

Regents Approve Health Plan Premiums for Employees and Retirees

At the August 8, 2019, Board of Regents meeting, the Board approved the 2020 University System of Georgia (USG) healthcare plan design changes and premiums for active employees and pre-65 retirees. The Board also approved the USG funding for the supplemental coverage for Medicare-eligible retirees age 65 and older. These changes were carefully considered by the USG Total Rewards Steering Committee and USG leadership as a result of state and national healthcare trends, costs and other factors.

We are sharing with you the information that the University System has provided to USG institutions. We will receive more detailed information closer to the time of Benefits Open Enrollment in late October.

ACTIVE EMPLOYEES

The Board of Regents approved benefits offerings for calendar year 2020. There will be a few major changes in the coverage for the health plans and varying premium increases, depending upon the specific healthcare plan. These changes are a result of higher than expected claims costs in 2018 and the first part of 2019, leading to a projected increase of \$47M for the 2020 plan year prior to any changes. The USG health plan has also experienced higher than average cost increases in the pharmacy plan. Prescription drug costs have increased 29% in the last two years and now account for 31% of the overall healthcare plan costs. The following changes are being made to address the rising plan costs, encourage appropriate plan utilization, and ensure the long-term sustainability of the plan.

- **Premiums:** The Board approved increases to the employee monthly healthcare plan premiums which range between 5.92% and 9.94% depending on the healthcare plan coverage tier selected. [View 2020 active employee healthcare premiums.](#)
- **Pharmacy Coverage:** There is a significant pharmacy coverage change for our Comprehensive Care and BlueChoice plans. The USG health plan will be moving from co-pays to co-insurance for brand name preferred and nonpreferred medications, where the cost of the drug the employee pays will be a percentage of the overall cost of the drug with minimums and maximums. *This does not apply to the Consumer Choice HSA plan since its co-insurance structure is already in place. The Kaiser plan co-pays are increasing, and specialty drugs on the Kaiser plan will have a 20 percent co-insurance.*
- **Working Spouse Surcharge:** There will be a surcharge of \$100 per month applied to employee premiums for spouses covered under the plan who work and are eligible to receive an offer of coverage through their place of employment. As part of this change, the “Employee + Child” coverage tier is changing to “Employee + Children.” Currently, employees who cover two or more children must enroll in the “Family” coverage tier which may encourage employees to continue to cover their spouse under the plan. In 2020, an employee covering two or more children without a spouse can enroll in the “Employee + Child or Children” tier and pay less than they would today in the “Family” tier. Please note that a covered spouse working at the same or another USG institution is not subject to the working spouse surcharge.
- **Tobacco Surcharge:** The Board approved an increase in the tobacco surcharge from \$75 to \$100 monthly. A tobacco use certification and acknowledgment of penalties will be required during open enrollment.

- **Medical Benefits Co-Pays:** The Comprehensive Care Plan specialist office visit co-pay will increase from \$30 to \$35, and the emergency room visit co-pay increases from \$150 to \$250. The Kaiser HMO plan specialist office visit will increase from \$25 to \$35.
- **Well-being:** The 2020 well-being program will continue to offer a \$100 well-being incentive, as well as an expanded list of activities to earn the incentive. The 2020 program will ensure members have access to resources surrounding diabetes education, prevention and management as well as a weight loss program offered at a reduced cost for those that qualify.
- **Dependent Audit:** In 2019, the USG is conducting a dependent audit to ensure all dependents covered under the plan meet the eligibility requirements. The audit is being conducted from July 22 through September 6, 2019. All employees and retirees who cover a dependent under a USG healthcare plan will be required to provide documentation showing the dependent meets eligibility requirements. Information is available at <https://www.usg.edu/hr/benefits>.

Open enrollment for active employees will be held **October 28 – November 8, 2019**. Enrollment in benefits for the 2020 plan year will take place in the [OneUSG Connect – Benefits](#) system. Active employees will begin receiving Open Enrollment information in mid-October.

RETIREES

Pre-65 retirees and pre-65 dependents will remain on the same plans as active employees. As in the past, there is a separate rate chart for pre-65 retiree premium rate charts for the 2020 plan year. [View 2020 pre-65 retiree healthcare premiums](#)

Medicare-eligible retirees age 65 and over and Medicare-eligible dependents age 65 and older will continue to enroll in their supplemental healthcare coverage through the Retiree Health Exchange. Medicare Part A and B will provide primary coverage. USG will also continue to deposit money into a Health Reimbursement Account (HRA) for retirees and/or dependents to use towards premiums and other eligible out-of-pocket health care expenses. The Board of Regents approved the USG HRA funding of \$2,736 per year per 65 and older Medicare eligible retiree and any 65 and older Medicare eligible covered dependent(s). In order to receive the 2020 USG HRA funding, the retiree and/or dependent must purchase coverage through the Aon Retiree Health Exchange. The Medicare enrollment period is **Oct. 15 through Dec. 7, 2019** for Jan. 1, 2020, coverage begin date.

The 2020 USG Health Reimbursement Account funding is remaining at the same level as 2019 in the amount of \$2,736. Every year, the system office in conjunction with its Total Rewards Steering Committee, consultants and actuaries, review the HRA contribution and the value it is providing to USG retirees. Based on the analysis of premiums and coverage USG retirees are enrolled in through the Retiree Health Exchange, an annual contribution of \$2,736 remains a substantial subsidy to the cost of supplemental healthcare. The University System of Georgia's Human Resources Office will continue to conduct a review of the HRA funding on an annual basis and make recommendations for changes to the HRA based on this review and budgetary needs of the University System. More information regarding the Medicare eligible retiree supplemental coverage is available at: http://www.usg.edu/hr/benefits/retiree_benefits

Regents Approve 2020 Health Plan Premiums for Employees and Retirees FAQ August 2019

When is Open Enrollment?

- Open Enrollment for active employees is from Oct. 28 through Nov. 8, 2019.

How do I enroll this year?

- Enrollment in benefits for the 2020 plan year will take place online, via the OneUSG Connect – Benefits system.

When will I start to receive information on Open Enrollment?

- Active employees will begin receiving Open Enrollment information in mid-October.

What is the status of the Dependent Audit?

- The dependent audit began July 22, 2019. The USG is continuing to conduct the dependent audit through Sept. 6, 2019, to ensure all dependents covered under the healthcare plans meet the eligibility requirements.

When is the Medicare enrollment period?

- The Medicare enrollment period is Oct. 15 through Dec. 7, 2019, for the Jan. 1, 2020, coverage begin date.

For questions regarding this email, please contact Human Resources at 706-542-2222 or hrweb@uga.edu.