

Human Resources Proposed 2022 Benefit Changes

Presented to University Benefits Committee for review and consideration.

Please note, *legacy faculty plan* is the term used to describe the benefits program of faculty who were hired before 2014. This plan has different benefits than those of faculty hired after 2014 and the staff. *Legacy faculty* is the term used to describe the employees who are currently covered by that plan.

- **Medical Plan Realignment**
 - **Medical Mutual PPO Change (phase out legacy faculty plan design effective December 31, 2021; allow election of any current, unified employee plans)**
 - Plan Design (See Exhibit A)
 - Deductible, Out of Pocket maximums, Office visit co-pay, Specialist co-pay, ER co-pay increase
 - Add ACA Preventative Services Schedule at 0% cost share compared with current 20% (including expanded Well Child and Women's Health provisions)
 - Elimination of the Supplemental Accident provision (\$300 towards medical cost)
 - Elimination of blood deductible
 - Elimination of \$25,000 cap on private duty nursing
 - Employee Cost Share
 - University/employee **overall** cost share split moves from 90/10% to 85/15% (all medical Plans)
 - Tiered employee contributions based on salary Sept 1 of each year (1) <\$40K, (2) \$40K – 69K, (3) \$70K – 99K, (4) >\$100K
 - Employee contributions will continue to be adjusted, as they have been in the past, based on claims experience and forecasted cost. We will continue to use different salary tiers to differentiate employee contribution rates with an eye to minimizing impact of annual increases on the lowest earning employees.
 - Add Working Spouse Surcharge (for legacy faculty)
 - **Medical Mutual HDHP with Health Savings Account Contributions**
 - Open plan to all faculty participation
 - Plan Design
 - No changes to current plan design
 - Tiered employee contributions based on salary Sept 1 of each year (1) <\$40K, (2) \$40K – 69K, (3) \$70K – 99K, (4) >\$100K
 - Add Working Spouse Surcharge (for legacy faculty)

- **MMO Medifil Retiree (over 65) Plan – no changes**
- **MetroHealth/Skyway EPO**
 - Plan Design
 - No changes to current plan design
 - Tiered employee contributions based on salary Sept 1 of each year (1) <\$40K, (2) \$40K – 69K, (3) \$70K – 99K, (4) >\$100K
 - Add Working Spouse Surcharge (for legacy faculty)
- ***Pharmacy Plan***
 - **Plan Design Realignment (See Exhibit B)**
 - New Pharmacy Benefits Manager (EpiphanyRx)
 - Increase in co-pay schedule (for legacy faculty)
 - New Specialty drug tier (for legacy faculty)
 - Maintenance drug penalty at retail removed (for legacy faculty)
 - Formulary Changes
- ***Retirement Savings Plan Realignment***
 - **JCU to increase employer contributions for legacy faculty to be equivalent to other employees**
 - 0.5% increase to 6.5% if < 10 years of continuous full-time service
 - 1.0% increase to 7.0% if 10 + years of continuous full-time service
- ***Life Insurance Realignment (See Exhibits C & D)***
 - **Eliminate current legacy faculty elective term life insurance plan and surviving dependent benefit and move to current staff and recently hired faculty term life plan.**
 - University provides 1x annual salary insurance coverage to all fulltime benefit eligible employees
 - University provides an additional 1x annual salary life insurance coverage to all full time benefit eligible employees with 10+ years of continuous service
 - **No change to supplemental life insurance plan**
- ***Long Term Disability***
 - **No change to plan design**
- ***Dental Benefits***
 - **No change to plan design**
- ***Vision Benefits***
 - **Offer VSP along with EyeMed to legacy faculty**
 - **No change to plan design**

Proposed PPO Plan Change Detail (Legacy Faculty) – Exhibit A

Medical Changes	Current (Legacy PPO)		Proposed (ACA PPO)	
	In-network	Out network		
Single Deductible	\$300	\$500	\$500	\$1,000
Family Deductible	\$900	\$1,000	\$1,000	\$2,000
Primary Care Co-pay	\$15	Deductible and co-insurance applies	\$20	Deductible and co-insurance applies
Specialist Co-pay	\$30	Deductible and co-insurance applies	\$35	Deductible and co-insurance applies
Single Out-of-Pocket Max. (includes deductible)	\$2,050	\$3,000	\$2,500	\$3,500
Family Out-of-Pocket Max. (includes deductible)	\$4,400	\$6,000	\$5,000	\$6,500
Emergency Room Co-pay	\$75		\$100	

Prescription Drug Co-pay Schedule – Exhibit B

Prescription Changes	Current (Legacy PPO)		Proposed (ACA PPO)	
	Generic	Brand	Generic	Brand
Co-pay	\$10	\$25	\$10*	\$35
Non-formulary Co-pay	N/A	\$50	N/A	\$70
Mail Order Co-pay (90 day)	2.0x Retail		2.5x Retail	
Specialty Co-pay	N/A		\$100	

*Additional network provides greater discount - \$5 generic co-pay (30 day), \$12.50 generic co-pay (90 day) at retail.

Basic Life Insurance - Exhibit C

Life Insurance	Current	Proposed (Insured, Integrated Benefits)
Participation	Elective	Non-elective; all active, benefits eligible employees would be covered
Coverage level	2x base salary	1x base salary
Accidental death & dismemberment benefit	yes	yes
Beneficiary restrictions	No, employee can assign beneficiary	No, employee can assign beneficiary
Employer cost	University pays for 50% of premiums	University pays 100% of premiums
Employee premium cost	Employee pays 50% of premium	none
Tax implications	The value of premiums paid by the University are imputed as income for benefit levels over \$50K; the benefit (if paid) is not taxable.	The value of premiums paid by the University are imputed as income for benefit levels over \$50K; the benefit (if paid) is not taxable.
Limits	\$250,000	\$250,000
Supplemental term Life Insurance: No changes proposed; all premiums are solely paid by the employee and are based on age banded rates.		
Total cap on insurance	\$500,000	Total of all Basic & Supplemental limits

Surviving Dependent Benefit (in conjunction with Basic Life Insurance proposed change) – Exhibit D

Surviving Dependent Benefit	Current	Proposed (Insured, Integrated Benefit)
Participation	Non-elective; covers all active, benefit eligible faculty hired prior to January 1, 2013 with 10 or more years of service who has a “surviving dependent”	Non-elective, covering all active, full-time employees with 10 or more years of service
Coverage	1x Salary	1x Salary
Accidental death & dismemberment benefit	No	Yes
Beneficiary restrictions	Yes, only payable to a “surviving dependent”	No, employee can assign any beneficiary
Employer Cost	Full, self-funded (requires University cash reserve)	University pays 100% of premium cost, fully insured so no cash reserve
Employee Cost	None	No premium cost
Tax implications	Paid benefit is taxed as regular income	The value of premiums paid by the University are imputed as income for benefit levels over \$50K; the benefit (if paid) is not taxable.
Limits	1x salary	Collective max within 1x Basic Life benefit \$350,000