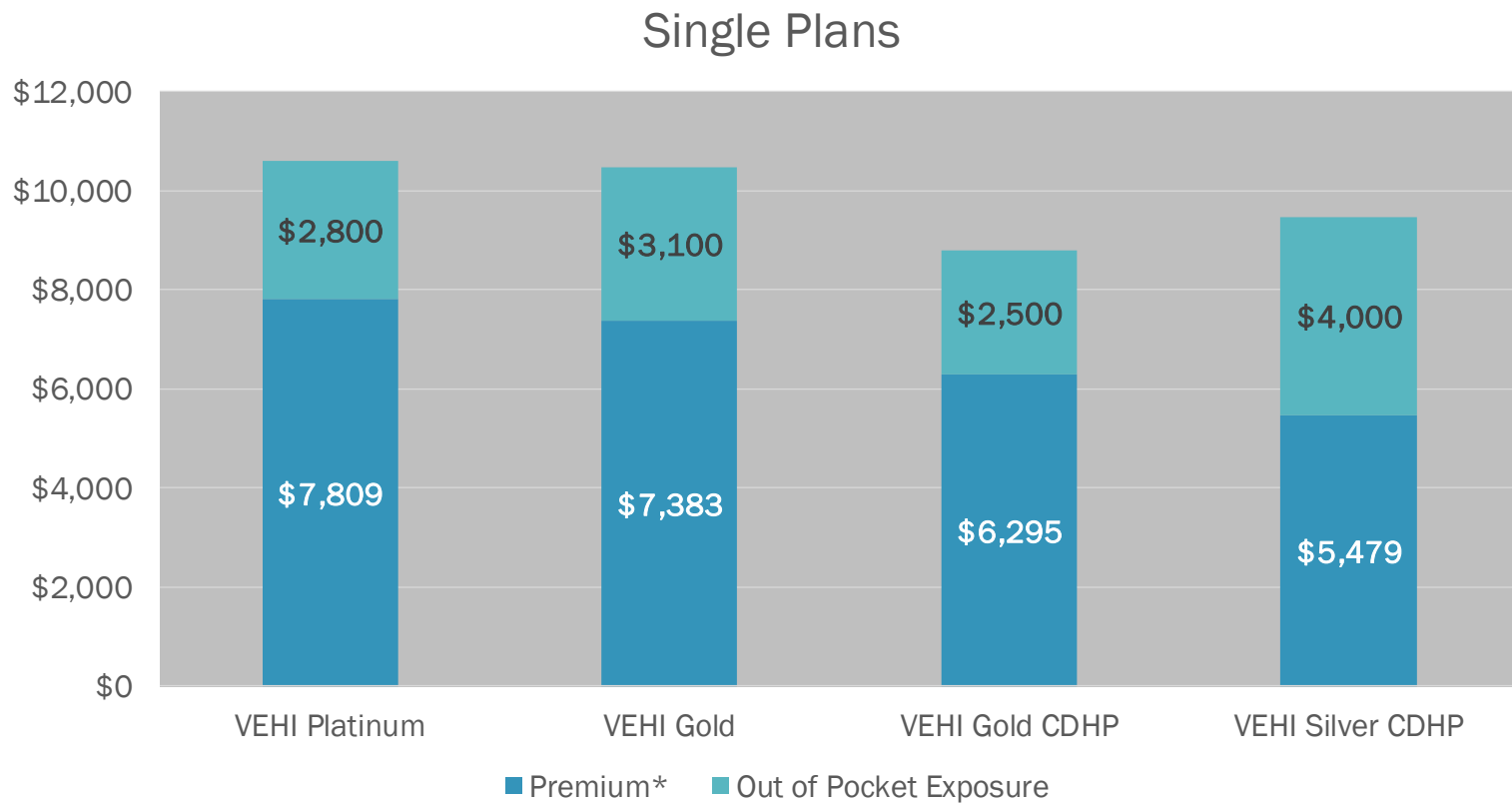
- Applicable to the Gold CDHP & Silver CDHP plans only
- Prescription drugs on the Wellness Rx list are not subject to deductible, and are covered at 100% coverage
- Categories on the Wellness Rx list include:
 - Asthma/COPD
 - Diabetes
 - Hyperlipidemia
 - Hypertension
 - Osteoporosis
 - Prenatal
- Please note that not all prescriptions under the categories are covered at 100%
- A full list of 100% covered Wellness medications can be found at www.bcbsvt.com/wellnessrx
- Please note: Platinum/Gold non-CDHP plans are subject to copay/coinsurance except for diabetic medications

Preventive Care Coverage

The Affordable Care Act (ACA) expanded the coverage of preventive care – below are examples of benefits that are covered at 100% on all VEHI health plans. For example:

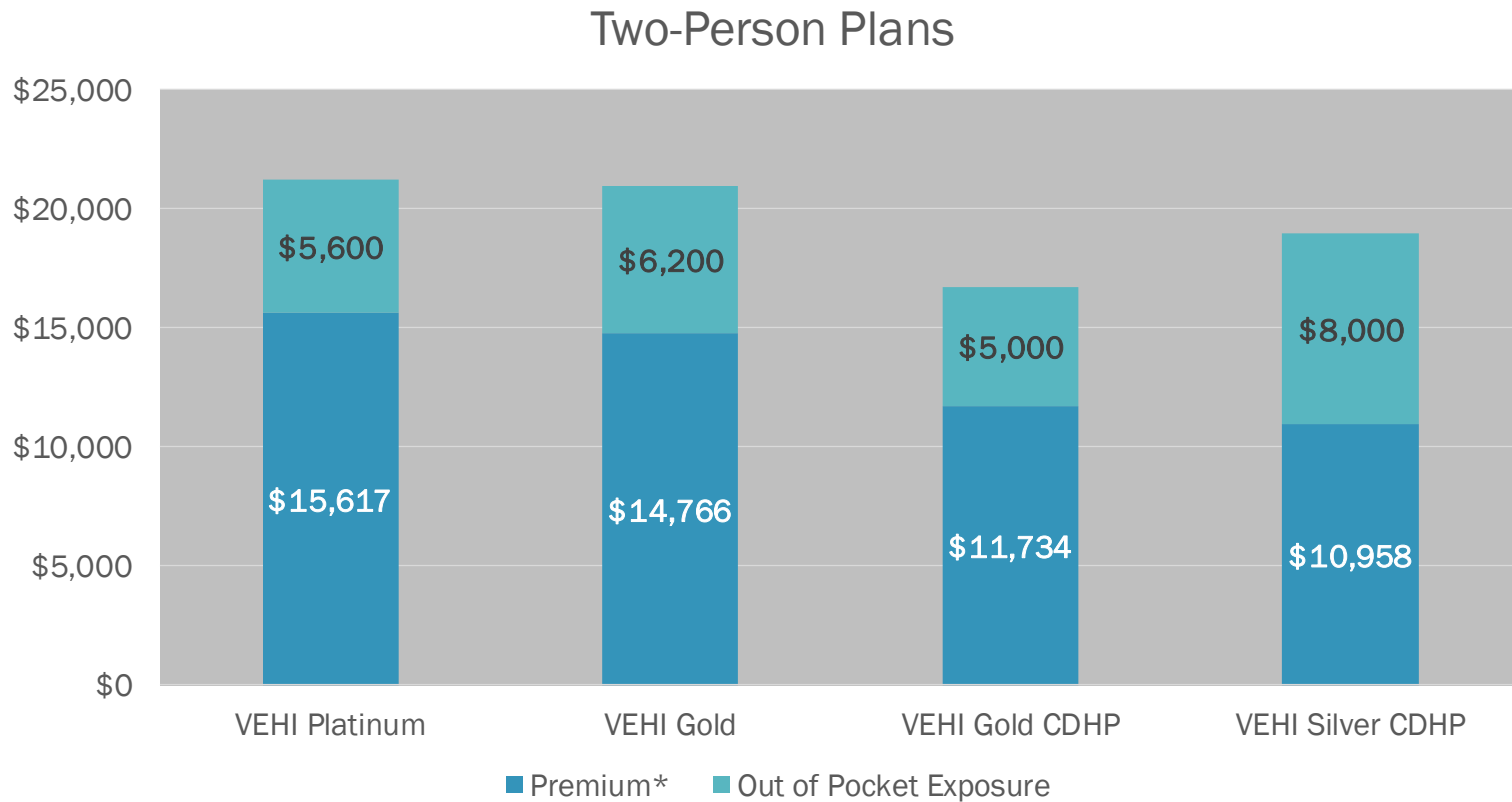
- Annual exam for all family members
- Well-baby and well child office visits
- Immunizations
- Colorectal screening
- Services for women also include:
 - Annual OBGYN exam and pap test
 - Screening mammogram
 - Generic oral birth control, as well as implantable and injectable contraceptives
 - Standard breast pump from a durable medical equipment network provider
 - Lactation support from a network lactation consultant
- For a full list of covered services, please see www.bcbsvt.com/preventive, scroll down to step 3 and you'll find the link to the ACA preventive care list

Combined Cost Exposure for a Single Plan



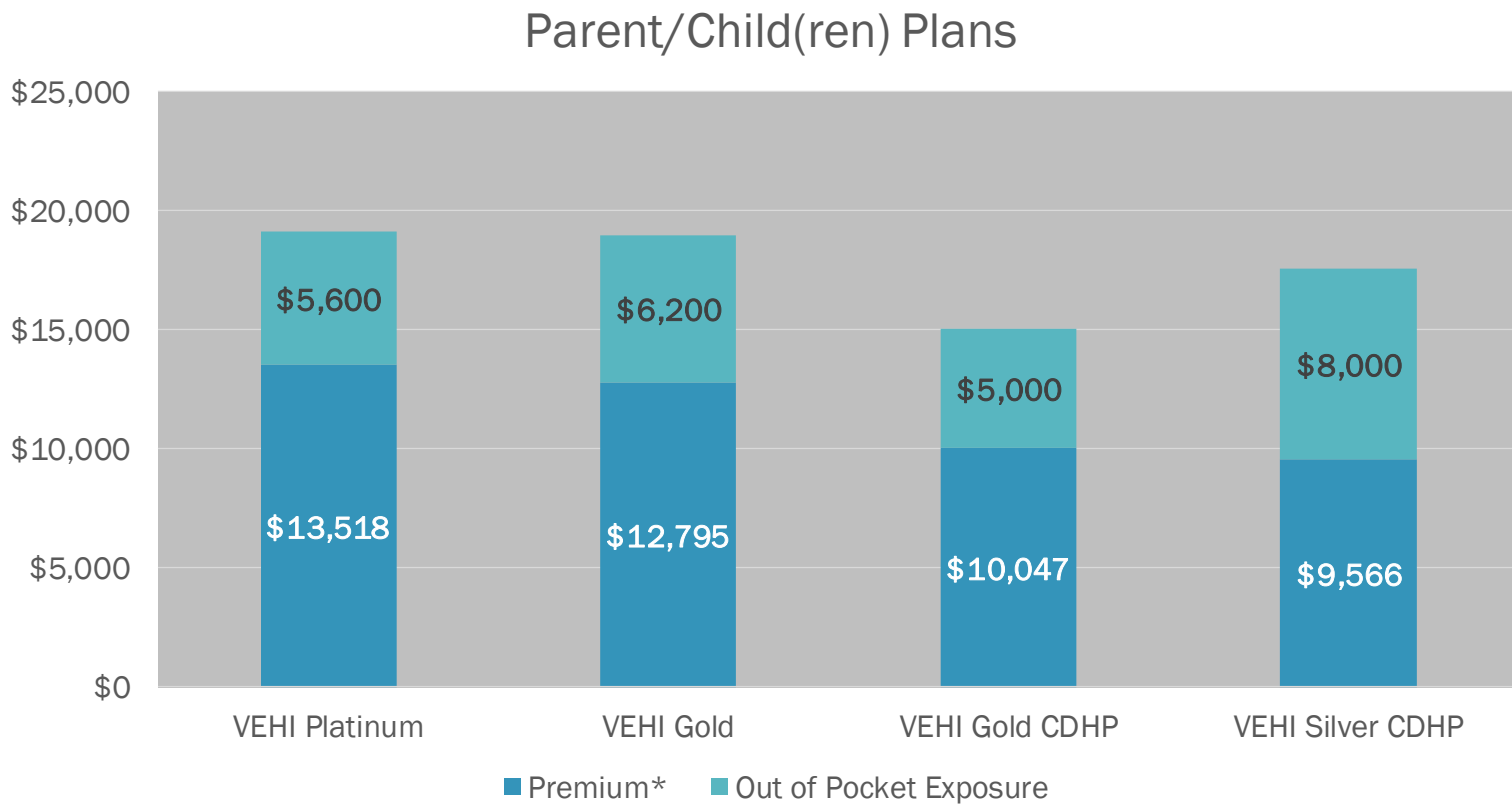
*This rates are illustrative for FY 17 for comparison purposes

Combined Cost Exposure for a Two-Person Plan



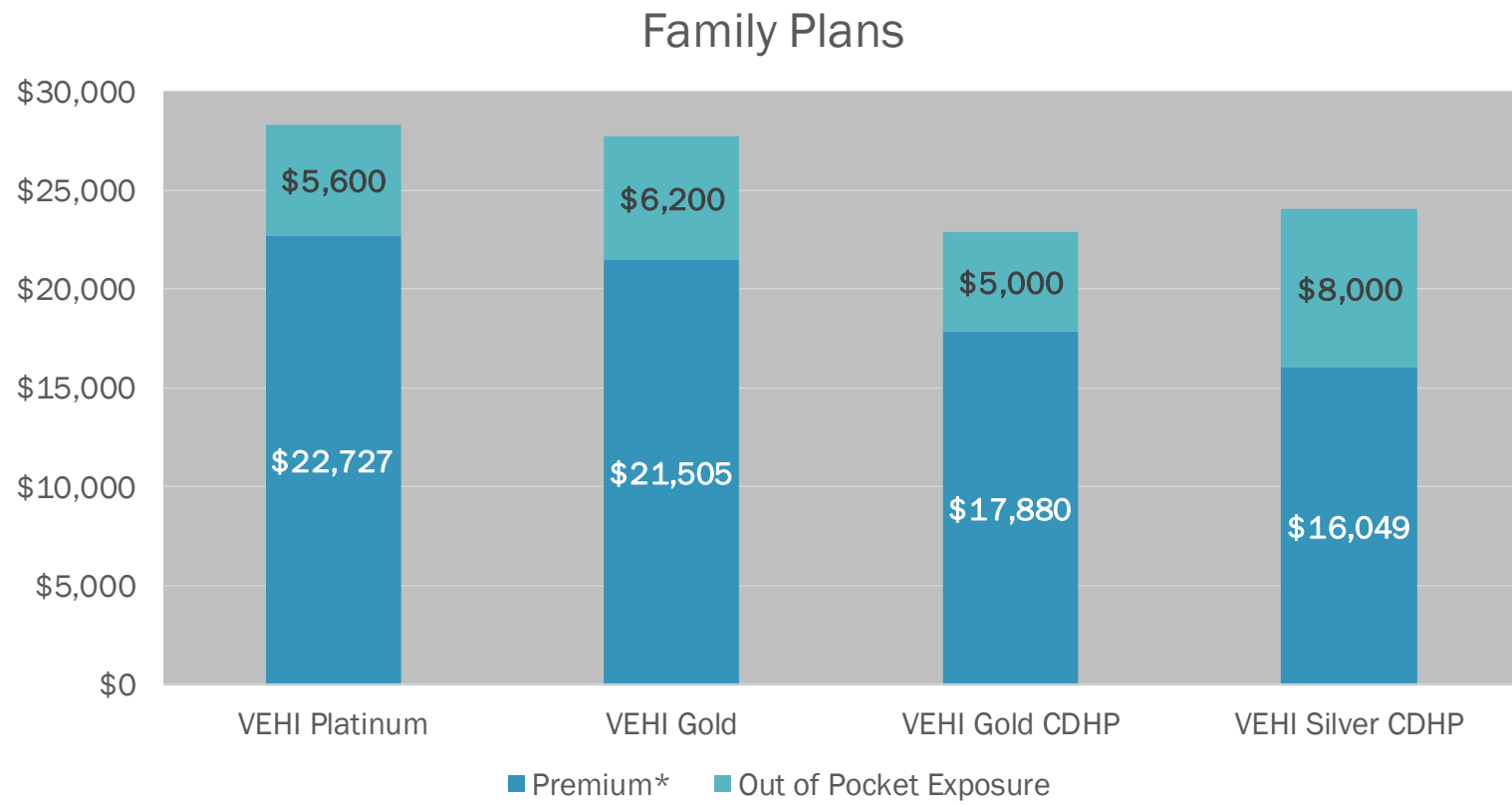
*These rates are illustrative for FY 17 for comparison purposes

Combined Cost Exposure for a Parent/Child(ren) Plan



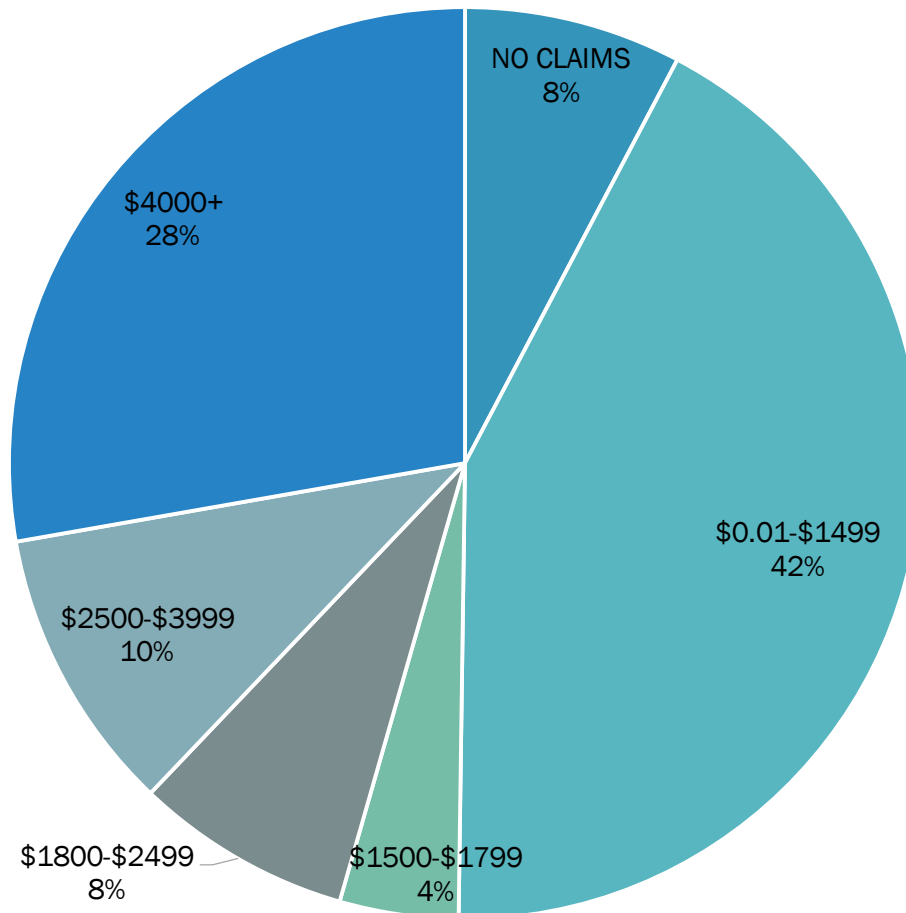
*This rates are illustrative for FY 17 for comparison purposes

Combined Cost Exposure for a Family Plan



*This rates are illustrative for FY 17 for comparison purposes

VEHI Member Claims Data



- Information is based on all VEHI membership (subscribers and their dependents).
- Claims incurred in calendar year 2015, paid through February 2016.
- Call customer service for ***your*** personalized claims history at 1-800-247-2583.

Questions

Medical Spending Accounts

Tax-Favored Funding Arrangements Available

- Health Savings Account (HSA)
- Health Reimbursement Arrangement (HRA)
- Flexible Spending Account (FSA)

VEHI does not in any way endorse specific health care plan options or cost-sharing arrangements. Decisions about health care plans, funding arrangements, cost-sharing mechanisms, and related salary considerations are made through collective bargaining between school districts and local unions. VEHI shares information about the use of HRAs, HSAs and FSAs in order to ensure parties have access to information about the options available and to secure cost-effective pricing for administering these plans through a third-party vendor.

Health Equity Partnership



HealthEquity®
Building Health Savings™

- VEHl has partnered with Health Equity and BCBSVT to offer an integrated solution for school boards and associations who agree to use medical spending accounts
- Integrated claims feed from BCBSVT - **no need to submit health claims** for reimbursement or payment
- **Easy to use online functionality** for employer and employee

Health Savings Account (HSA)

- Must be paired with a Consumer-Directed Health Plan (or CDHP) per IRS regulations
- Can be funded by the employer, if negotiated, and/or employee
- Money deposited pre-tax, grows pre-tax and withdrawn pre-tax for qualified expenses
- Use HSA dollars to pay for member's share of cost
- Accounts and funds belong to the employee
 - (No "use it or lose it")
- Accounts stay with employee even after employment ends

Health Reimbursement Arrangement (HRA)

- Eligible to be paired with any health plan
- Promise to pay – funded by the employer pre-tax
- Can cover deductibles, copayments or coinsurance as determined in collective bargaining
- Belongs to the employer

Flexible Spending Account (FSA)

- Generally funded by the employee
- Election done before the beginning of the plan year – plan accordingly
- Typically has “use it or lose it” provisions
- Only Limited-purpose FSAs can be used in conjunction with an HSA account (such as dental, eye-glasses or contacts)

Questions

Timeline

Enrollment Timeline

- Employees may enroll in any of the four VEHI health plans and can switch plans once per year during the employer's open enrollment period.
- Enrollment information for 1/1/18 is needed from the school district by 11/15/17
- If enrollment information is not received by 11/15/17, employees will be moved to the plan closest to their current plan
- Employees can also switch health plans mid-year if they have a life event (marriage, birth, adoption)
- Benefit changes should be made with your benefit manager

Communication and Support

- We will be with you every step of the way to help you with:
 - Education
 - Decision support
 - Enrollment/transition
- Communication will include:
 - Written – mail/email
 - Phone – conference calls, 1:1 discussions
 - Online – Webinars, website articles, newsletters
 - In-person – group presentations, 1:1 meetings when needed

Questions

Contact Information

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