Open Enrollment is April 15 – May 15, 2013

Open enrollment is here: your annual opportunity to review your benefits and make changes for the coming plan year (July 1, 2013-June 30, 2014). The UA Choice health plans are changing this year and we want everyone to make an informed decision to choose the plan that’s right for you.

The first thing you’ll notice is the rates have gone down for most levels of coverage. How can the rates have gone down? Has the plan decreased in cost?

Last year’s rates were increased to account for increased plan cost as well as to recover the shortfall from employee contributions the year before (FY12). With the under recovery fully accounted for, projections for FY14 could be done based purely on expected plan costs. In addition, as a result of the Request For Proposals (RFP) process completed this year, the university has lowered administrative costs for the health plan.

Plan Changes for FY14

UA Choice still offers three levels of coverage, but the options have changed. We now offer a Consumer-Directed Health Plan (CDHP) with a Health Savings Account (HSA) that employees have been requesting. Because not everyone will qualify for the CDHP, we’re still offering the High Deductible Health Plan (HDHP), and the 750 Plan. The 500 Plan has been dropped, so if you’re enrolled in that plan you will need to choose one of the other options.

Details about the three plans can be found in the UA Choice Enrollment Guide booklet, enclosed with this letter and available online at www.alaska.edu/benefits.

Also enclosed are the new Summary of Benefits And Coverage (SBC) for each plan, as required by the Affordable Care Act. These summaries can help you compare plans by seeing what each plan covers.

New Coverage Tiers for Dependents

In the past, the cost for dependents didn’t depend on how many children you had on the plan. To spread the cost of covering dependents more equitably, there are now separate charges for one child, two children or three or more children. Employees with only one child will see their rates drop a bit, those with two children will pay about the same, and those with three or more will pay a little more for coverage.

Do I need to return an enrollment form?

Because of the changes we’ve made to drop one plan and change how you pay for dependent coverage, everyone should review their options and turn in an enrollment form. Choose the plan that’s right for you and positively enroll your dependents.

If you do not return an enrollment form by May 15, you and your currently covered dependents will be continued in the plan you had before with the exception of the 500 Plan participants. If you are currently in the 500 Plan and do not elect a new plan, you’ll be automatically enrolled in the 750 plan with your currently enrolled dependents. You can check UAOnline to see what plan you have now, and after June 10th you can verify that any changes made during open enrollment were set up correctly.

Remember that if you’re enrolling new dependents, you will need to include copies of supporting documentation, such as marriage or birth certificates, adoption papers, etc.
If you’ve waived coverage (opted out) in the past and do not want to enroll in a plan now, you do not need to return an enrollment form. Your waived status will continue into the new plan year.

**Pharmacy Benefit With Premera Blue Cross**

Beginning on July 1, your prescription drug benefit will be with Premera Blue Cross. Premera uses Express Scripts to manage the pharmacy benefit, and you will see information from Premera with more information coming soon. Express Scripts has recently merged with Medco, so you will see both names on some communications and forms for the next several months.

If you had active mail order prescriptions with CVS Caremark, those should be transferred to Premera as part of the transition process. You’ll be able to access all your pharmacy benefits information including preferred drug lists, drugs requiring Prior Authorization (PA), Step Therapy, and claim and mail order forms online at Premera.com.

**What is a Health Savings Account (HSA)?**

A Health Savings Account is a tax-favored bank account you use to pay for qualified medical expenses and save for future medical expenses. This account is unlike the Flexible Spending Account (FSA) because the unused amount rolls over from year to year, allowing you to accumulate tax-free dollars in an account that you own and can take with you after you retire or leave the University of Alaska.

These accounts require you to be enrolled in a qualifying high deductible health plan, such as the Consumer-Directed Health Plan (CDHP) offered to you this open enrollment. The differences between the CDHP and the HDHP include the following:

- Aggregate deductible and out-of-pocket maximums. This means that if you cover anyone other than yourself on this plan, you have the family deductible and out-of-pocket maximum; there is no individual deductible.
- The pharmacy benefit is subject to the deductible and coinsurance, so there are no pharmacy copays like the other plans.
- You can’t be covered by any other plan that is not a qualifying CDHP, this means no Tricare, no Medicare or other retiree plan such as AlaskaCare, no spouse coverage and no FSA (you or your spouse).

More information about the CDHP/HSA option is in the UA Choice Enrollment Guide and online at [www.alaska.edu/benefits](http://www.alaska.edu/benefits). In addition, there will be employee meetings held in the next few weeks to help you learn more about this plan and other changes for this year. Schedules will be sent by e-mail and posted on the benefits web site.

**Flexible Spending Account Change**

The maximum amount you can contribute to a Health Care FSA this year will be $2,500. This change is because of health care reform requirements. The Dependent Care FSA is not changing. Note that while you cannot have the HSA and Health Care FSA at the same time, you can have the HSA with the Dependent Care FSA to help pay for daycare expenses.

**For More Information**

You can find more details and information about these changes on the benefits web site at [www.alaska.edu/benefits](http://www.alaska.edu/benefits).

If you have additional open enrollment questions you may call your regional Human Resources office:

- UAA (907) 786-4608
- UAF (907) 474-7700
- UAS (907) 796-6263
- SW (907) 450-8200