OPEN ENROLLMENT MEMORANDUM

TO: BENEFITS-ELIGIBLE FACULTY AND STAFF
FROM: MARTY MASTASCUSA, HUMAN RESOURCES
RE: OPEN ENROLLMENT FOR THE 2017-2018 PLAN YEAR
DATE: SEPTEMBER 12, 2017

The Open Enrollment period for the benefits plan year starting November 1, 2017 and ending on October 31, 2018 will take place from September 13th - 29th. During this designated time period, all employees can indicate whether they want to keep their current benefit elections or make changes. Elections should be indicated using the Human Resources web site, www.brynmawr.edu/humanresources. The web site includes Open Enrollment materials, including medical and dental applications, which must be completed by anyone who is adding or changing dependents on either type of plan. A medical application must also be completed by anyone who is switching from Personal Choice to one of the Keystone plans.

Enclosed you will find a Benefits Guidebook that summarizes all of the benefits in the College Flexible Benefit Plan. The back page of the Benefits Guidebook includes contact information for all benefit plans sponsored by the College. Renewal rates and a medical plan comparison are also enclosed; any qualitative comparison reflects my own observations of the advantages and disadvantages of each medical plan offered by the College, but you should review the plan details thoroughly and choose the plan that is best for you and your circumstances. Employees who do not have computer access at work will receive printed copies of the following two forms:

- Flexible Benefit Election Form -- to be completed if making changes
- Coverage Continuation Form -- to be completed if making no changes

The Benefits Fair will be Tuesday, September 19 from 11:00 am – 2:00 pm in Great Hall.

Summary

As it does every year, the College’s Benefits Committee, which includes faculty and staff representatives, discussed the various insurance components of the benefits package. Based on their feedback, it was decided:

- We will remain with Independence Blue Cross (IBC) for medical insurance.
- Most medical insurance plans will see significant reductions in the employee portion of the premium; a few will see very modest increases.
• While employee premiums are decreasing by approximately 26% in aggregate, most plans have been modified in a way that requires some larger payments for certain medical services.

• For the ninth year in a row, the dental plan will renew with no increase in premium and no change in coverage.

• Life insurance will move from CIGNA to Liberty Mutual and dependent child premium rates will decrease slightly.

Medical Coverage

The College has decided to remain with Independence Blue Cross (IBC) as our insurance carrier again. Many of the plans will have premiums that are lower than they are currently. For those plans with an increase in the employee share of the premium, the increase is relatively modest and significantly less than prior years. That said, there are plan design changes that will be very important to review prior to deciding which plan will now be best for you.

The changes in the plans, described below, are driven by two primary factors. First, the College wants to move toward a set of offerings that provides greater distinction among plans. For the past several years, the four plans we have offered have been very similar to each other. Although they were structured differently, they were so similar in impact that we were effectively not providing employees with true choice. The changes implemented this year are designed to start to offer employees greater choice and control over their own cash flows.

The second key motivation for the changes is to distribute the premium more equitably between plans based on the actuarial value of those plans. Previously, enrollees in some plans were essentially subsidizing enrollees in other plans, which was not the College’s intention nor fair. Once the premium rates were established by Independence Blue Cross to reflect the actual value of each plan, the re-pricing showed that the High Deductible Health Plan option had been underpriced and would have required a double-digit increase over last year’s premiums. Instead, we were able to reduce the premiums by making some changes in the plan’s design.

Overall, the College’s contribution toward the insurance premium will increase by approximately 1.6%. Employees will have a reduction in aggregate of approximately 26% (depending on which plan they choose), but some may pay more out-of-pocket than they would have previously, depending on what medical services they use. The reduction in employee contributions results in the College paying a higher proportion of the overall premium, from 89% in aggregate last year, to 92% for the coming year. The premiums are provided on the accompanying rate sheet.

The coverage changes to the four medical plans are summarized below:

1. The High Deductible Health Plan (HDHP) will switch from providing 100% in-network coverage once the deductible is met, to 90% coverage. Coverage will not switch to 100% on an in-network basis until the out-of-pocket maximum is met, which is $6,350 per individual.

2. The HDHP deductible will be waived for certain preventive medications related to chronic conditions. This means plan participants will only have to pay their applicable co-pay/co-insurance for those medications, even if they have not reached their annual
deductible amount. Information about which medications fall into this category is available on the Human Resources website.

3. The POS primary care copay will increase from $15 to $25, and the specialist copay will increase from $25 to $35. Essentially, the Keystone POS copays will be adjusted to match those of the Keystone HMO.

4. Both the Keystone HMO and Keystone POS plans will have the following copay increases:
   - The inpatient hospital copay will be $150 per day up to a maximum of $750 per stay
   - The outpatient surgery copay will be $150
   - The chiropractic care copay will be $35 with a 30 visit maximum over the course of the benefit year
   - X-rays will have a $35 copay
   - Advanced imaging (MRIs, ultrasounds, etc.) will have a $35 copay

5. The Personal Choice PPO plan will have the following copay changes:
   - The primary care copay will decrease from $20 to $15 and the specialist copay will decrease from $30 to $25
   - The inpatient hospital copay will be a flat $250
   - The outpatient surgery copay will be reduced to $100

The formula used to determine the College’s premium contribution has remained consistent for the past 13 years. As determined by the Benefits Committee, the current formula is based on a College contribution for single coverage that is equal to 100% of the Keystone HMO single premium. The College contribution formula for dependent coverage is based on the following percentage of the Keystone HMO single rate:

- Parent/Child(ren) coverage 176.5%
- Employee/Spouse coverage 201.0%
- Family coverage 215.5%

**HSA and FSA**

Most HDHP enrollees can participate in a Health Savings Account (HSA). The 2018 HSA maximums will be $3,450 for individual and $6,900 for family coverage, with a “catch-up” provision for employees age 55 and over of an additional $1,000. If you already participate in the HSA and want to increase your contribution in 2018, please complete a new HSA Contribution Form before the end of the Open Enrollment period.

Enrollees in the other healthcare plans can opt to fund a Flexible Spending Account (FSA) that provides the ability to save money (up to $2,600) on a pre-tax basis to pay for certain medical, dental, vision or prescription expenses such as deductibles and copayments and expenses for services or supplies not covered by the plan. Open Enrollment for the 2018 FSA will occur starting on November 15, 2017, for a January 1, 2018 effective date.
Health Insurance Requirement – Affordable Care Act

Bryn Mawr employees should consider how health care reform affects their enrollment in the Flexible Benefit Plan. All benefits-eligible employees should be covered for medical insurance through Bryn Mawr or through another insurance plan that meets the “minimum value” standard set by the Affordable Care Act. This does include government programs such as Medicare, Medicaid, TRICARE and CHIP. Under the ACA, the government’s 2017 penalty for individuals who did not have medical insurance meeting the minimum value standard is $695 or 2.5% of family income, whichever is greater. An official exchange notification is included in the Benefits Guidebook.

In particular, if you have a spouse or a dependent child who currently does not have medical coverage, please carefully review your medical elections at this time. Barring a life event change, you may only add dependents to the College medical plan during this designated Open Enrollment period for a November 1 effective date.

Other Benefits/Coverages

For the ninth year in a row, dental rates will renew with no increase in premium. There will also be no change in the plan’s coverage.

The College will be changing life insurance carrier and long-term disability carrier, from CIGNA to Liberty Mutual. Liberty Mutual will be permitting enrollment without medical underwriting up to $20,000 in additional supplemental and dependent spousal life insurance. This provision will only be in effect during this year’s Open Enrollment period, and medical underwriting will still apply if the total supplemental life or spousal life insurance exceeds $50,000.

Dependent child life insurance rates will decrease with the change to Liberty Mutual. There will also be no change in supplemental life insurance or spouse life insurance rates, however, please note that you will pay more for supplemental life insurance if you have entered a new 5-year age bracket.

Additional Information

The College is sponsoring a Benefits Fair on Tuesday, September 19 from 11:00 a.m. to 2:00 p.m. in Great Hall. Additional information about the Fair will be sent via e-mail, but please plan to attend if you have any questions with which the Human Resources office or one of our providers can assist. If you are unable to attend the Fair, please contact Human Resources directly with questions.

REMINDER: OPEN ENROLLMENT ENDS ON FRIDAY, SEPTEMBER 29. COMPLETED FORMS NEED TO BE RETURNED OR SUBMITTED ON-LINE TO HUMAN RESOURCES BY THIS DATE.
Looking Ahead: 2018-19 and Beyond

The College strives to offer employees generous, comprehensive and affordable healthcare coverage. To ensure this amidst the range of recent and potential new changes in the healthcare arena, during the coming year the College will consider modifications such as:

- **Alternative insurance networks**: Being able to compare the features and prices of more than one insurance network will give the College the ability to negotiate the best healthcare insurance arrangements for our employees and their families. Although Independence Blue Cross (IBC) has been the dominant medical insurer in the Philadelphia insurance market, in recent years other insurers have increased their presence. For example, Aetna now offers a network and associated discounts comparable to those of IBC, and a multi-year analysis of health care providers and facilities used by Bryn Mawr College employees and their covered family members indicates that a switch to Aetna could be made with minimal disruption, as almost all doctors who accept IBC/Keystone also accept Aetna. Although the networks are now very similar, the range of plan options and the pricing Aetna and IBC offer can differ significantly so making sure both are options on the table for us provides the flexibility to secure the best overall package for our employees well into the future.

- **Modifications to the number and type of plans offered**: In order to ensure that we are offering the optimal set of health care offerings, we will consider questions such as: Do we give employees genuine choice or just the appearance of choice? etc. Is the HMO structure still effective? Should we offer three healthcare plans instead of four?

- **Employer/Employee share of the premium**: The allocation formula has not been changed in 14 years. In the coming year, we might explore the impact on employees of alternate allocation methodologies.

As we consider questions like those above, Human Resources and the Benefits Committee wants to hear from you. Over the coming year, Human Resources will host multiple open forums/town hall meetings to discuss healthcare insurance. We hope you will join us and share your thoughts. Information regarding the dates and locations of these meetings will be sent later via email and be included in the Daily Digest.