

RCAB Lay Health Plan Changes Presentation for Employees



Roman Catholic Archdiocese of Boston Benefits Office

May/June 2018

Agenda

- Overview of Plan design changes
- Background on decision-making process
- Review of specific changes
- Examples of impact on employees
- Network/transition of care
- Wellness Program
- Next steps

Changes to Lay Health Plan

- Effective October 1, 2018, change to:
 - Blue Cross Blue Shield of Massachusetts from Tufts Health Plan
 - Two Plan options:
 - Enhanced Plan (POS)
 - Basic Plan (POS)
- Both Plans will:
 - include a deductible and co-insurance
 - utilize Blue Cross HMO Blue New England network
- Plan Year will change to July 1, 2019 (first “year” with Blue Cross will only last 9 months)
- Information available online: www.catholicbenefits.org/newplans
 - Extensive FAQs
 - Helpful links
 - Will be updated on an ongoing basis

What is Not Changing

- Point of Service (POS) Plan design
- Self-funded/self-insured
 - Blue Cross is paid a per member per month fee to process claims and to allow members to utilize network
 - Employees and employers share in responsibility for Plan economics
 - Employer and employer funds deposited into RCAB Health Benefit Trust, overseen by Board of Trustees
- [www.catholicbenefits.org/PDF/health/RCAB Health Life LTD Trustees.pdf](http://www.catholicbenefits.org/PDF/health/RCAB%20Health%20Life%20LTD%20Trustees.pdf)
- CVS/Caremark is the prescription benefit manager
- Wellness Program with HRA dollars (HRA dollars earned with Tufts will carry over)
- Exclude services in conflict with Catholic teachings

Background: Reasons for Changes to Lay Health Plan

- Health care expenses continue to rise at a rate ~twice inflation (5-7% vs. ~3% for CPI)
 - RCAB Plan expenses going up ~10%/year
 - Estimated costs for 2018-19 Plan Year = \$33 million
- Demographics for Lay Health Plan continue to drive high costs:
 - Average age for Health Plan enrollees is older than typical employer (around 4 years)
 - Overall health condition of enrollees is lower than typical employer
 - Diabetes
 - High blood pressure
 - Cancer
 - Musculoskeletal deficiencies
- Also some complex cases involving younger members
- Many members decline to receive assistance in coordinating care from Tufts – can also increase costs

Background: Reasons for Changes to Lay Health Plan

- 20% of members incur 80% of costs
 - 1% of members incurred 26% of costs last year
 - 15% had no claims last year
- Highest cost hospitals in Boston are also those most utilized
 - Mass General – highest # of admissions by RCAB Plan members
 - BID, Tufts, B&W are next highest in terms of admissions
- Enrollment declining – 800 members fewer than in 2010
 - Many employees cannot afford \$1000/month family coverage deduction
- Current Plan design provided little incentive for employees and family members to manage their health (minimal out-of-pocket cost) and no sense of the true cost of health care (100% coverage + no Tufts EOBs for most services)

Reasons for Changes to Lay Health Plan

- Trustees of Health Plan met with Tufts last several years to determine how Tufts could better help manage and improve health of our population in the future, while assisting with controlling costs.
 - Few strategies offered
 - RFP was therefore undertaken to determine if a change was warranted
- Decision made in favor of Blue Cross after detailed analysis and review:
 - Broad network in Massachusetts
 - Strong focus on PCP relationship with member
 - Excellent medical/care management tools
 - Heavy focus on wellness/overall health, combined with forward-thinking technology

Reasons for Changes to Lay Health Plan

- Separate decision made to change Plan design to include some cost-shifting
 - Deductible amounts are relatively moderate (Enhanced Plan)
 - Out-of-pocket maximum amounts protect employees and families from excessive medical bills
- Balancing social justice/mission of the Church with economic reality
 - See other Massachusetts diocese health plans –deductibles up to \$1,000 + co-insurance

Options Not Chosen by Trustees

- High deductible “consumer-driven” health plan
 - Other than preventive care, all services up to certain amount (\$thousands) are member responsibility
 - Lower premiums = smaller deductions from paycheck, but larger out-of-pocket payments when care received
- HMO (no coverage out of network)
- Tiering
 - Higher out-of-pocket costs depending on which provider used
 - Trustees concerned that employees would be confused/not understand costs when choosing care, resulting in unexpected out-of-pocket costs

Cost of New Plans Effective October 1, 2018

- Rates will be set in June 2018
 - Premium for Enhanced Plan likely to include moderate increase over current Tufts Plan
 - Premium for Basic Plan likely to be ~10% less than Enhanced Plan
- Changes will end “grandfathered” status under ACA
- Employers are permitted to change cost-sharing
 - May be different cost-sharing for two Plans
 - Check with your employer this summer

Plan Design Specifics

RCAB Health Plan Options Summary - Effective October 1, 2018

Member Cost Share Provisions	Blue Cross Blue Shield - Enhanced POS Plan		Blue Cross Blue Shield - Basic POS Plan	
	Blue Cross HMO New England Network	Self-referred/Out of Network	Blue Cross HMO New England Network	Self-referred/Out of Network
Deductible	\$500 / \$1,000	\$1,000 / \$2,000	\$2,500 / \$5,000	\$5,000 / \$10,000
Coinsurance	90%	70%	80%	60%
Medical Out-of-Pocket Maximum	\$1,500 / \$3,000	\$3,000 / \$9,000	\$3,000 / \$6,000	\$6,000 / \$12,000
PCP - Preventive Visits	Covered in Full	30% after deductible	Covered in Full	40% after deductible
PCP - Sick Visit	\$25	30% after deductible	\$30	40% after deductible
Specialist Visit	\$40	30% after deductible	\$50	40% after deductible
Inpatient Care	10% after deductible	30% after deductible	20% after deductible	40% after deductible
Outpatient Care (Hospital)	10% after deductible	30% after deductible	20% after deductible	40% after deductible
Lab tests, X-rays, Other Tests (diagnostic)	10% after deductible	30% after deductible	20% after deductible	40% after deductible
Emergency Room Visit	\$150	\$150	\$250	\$250
Pharmacy copays	Retail: \$10 generic; \$30 preferred brand; \$50 non-preferred brand Mail: 2x Retail co-pay Out-of-pocket Max: \$1,500 / \$3,000		Retail: \$15 generic; \$35 preferred brand; \$55 non-preferred brand Mail: 2x Retail co-pay Out-of-pocket Max: \$1,500 / \$3,000	

Green = no change
from current Plan

Red = cost higher than
with current Plan

Black = new feature

Prescription Plan Highlights

- Most co-pays increasing by \$5 (generic and preferred brand staying as is for Enhanced Plan)
- No new CVS ID cards will be issued for employees on current Plan
- Maintenance Choice program remains in place
 - Receive 90-day supply for 60-day co-pay if use mail order or CVS retail
 - If use non-CVS and/or 30-day supply, will pay 2x co-pay (“penalty”)
 - Two reminder letters sent by CVS before “penalty” begins; Benefits Office also notifies employee of MC program once “penalty” begins
- For most non-maintenance medications, employees can use any pharmacy in CVS network
 - Most national drug store chains are in network
 - Many local drug stores
 - <http://www.catholicbenefits.org/newplans/findapharmacy.pdf>

Deductibles and Out-of-Pocket Maximums

- Most employees on current Tufts Health Plan did not experience deductibles or impact from out-of-pocket maximums (OOPMs)
- Deductibles apply to certain services (typically, those outside of office visit or prescriptions) and are paid first dollar, similar to other non-health insurance plans
- For families, total deductibles are capped at 2-person level
 - family of 5 that reaches deductible with services provided to 2 family members do not have additional deductibles for other family members
- Separate OOPMs for medical and pharmacy costs
- Note: given short Plan Year (October 1, 2018-June 30, 2019), both deductibles and OOPMs will be reduced for this year. Full amounts will be in effect starting July 1, 2019.

Deductibles and Co-Insurance

- Similar to the Dental Plan, certain services are covered at a % of the final billed amount (between 60% and 90%), after the deductible is satisfied
 - In-patient and out-patient surgeries
 - Diagnostic non-preventive imaging (MRIs, X-rays)
 - Diagnostic non-preventive lab work/tests
- Services that have a co-pay are not subject to co-insurance
- A comprehensive list of services subject to co-pays, co-insurance and deductibles will be available by July 1, 2018

Example 1 – Individual, Few Medical Needs

Current Plan
out-of-pocket
cost: \$175-185

Services*	Enhanced	Basic Plan
Preventive visit (1)	\$0	\$0
Sick visit (2)	\$50	\$60
Emergency Room visit	\$150	\$250
Annual Member Out-of-Pocket Cost	\$200	\$310
<i>Medical Annual Out-of-Pocket Maximum</i>	<i>\$1,500</i>	<i>\$3,000</i>
two 30-day Rx (one generic, one preferred brand)	\$40	\$50
<i>Rx Annual Out-of-Pocket Maximum</i>	<i>\$1,500</i>	<i>\$1,500</i>
Net Annual Member Cost	\$240	\$360
*Assumes all services in network		

Example 2 – Female Employee, Pregnant

Current Plan
out-of-pocket
cost: \$555-745

Services*	Enhanced	Basic Plan
Prenatal Care	\$0	\$0
Inpatient Labor and Delivery (deductible + % of balance)	\$1,650	\$4,400
Well Newborn Care	\$0	\$0
Annual Member Out-of-Pocket Cost	\$1,650	\$4,400
<i>Medical Annual Out-of-Pocket Maximum</i>	<i>\$1,500</i>	<i>\$3,000</i>
12 months of generic maintenance Rx	\$80	\$120
<i>Rx Annual Out-of-Pocket Maximum</i>	<i>\$1,500</i>	<i>\$1,500</i>
Net Annual Member Cost	\$1,580	\$3,120

*Assumes all services in network

Example 3 – Employee with Surgery and Follow-up

Current Plan out-of-pocket cost:
\$1,195-\$1,385

Services*	Enhanced Plan	Basic Plan
Outpatient surgery (deductible + % of balance)	\$1,250	\$3,600
Preventive visit (1)	\$0	\$0
Physical Therapy visit (10)	\$250	\$300
Sick visit (1)	\$25	\$30
Specialist visit (6)	\$240	\$300
Annual Member Out-of-Pocket Cost	\$1,765	\$4,230
<i>Medical Annual Out-of-Pocket Maximum</i>	<i>\$1,500</i>	<i>\$3,000</i>
three preferred brand maintenance Rx -	\$720	\$840
<i>Rx Annual Out-of-Pocket Maximum</i>	<i>\$1,500</i>	<i>\$1,500</i>
Net Annual Member Cost	\$2,220	\$3,840
*Assumes all in network services		

Example 4 – Family With Medical Conditions

Current Plan out-of-pocket
cost: \$695-\$830

Services*	Enhanced Plan	Basic Plan
Outpatient surgery - Wife (deductible + % of balance)	\$900	\$2,900
Emergency Room visit (2) Child 1	\$300	\$500
Emergency Room visit (1) Child 2	\$150	\$250
MRIs (1) Child 1 (% of balance)	\$580	\$1,300
Specialist visit (2) Wife	\$80	\$100
Specialist visit (1) Child 1	\$40	\$50
Specialist visit (1) Husband	\$40	\$50
Sick Visit (2) Child 1	\$50	\$60
Sick visit (2) Wife	\$50	\$60
Annual Member Out-of-Pocket Cost	\$2,190	\$5,210
<i>Medical Annual Out-of-Pocket Maximum</i>	<i>\$1,500/\$3,000</i>	<i>\$3,000/\$6,000</i>
12 months of generic maintenance Rx - Wife	\$80	\$120
two 30-day Rx (one generic, one preferred brand)	\$40	\$50
<i>Rx Annual Out-of-Pocket Maximum</i>	<i>\$1,500/\$3,000</i>	<i>\$1,500/\$3,000</i>
Net Annual Member Cost	\$2,310	\$5,380

*Assumes all in network services

Network and Transition of Care Questions

- If enrolled in current Tufts Plan, will be automatically enrolled in Enhanced Plan
- Both Plans use Blue Cross HMO Blue New England Network
 - Employees should visit www.bluecrossma.com/findadoctor to determine if providers are in-network
 - Benefits Office will be reviewing PCP designations and will notify employees if a change is needed
- Once Blue Cross IDs are issued, employees should notify PCPs that new referrals will be needed
- Tufts will be sharing a file of care management in process (cancer treatments, upcoming surgeries, etc.) with Blue Cross in mid-September to minimize disruption
- On August 1, Blue Cross member services will be available to answer calls from RCAB Plan members/prospective members about specific transition of care issues

Wellness Program

- Current Wellness Program with Tufts in place through September 30, 2018
 - Enrolled employee and spouse can earn up to \$500 per Plan Year in incentives
 - Incentives are deposited into Health Reimbursement Arrangement (HRA) account and can be used through September 30, 2018 for co-pays (office visits, ER, prescription)
 - Any incentives earned before September 30 will remain in place for employees enrolling in new Plans (there is still time to earn over \$400 before September 30)
 - www.catholicbenefits.org/PDF/open_enrollment/momentum_flyer.pdf
- Blue Cross will also offer a Wellness Program effective November 1, 2018
 - Enrolled employee and spouse can earn at least \$500 per Plan Year in incentives
 - After October 1, 2018, enrolled employees and family members can use HRA dollars to pay for out-of-pocket expenses for dental, vision, and certain qualified over-the-counter items

Next Steps for Employees

- US mail announcements sent to employees for whom no email address is on file
 - Ask your payroll contact to add your email address to IOI or MyEnroll if you received US mail
- Employees in current Tufts Plan will be auto enrolled in Enhanced Plan
 - If not wanted, employees must elect no coverage or Basic Plan during Open Enrollment – August/September 2018
- Watch for Open Enrollment mailing/emails in August, and check www.catholicbenefits.org/newplans over the summer for additional details
- Check if providers in Blue Cross network - www.bluecrossma.com/findadoctor
- Log in to MyEnroll – instructions on www.catholicbenefits.org main page
- Complete Wellness Activities/submit Wellness Rewards claims
- Log in to www.mytuftshealthplan.com to review claims and full costs
 - Begin to review cost sharing (current and potential future)

Questions?

Contact the Archdiocese Benefits Office
Carol Gustavson, Director

- Website: www.catholicbenefits.org
- Phone: 617-746-5640
- Fax: 617-779-4567
- E-Mail: benefits@rcab.org

