

# Benefit Briefs



Brought to you by System Benefits Administration

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## Annual Enrollment 2014-2015 is Coming July 1

### 2014-15 Benefit Plan Update



Some of the changes to the A&M Care plans for plan year 2014-2015 are listed below:

- Office visit copays will be included in the \$5,000 out-of-pocket maximum. Also, the coinsurance for the A&M Care Plan will change from 70%/30% to 80%/20%.
- Although the total premium cost will increase this year, because of an increase in the employer contribution, the out-of-pocket premium cost for full-time employees enrolled in the A&M Care Plans will increase or decrease only slightly depending on the dependent category.
- Part-time employees who receive only ½ the employer contribution will see a premium increase in all tiers.
- For active employees in the A&M Care plan, beginning September 2014, there will be a \$30 premium difference between those who have an annual wellness exam and those who choose not to participate (some exceptions apply, see related article located at right).

The Graduate Student Employee Plan total premiums will increase as the plan is now completely compliant with the Affordable Care Act. However, due to an increase in the employer contribution, the out-of-pocket premium costs will **decrease**. Plan design changes in the Graduate Student Employee Plan include:

- an unlimited annual benefit maximum;
- an increase in the out-of-pocket maximum from \$5,000 to \$6,350, which will now include the deductible and all copayments;
- an office visit will be a \$35 copay with no 20% coinsurance;
- an increase in the annual deductible from \$300 to \$350;
- an emergency room copayment of \$150;
- an increase in drug copayments for retail brand name drugs from \$25 to \$30 for preferred and \$35 to \$40 for non-preferred. Generic drug copays will remain at \$15.

### System Wellness Initiative Reminder



Employees and covered spouses enrolled in the A&M Care Plan need to have a wellness exam in order to be eligible for the lowest premium. Beginning September 2014, there will be a \$30 premium difference each for employees and spouses who elect not to participate, (i.e., elect not to have a wellness exam). **This does not apply to:** retirees, enrollees in 65 Plus, J Plan or Graduate Student Plan, or, for this year, those enrolled in the A&M Care plan on or after September 1, 2013. Visit the [Texas A&M Wellness website](#) for more information.

### Life Insurance Premiums Change

The premiums for Basic Life coverage - \$7,500 of life insurance for most active employees and retirees – will increase slightly due to a gradual increase in basic life claims. As our employee & retiree population ages, the increase is needed to cover claims paid.

The Optional Life premiums for non-tobacco users will be decreasing due to positive plan experience over the past few years. However, due to IRS regulations, the spread between the tobacco user and non-tobacco user premiums will need to be increased, which will increase the premiums for tobacco users.

The Dependent Life spouse premiums for Plan A will also change. Currently, the plan's premiums are based on the age of the employee rather than the spouse. Coverage will now be based on your spouse's age and whether your spouse is a tobacco user.

**If your spouse is covered on your A&M System medical plan, your spouse's tobacco status has already been captured. If not, you must provide this information, either through iBenefits or via your Personal Benefit Summary letter (if you are retired). The default status is TOBACCO USER.**

Dependent child premiums for Plan A and all dependent premiums for Plans B and C will stay the same for the upcoming plan year.

## SEBAC Meeting Summary

The third System Employee Benefits Advisory Committee meeting (SEBAC) was held on May 6, 2014.

- The financial statements for both the health and dental self-insured plans showed positive revenue-over-expense balances year-to-date.
- Member enrollment in the plan has remained level.
- Gallagher Benefit Services, who assists the A&M System with pricing the self-insured health and dental plans each year, reviewed projections and recommendations for fiscal year 2015.
- Gallagher Benefit Services also provided an overview of the recent claims audit performed on BlueCross and BlueShield of Texas, the claims administrator for the A&M Care Plans.
- Compounding pharmacies, pharmacies that mix drugs for individuals according to specific amounts of various bulk ingredients, set their own average wholesale price for these ingredients. This makes it difficult to regulate cost. Express Scripts, along with other prescription benefit companies, are recertifying all the compounding pharmacies and are looking for other ways to control rapidly escalating costs in this area.
- About two-thirds of A&M Care-enrolled employees and their covered spouses have had their annual exams, as of early May, 2014.

## Payflex Reimbursable Expenses

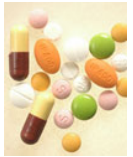
Did you know you can claim the following on your Health Care spending account?

- Bandages
- Sunscreen with an SPF of 30 or higher
- First Aid kits
- Reading glasses
- Blood pressure monitors

Traveling this summer?  
Don't forget most of our plans have mobile apps that you can use to locate important benefit information while traveling.

Visit:  
<http://www.tamus.edu/assets/files/benefits/pdf/ae/2012/apps/apps.pdf>

## A Quick Review of Drug Trends



- With increased generic competition, spending in seven key therapy classes – high blood cholesterol, high blood pressure/heart disease, ulcer disease, asthma, depression, mental/neurological disorders and infections – is expected to decline through 2015.
- Diabetes was the most costly drug class for the third consecutive year, with an increase in spending of 14%. Express Scripts forecasts spending on diabetes drugs to continue at double-digit increases over the next three years due to new medications and price inflation among existing brand medications.
- While accounting for less than one percent of all U.S. prescriptions, in 2013, specialty medications for the first time accounted for more than a quarter (27.7%) of the country's total pharmacy spending.
- Spending on compound drugs more than quadrupled in 2013.

## ORP 45th Anniversary Survey Results

The survey sent to ORP participants earlier this year was completed by 853 participants. The feedback we received showed that our participants are happy with the vendor and investment product they have chosen for their ORP investments. However, there were a few issues highlighted by the survey. For instance, there were participants who felt they had not had enough contact with their representative. This issue and any others will be addressed with vendors in order to better serve you.

A majority of our participants are confident about their retirement savings and plan to retire as expected or sooner. More financial education was requested by our participants. If you would like to see more about our survey results click [here](#). Benefits Administration greatly appreciated the feedback from our participants and hopes to do this survey again in the future.

