A&M System Benefits
Plan Year 2015

“The System Perspective”

June, 2014
Ellen Gerescher
Plan Year 2015 Expectations

**Positives**
- Increase in State Insurance Contribution 7.3%
- Fewer high-dollar claims than last year
- Most employees & retirees are in one plan

**Negatives**
- Affordable Care Act Fees ($2.5 M)
- Increased expense from specialty pharmacy
- Increase in compliance & reporting
- Increase in major disease states such as diabetes, cancer & hypertension
Key Issues

- Health Plan premiums will continue to be partially funded from health plan reserves - about $10 million per year
- Affordable Care Act compliance & next year’s full implementation
- Chancellor’s Wellness Initiative will continue funding healthy workforce initiatives at each System agency & institution
Benefit Changes

- Employees will see an increase in benefits through a return to the 80% / 20% coinsurance for major medical expenses.
- Office visit copays will be included in the out-of-pocket maximum.
Wellness Exam Incentive

Once a year

For active employees enrolled in the A&M Care plan

If you or your spouse enroll in the plan Sept. 1 or later, you do not have to get an exam until the following year

Incentives can get credited during the year after the exam is processed through BCBS
The System Benefits Office manages the student insurance plans

- One plan for international students, domestic students, graduate student employees
- Affordable Care Act Compliant
- Slightly higher premiums - lower for graduate students because of higher state contribution; much lower dependent premiums
Life Insurance

Life insurance plan changes

- Compliance with IRS tax laws and increases in Basic Life & Spouse Dependent Life claims result in:
  - Decrease for OL tobacco free, increase for OL tobacco users
  - Change in Dependent Life Plan A (spouse coverage) – now based on spouse’s age and tobacco use
Affordable Care Act

Measuring Begins 9-1-14 – who?

- Those with variable hours or those without benefits who are meant to be temporary (includes student workers)
- Must average under 30 hours/week or will be benefit eligible for the following year regardless of how much they work during that following year

TAMU HR and System Benefits will do most of the tracking via reports
ACA Reporting

Three reports from the Data Warehouse will be provided monthly to HR contacts:

- Employees not benefit eligible and working 75% or more
- Employees not benefit eligible and working between 50% & 75%
- Employees currently getting $\frac{1}{2}$ SGIP and working 75% or more
Supplemental pay codes (99) have been categorized, depending on whether the hours should be included in hours worked.

It is critical that departmental payroll processors avoid using lump sum payments for multiple months.
ACA Measurements

- Measurement period
- Administrative period
- Stability period
- Summer breaks do not “count against” employees; neither does FMLA or military time off
- Breaks count if they are greater than the time worked before the break or greater than 26 weeks
- Employees on call
- Seasonal employees
- Service performed by students under federal or state-sponsored work-study programs
We meet several times a year with the Teachers Retirement System, UT System and Employees Retirement System to:

- compare legislative agendas and potential changes to benefit employees & retirees,
- share cost saving initiatives,
- brainstorm to find ways to meet the challenges of increasing Federal & State regulation, an aging population and the increasing cost of health care.
Benefit-Related Legislative Initiatives

Change Insurance Code 1601

- Default enrollment changed to first of the month following the 60\textsuperscript{th} day
- Changes to SGIP for part time employees
  - \textit{Full SGIP for those working 75\% or more}
  - \(\frac{1}{2} \text{ SGIP for those working 50\%-74\%}\)
- Change timeframe for benefit eligibility from 41/2 months or more to 90 days or more
- Student worker exclusion from benefits limited to those working less than 75\%