

Healthcare Plan Frequently Asked Questions

1. What is causing so many changes in one year?

During the last several years, we've reviewed health care plans in a piecemeal fashion. So this year, the University appointed a task force to analyze UD's health care offerings in a holistic, comprehensive manner, and we will continue to look at additional enhancements in the future.

We aren't taking any plans away, and we're adding a Consumer Driven Health Plan (CDHP), giving you more choices and control of your care. In addition, the Health Savings Account is designed to grow to help offset future costs.

We waited as long as we could to make these adjustments but the expenses for the University are trending upward more rapidly than revenues. When budget projections for next year indicated basically flat revenues, the recommendation was to implement the changes next year.

2. When were these options discussed and why is the plan coming forward now?

We have discussed these options in various forums for several years. Most recently, President Curran appointed a task force in January to represent the entire UD community.

The task force started its work in February with several meetings devoted to educating members about the complex environment around health care. Updates were given to the Educational Leadership Council as well as HRAC. The findings of the task force, which included all of the key elements of the plan, were presented at the spring faculty and staff meetings.

The task force's initial recommendations were presented to the board in May. At that time, the board asked the task force for more work.

3. Will there be an impact on employees and families?

As a Marianist institution, we believe in creating and cultivating a family spirit, which acknowledges and values the dignity of every person. By offering three health care options (Core, Advantage, CDHP), we aim to offer plans that meet the needs of each employee and his or her family. However, we recognize some of these changes may be difficult. To support employees and their families, we are establishing a new medical emergency loan fund to help employees with pay below \$35,000 meet the CDHP deductible in case of financial hardship. The wellness discount is also available to all employees to reduce their premiums. We will continue to look at ways employees and their families can access low-cost and convenient health care options.

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6. Will there be changes in dental coverage?

No.

7. Can the University consider moving to a different health care insurance company?

We consider our options for health care insurance carriers each year, but there haven't been significant changes that would cause us to move to a different carrier. We continue to evaluate our carriers for the best coverage and financial arrangements.

8. What does it mean that the University is self-insured?

As a self-insured employer, the University of Dayton pays all of the claims incurred by our employees and retirees. Anthem provides access to their network of medical providers as well as the discounts on the charges they have negotiated with those providers. Medical providers bill Anthem for the charges, and Anthem issues the check to the provider directly from the University's accounts.

9. What is the spousal surcharge and how was the amount determined?

Employees with spouses on the UD plan who are eligible for other health care coverage will pay a monthly surcharge ranging from \$25-\$100 based upon the employee's annual salary. The amount is determined from benchmarking data as the median spousal fee. Employees will be asked to disclose the status of any spousal insurance coverage during open enrollment.

10. Where can I find the premiums and other charges for 2017?

A full chart with the recommended rates for premiums is available on the Human Resources website: https://www.udayton.edu/hr/benefits/health_care_info.php

11. What is the tobacco-cessation incentive?

This an incentive to encourage employees to live tobacco-free. A \$25 monthly surcharge for employees who use tobacco will be waived if a free cessation program is completed. Employees will be asked to disclose their tobacco use during open enrollment.

12. The University previously considered but did not implement a charge for tobacco users. Why is it being implemented now?

The tobacco-cessation incentive isn't a financial move. There is no question smoking and other tobacco use is detrimental to health and stopping use has significant health benefits. We would like to encourage our employees to take advantage of this incentive, and will be offering smoking cessation classes to employees and their dependents at no cost this fall.

13. Where did the University get the benchmarking information?

Mercer, a nationally recognized healthcare consulting firm, is assisting the task force in their work. They possess extensive proprietary information and conducted benchmarking specific to the University of Dayton.

14. Are GAs still eligible to get insurance? If they pay the surcharge, can their spouses be included?

As was decided several years ago, GAs are eligible, but their spouses or dependents are not.

15. How many years will UD seed fund the Health Savings Accounts? Will this be the only year?

We are making a commitment to seed fund the Health Savings Accounts in 2017 for employees who choose the Consumer Driven Health Plan. We will evaluate the level of University funding each year thereafter. It's our intent to help employees build a cushion to avoid financial hardship during the transition to the Consumer Driven Health Plan.

16. In setting the premium tiers, why do you only consider University salary rather than total family income?

Research shows no employers in the region require employees to submit total family income documentation to be eligible for lower premiums in a salary-based premium structure. Employers who have salary-based premiums set rates based on the employee's salary only.

17. What is the impact of the Affordable Care Act?

The overall cost of healthcare continues to rise nationally – it's not just affecting the University of Dayton. Doctors, hospitals, prescription drugs, federal requirements, health care services of all kinds are increasing annually.

We comply with the regulations of the Affordable Care Act and also will continue to seek affordable health care plans and low-cost, convenient health care options for the University and our employees.

18. Will the University continue to offer wellness incentives?

All benefits eligible employees will have the opportunity to earn up to \$240 per year in premium reductions by participating in both the annual health evaluation and the Health Activity Tracker.

19. Can I change my contribution amount to the Health Savings Account at any time during the year?

Yes, employees may change the amount of their contributions to the HSA plan at any time during the year.

20. If my spouse is retired, will the spousal surcharge apply if he or she enrolls in the UD coverage?

If your spouse is eligible for retiree healthcare coverage through his or her former employment and enrolls in the UD coverage, the surcharge will apply. If your spouse is retired from employment that does not offer retiree healthcare coverage, then the surcharge will not apply.

21. Will there be a cost estimate tool available?

Yes, the University's enrollment portal, Benefit Focus has a comparison tool for the healthcare plans built into the system. Benefit Focus is an online enrollment portal that the University first

used during last year's open enrollment process. The portal allows employees to electronically compare and select their benefit plans for the next calendar year and confirms your plan selection at the end of the process. Anthem also has cost estimating tools available. Information about the Anthem tools may be found in the Cost Estimation section on the Human Resources website: https://www.udayton.edu/hr/benefits/health_care_info.php.

22. Can Health Savings Account dollars be used for dental and vision expenses as well as medical?

Yes, many dental and vision expenses are considered qualified HSA expenses. IRS Publication 502 helps walk through what is and isn't qualified. Ultimately this is a tax question so consulting with a tax advisor is another good resource.

23. Can I use Health Savings Account funds through the UD plan to pay for expenses for my spouse or dependents who are enrolled in another plan outside of UD?

There are some restrictions, but oftentimes the answer is yes, funds can be used to pay for expenses of qualified dependents – even if they aren't on the UD plan. IRS Publication 502 also speaks to this topic, starting on page 3. This is also a tax question and consultation with a tax advisor may be advised.

24. Can I transfer any unused Health Savings Account funds to a Flexible Spending Account?

No. Funds may not be transferred from an HSA to an FSA account.

25. If I currently waive UD's healthcare and/or dental coverage, am I still required to login to the enrollment platform to make a selection?

Yes. We want everyone to evaluate their options and make an affirmative election this year, even if you are choosing to continue to waive one or both of the coverages.

26. If my spouse works for a local school system or other government entity, is the State Teachers healthcare or Tricare considered coverage for purposes of the spousal surcharge?

Yes. Any coverage sponsored by your spouse's current or if retired, former employer is considered coverage and would require the spousal surcharge if you spouse is enrolled in the UD plan.