Center for Health

HealthFlex Multi-Year Strategy
Potential Plan Offerings 2016-2018

Medical and Behavioral Health

Actuarial Equivalence Plans—Medical and Rx	2014	2015	2016	2017 – 2018
Gold "Plus" (>80%)	B500	Eliminated	Eliminated	
	B750	• B750 • HRA funding optional*		
Gold (~80%)	B1000	• B1000 • HRA funding optional*	• B1000 • HRA funding optional*	• B1000 • HRA funding optional*
	CDHP (C2000)	• CDHP (C2000) • HRA: $1,000/$2,000 • Deductible: $2,000/$4,000 • Coinsurance: 80%/20%	• CDHP (C2000) • HRA: $1,000/$2,000 • Deductible: $2,000/$4,000 • Coinsurance: 80%/20%	• CDHP (C2000) • HRA: $1,000/$2,000 • Deductible: $2,000/$4,000 • Coinsurance 80%/20%
			• HDHP (H1500) • HSA $750/$1,500 • Deductible: $1,500/$3,000 (includes Rx) • Coinsurance: 80%/20%	• HDHP (H1500) • HSA $750/$1,500 • Deductible: $1,500/$3,000 (includes Rx) • Coinsurance 80%/20%
Silver (~70%)			• CDHP (C3000) • HRA $250/$500 • Deductible: $3,000/$6,000 • Coinsurance 50%/50%	• CDHP (C3000) • HRA $250/$500 • Deductible:$3,000/$6,000 • Coinsurance 50%/50%
			• HDHP (H2000) • HSA $500/$1,000 • Deductible: $2,000/$4,000 (includes Rx) • Coinsurance 70%/30%	• HDHP (H2000) • HSA $500/$1,000 • Deductible: $2,000/$4,000 (includes Rx) • Coinsurance 70%/30%
Bronze (~60%)				• HDHP (H3000) • HSA: none • Deductible: $3,000/$6,000 (includes Rx) • Coinsurance: 50%/50%

* Based on current guidelines, HRA funding by the employer/plan will be considered part of the Cadillac tax beginning in 2018. HealthFlex recommends cautious use of HRA "wraparounds" for the B1000 plan to avoid a significant "drop-off" in benefits in 2018, since it is likely that HRA wraparounds will be eliminated by 2018.

Prescription Drug

2014	2015	2016	2017-2018
• P1 • P2	• P1: Increase min/max • P2: Increase min/max	• P1: Increase min/max • P2: Increase min/max • P3: ($1,500 deductible, aligned with gold HDHP) • P4: ($2,000 deductible, aligned with silver HDHP)	• P1: Increase min/max • P2: Increase min/max • P3 : ($1,500 deductible, aligned with gold HDHP) • P4: ($2,000 deductible, aligned with silver HDHP) • P5: ($3,000 deductible, aligned with bronze HDHP)

(continued)

Medicare Supplement Offerings

- Effective January 1, 2015, no group Medicare Supplement plan will be offered through HealthFlex.
- Support in developing a relationship through Towers Watson's OneExchange is available through HealthFlex/Center for Health.
- OneExchange provides decision support for selecting a plan through the local individual Medicare Supplement market, as well as a vehicle for providing HRA funding to post-65 retirees, if desired.

Rationale

1. Continued migration toward more consumer-driven plans meets multiple strategic needs.

    - Preparation for 2018 Cadillac Tax—gradual movement toward plans not subject to excise tax to avoid significant drop-off in 2018, while continuing to provide minimum value of coverage.
    - Complements public exchange offerings; will help reduce or avoid benefit, cost or appointment "equity" issues for groups managing a population in the public Marketplace.
    - Reinforces focus on individual/family accountability and consumerism, as well as saving for retiree health costs via HRA and HSA.
    - Provides greater cost efficiencies and sustainability for plan sponsors.

2. Provides for greater equitable risk pool management (across all plan sponsors) by preventing high utilization from more generous plans from being pooled across groups with less generous plans.

3. Plans align with introduction of "HealthFlex Exchange" model for greater participant choice.

    - Blend of PPO, CDHP and HDHP plans mirrors what is available in public Marketplaces and throughout the industry, although HealthFlex plans continue to offer same broad networks and wellness programming.
    - Offer of gold, silver and bronze plan options allows individuals/families to "right size" their coverage based on financial and health care needs, as well as risk tolerance.
    - Continued offering of HRA plans while introducing HSA plans allows for greater participant choice (via HealthFlex Exchange).

HRA: Health reimbursement account
HSA: Health savings account
CDHP: Consumer-driven health plan
HDHP: High-deductible health plan

The information about the HealthFlex proposed plan designs for 2017 and 2018 is preliminary and is subject to change based on regulatory changes, actuarial requirements and administrative needs, among other considerations.