

DOWNERS GROVE SANITARY DISTRICT

MEMO

TO: All Full-Time Employees and Eligible Retirees

FROM: W. Clay Campbell
Administrative Supervisor

DATE: April 29, 2020

RE: Employee Group Health Insurance Renewals

This annual open enrollment process is now required to be completed online through the Employee Electronic Acknowledgement section of the District's Employee Portal. Please contact me with any questions or for assistance. This memo presents important information regarding renewal of your group health insurance benefits effective June 1, 2020. This year, the District will be keeping its medical, dental, vision and life insurance carriers. Employees and their eligible dependents will have the flexibility to choose from four options for the medical insurance with BlueCross BlueShield of Illinois (BCBSIL). Please note that the District will be keeping the two currently utilized BCBSIL plans from the current year (with some changes to the benefits of the existing PPO plan) and keeping employee premium contributions the same for both of those plans. Similar to last year, we are continuing to offer an HMO-styled plan that has a structure identical to the District's existing Platinum HMO plan, but is limited to Advocate-Only care providers. This third plan offers lower premiums for the District and lower associated employee premium contributions. The District will be offering a new PPO plan option to employees that offers richer benefits than the existing PPO plan, but is more costly and comes with higher premiums for the District and higher associated employee premium contributions.

Dental will continue to be provided by Principal Insurance Co. and there will be no changes in plan design or benefit level as Principal has offered another year of coverage with no changes to premiums. Vision insurance will continue to be provided by EyeMed Vision Care with no changes in plan design – EyeMed offered the District a modest increase in renewals for a new four-year contract with a rate guarantee. The life insurance coverage paid for by the District with a benefit of \$50,000 will remain with Kansas City Life/NIS as they have offered another year of coverage with no changes to premiums.

A virtual employee meeting will be held on Thursday, April 30, at 2:00 p.m. via Zoom to review and discuss these benefits. It is anticipated this meeting will last approximately one hour. Amy Abell of GCG Financial will be presenting information along with myself. Details for connecting to this meeting are listed on the District's Group Health Open Enrollment Form page. If you are unable to attend this meeting, I can schedule some time to review the materials and answer any questions you may have.

PLEASE ACKNOWLEDGE YOUR RECEIPT OF THIS INFORMATION BY COMPLETING THE ONLINE ACKNOWLEDGEMENT AND ENROLLMENT FORM (YOU MUST ACKNOWLEDGE THAT YOU GOT THIS INFORMATION EVEN IF YOU ARE NOT ENROLLING IN THE DISTRICT'S INSURANCE).

Your 2020 Medical Insurance Renewal Options

Employees should note that all of these options continue to provide that any co-pay or deductible amounts (if their plan has a deductible) paid by the insured goes towards the out-of-pocket maximum for the plan year. Official BCBSIL Summary of Benefits and Coverage documents for each of these plans are attached and will also be available online. Plan changes from one year to the next are noted in the table on page 4 in bold lettering.

1) Option 1 (P506BCH - BCBSIL HMO – Platinum Blue Care Direct – Advocate Only)

Option 1 is identical in benefit structure to the District's existing Platinum Blue Precision HMO plan (Option 2 below) offered with BCBSIL. The noteworthy difference is that this plan only allows coverage through "Advocate Providers" only. If you were to go to a treatment provider that is not in the Advocate network, there would be no insurance coverage at all. Under this HMO plan, you are limited to utilizing providers in the Advocate only network and are required to select a medical group number/primary care physician and obtain referrals from your primary care physician for any non-primary care treatment. This plan offers lower premiums for the District and lower associated employee premium contributions in comparison to any of the Option 2, Option 3 or Option 4 plans below. You will be able to, but are not required to, utilize the District's existing Flexible Savings Account Plan to have your premium contributions deducted from your paycheck on a pre-tax basis. Otherwise, your premium contributions will be deducted from your paycheck on a post-tax basis. Employees may also still participate in the District's existing Flexible Savings Account Plan for any other eligible medical expenses that may be incurred during the Plan Year.

2) Option 2 (P506PSN - BCBSIL HMO Blue Precision)

Option 2 is the same Platinum HMO plan offered in the current plan year with BCBSIL using the Blue Precision HMO network. It still offers a deductible of \$0 both for individual and family and keeps the doctor co-pays and out-of-pocket maximums the same as the current plan. Employees should also be aware that the BCBSIL plans specify various "per occurrence" deductibles that must be paid by the covered individual for each occurrence. Under an HMO plan, you are limited to utilizing providers in the BCBSIL Blue Precision HMO network and are required to select a medical group number/primary care physician and obtain referrals from your primary care physician for any non-primary care treatment. The employee premium contribution rates for this upcoming plan year will remain the same as the current year. You will be able to, but are not required to, utilize the District's existing Flexible Savings Account Plan to have your premium contributions deducted from your paycheck on a pre-tax basis. Otherwise, your premium contributions will be deducted from your paycheck on a post-tax basis. Employees may also still participate in the District's existing Flexible Savings Account Plan for any other eligible medical expenses that may be incurred during the Plan Year.

3) Option 3 (G506OPT - BCBSIL PPO Blue Options)

Option 3 is the same flexible PPO plan with BCBSIL offered in the current plan year that allows covered individuals access to both a thinner PPO network called "Blue Choice" (listed below as "BC") and the full PPO network (listed below as "PPO") that BCBSIL offers. **Employees should note that there are several slight reductions in benefits offered by this plan this year, such as higher co-pays, deductibles and out-of-pocket maximums.** Using the thinner Blue Choice network results in lower co-pays, lower deductibles and a lower out-of-pocket maximum than using the full PPO network. Covered individuals will have access to any provider that is in either network, but a different set of benefits applies depending on which group the provider falls into. Employees should also be aware that the BCBSIL plans specify various "per occurrence" deductibles that must be paid by the covered individual for each occurrence. **The employee premium contribution rates for this upcoming plan year will remain the same as the current year.** You will be able to, but are not required to, utilize the District's existing Flexible Savings Account Plan to have your premium contributions deducted from your paycheck on a pre-tax basis. Otherwise, your premium contributions will be deducted from your paycheck on a post-tax basis. Employees may also still participate in the District's existing Flexible Savings Account Plan for any other eligible medical expenses that may be incurred during the Plan Year.

4) Option 4 (P5E1BCE - BCBSIL PPO Blue Choice Preferred Platinum)

Option 4 is a new narrower-styled PPO plan with BCBSIL with richer benefits than the existing Hybrid PPO plan offered by the District (Option 3 above). Option 4 uses the thinner PPO network called “Blue Choice” (listed below as “BC”) that BCBSIL offers – it should be noted this network is still fairly broad in the Chicagoland area. **This plan offers a lower individual deductible of \$500, a lower family deductible of \$1,500, lower co-pays throughout, significantly lower annual out-of-pocket maximums and 90/10 coinsurance. The prescription drug co-pays are higher than Option 3 above, but otherwise is a very rich PPO plan.** Employees should also be aware that the BCBSIL plans specify various “per occurrence” deductibles that must be paid by the covered individual for each occurrence. **The employee premium contribution rates for this plan have been priced accordingly for the increased benefit.** You will be able to, but are not required to, utilize the District's existing Flexible Savings Account Plan to have your premium contributions deducted from your paycheck on a pre-tax basis. Otherwise, your premium contributions will be deducted from your paycheck on a post-tax basis. Employees may also still participate in the District's existing Flexible Savings Account Plan for any other eligible medical expenses that may be incurred during the Plan Year.

A summary of the plan benefits for the four options is listed in the table below:

PLAN TYPE	OPTION 1 – HMO – Platinum Blue Care Direct – ADVOCATE ONLY (P506BCH)	OPTION 2 – HMO – Platinum Blue Precision (P506PSN)	OPTION 3 – PPO – Blue Options (G506OPT)	OPTION 4 – PPO – Blue Choice Preferred (P5E1BCE)
CARRIER	BCBSIL	BCBSIL	BCBSIL	BCBSIL
DEDUCTIBLE-IN NETWORK - IND.	\$0	\$0	BC: \$750 PPO: \$1,750	\$500
DEDUCTIBLE-IN NETWORK - FAMILY	\$0	\$0	BC: \$2,250 PPO: \$5,250	\$1,500
OOP-IN NETWORK - IND.	\$1,500	\$1,500	BC: \$4,450 PPO: \$6,250	\$1,500
OOP-IN NETWORK - FAMILY	\$4,500	\$4,500	BC: \$13,350 PPO: \$16,300	\$4,500
COINSURANCE	100/0	100/0	BC: 80/20 PPO: 70/30 OON: 50/50	90/10
OFFICE VISIT CO- PAY	\$10 PCP/\$45 Specialist	\$10 PCP/\$45 Specialist	BC: \$30 PCP/\$60 Specialist PPO: \$60 PCP / \$100 Specialist	\$20 PCP/\$40 Specialist
PHARMACY CO- PAYS	\$0/\$10/\$50/\$100/\$150/\$250	\$0/\$10/\$50/\$100/\$150/\$250	\$0/\$10/\$35/\$75/\$150/\$250 (Preferred Pharmacies) \$10/\$20/\$55/\$95/\$150/\$250 (other pharmacies)	\$0/\$10/\$50/\$100/\$150/\$250 (Preferred Pharmacies) \$10/\$20/\$70/\$120/\$150/\$250 (other pharmacies)

Premium Contributions for Options 1, 2, 3 and 4

The table below highlights your premium contribution requirements if you select Option 1, 2, 3 or 4:

Option 1 (HMO – Blue Care Direct (P506BCH) – Advocate)					Option 2 (HMO – Platinum Blue Precision (P506PSN))				
Hourly Employees					Hourly Employees				
	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	
Annual Cost	\$286.65	\$1,146.60	\$1,003.28	\$1,576.58	\$382.20	\$1,528.80	\$1,337.70	\$2,102.10	
Deduction per check	\$11.02	\$44.10	\$38.58	\$60.63	\$14.70	\$58.80	\$51.45	\$80.85	
Supervisors					Supervisors				
	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	
Annual Cost	\$286.65	\$1,146.60	\$1,003.28	\$1,576.58	\$382.20	\$1,528.80	\$1,337.70	\$2,102.10	
Deduction per check	\$11.94	\$47.77	\$41.80	\$65.69	\$15.93	\$63.70	\$55.74	\$87.59	
Option 3 (PPO – BLUE OPTIONS (G506OPT))					Option 4 (PPO – BC PREFERRED (P5E1BCE))				
Hourly Employees					Hourly Employees				
	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	
Annual Cost	\$423.80	\$1,695.20	\$1,483.30	\$2,330.90	\$611.57	\$2,446.28	\$2,140.50	\$3,363.64	
Deduction per check	\$16.30	\$65.20	\$57.05	\$89.65	\$23.52	\$94.09	\$82.33	\$129.37	
Supervisors					Supervisors				
	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	Employee Only	Employee Plus Spouse	Employee Plus Child(ren)	Family	
Annual Cost	\$423.80	\$1,695.20	\$1,483.30	\$2,330.90	\$611.57	\$2,446.28	\$2,140.50	\$3,363.64	
Deduction per check	\$17.65	\$70.63	\$61.80	\$97.12	\$25.48	\$101.93	\$89.19	\$140.15	

For your reference, a list of the various hospitals in the BCBSIL network and whether or not they are in the HMO Blue Precision (BAV) network, PPO Blue Choice (BC) network or the full PPO network is available as well with the online enrollment form. This list is not exhaustive, but has been filtered to show those hospitals in the area that are most likely visited by employees and their dependents. Please see me if you would like to look at a hospital that is not on the list.

Composite Rates for Options 1, 2, 3 and 4

The table below identifies the **monthly** rates that the carriers have set for the various plan options and tiers of coverage. Retirees should refer to these amounts when determining what their monthly payments to the District should be depending upon which plan option (1, 2, 3 or 4), lines of coverage (Medical Only, Medical and Dental, Medical, Dental & Vision, etc.) and tiers of coverage (i.e. Employee Only, Employee Plus Spouse, etc.) selected.

Option 1 (HMO – Blue Care Direct (P506BCH) – Advocate Only)

COMPOSITE RATES

	MEDICAL	DENTAL	VISION
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CLASS 1-EMPLOYEE ONLY	\$576.34	\$29.20	\$6.52
CLASS 2-EEE&SPOUSE	\$1,152.68	\$59.29	\$12.40
CLASS 3-EEE&CHILD(REN)	\$1,066.23	\$73.13	\$13.05
CLASS 4-FAMILY	\$1,642.57	\$108.49	\$19.19

OPTION 3 – PPO – BLUE OPTIONS (G506OPT)

COMPOSITE RATES

	MEDICAL	DENTAL	VISION
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CLASS 1-EMPLOYEE ONLY	\$624.36	\$29.20	\$6.52
CLASS 2-EEE&SPOUSE	\$1,248.72	\$59.29	\$12.40
CLASS 3-EEE&CHILD(REN)	\$1,155.07	\$73.13	\$13.05
CLASS 4-FAMILY	\$1,779.43	\$108.49	\$19.19

OPTION 2 – HMO – Platinum Blue Precision (P506PSN)

COMPOSITE RATES

	MEDICAL	DENTAL	VISION
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CLASS 1-EMPLOYEE ONLY	\$606.68	\$29.20	\$6.52
CLASS 2-EEE&SPOUSE	\$1,213.36	\$59.29	\$12.40
CLASS 3-EEE&CHILD(REN)	\$1,122.36	\$73.13	\$13.05
CLASS 4-FAMILY	\$1,729.04	\$108.49	\$19.19

OPTION 4 – PPO – Blue Choice Preferred (P5E1BCE)

COMPOSITE RATES

	MEDICAL	DENTAL	VISION
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CLASS 1-EMPLOYEE ONLY	\$679.62	\$29.20	\$6.52
CLASS 2-EEE&SPOUSE	\$1,359.24	\$59.29	\$12.40
CLASS 3-EEE&CHILD(REN)	\$1,257.30	\$73.13	\$13.05
CLASS 4-FAMILY	\$1,936.92	\$108.49	\$19.19

The District is requiring all of its employees to complete both the Flexible Compensation Plan and Group Health Insurance Plan enrollments online this year. It should be noted that employees may not want to enroll in the flexible savings account for the premium contributions in the event they are trying to maximize their pensionable earnings leading up to retirement. These online enrollments will need to be completed during the month of May. It is worth mentioning that we will be processing your enrollment forms on a “rolling” basis and the sooner you turn in your forms, the greater chance for a smoother transition in getting your new medical insurance card(s).

Reimbursement Arrangement for Employees and Spouses covered by Non-District Medical Insurance Plans

With the assistance of Mid-America, the District's current third-party administrator for its Flexible Spending Account, the District continues to offer its employees the option of a Health Reimbursement Account (HRA) which would allow the District to offer a monthly reimbursement to employees for eligible health expenses or more particularly insurance premiums if their spouses or even themselves obtained their health insurance coverage solely from a non-District plan. A non-District plan for medical insurance would typically take the form of employer-provided insurance through a spouse's employment or even Medicare coverage (if the employee or spouse is eligible for Medicare). There would be no taxable consequences or impact on an employee's pensionable earnings as the money is provided solely on a reimbursement basis and is tax-free.

The District will reimburse \$100 per month for each spouse that obtains their medical insurance coverage solely through a non-District plan. The District will reimburse an additional \$100 per month for each employee that obtains their medical insurance coverage solely through a non-District plan. It should be noted that many medical insurance plans may have a different plan year than the District (typically a calendar year for many employers) and in order to participate in the HRA, the employee/their spouse would make their election to participate in the HRA during the other plan's open enrollment period (typically 30 days prior to the start of the plan year). Once the employee's spouse and/or employee has moved off the District's plan, they would be eligible to submit for reimbursements each month through a Mid-America HRA. District staff would be available as a resource to assist employees in getting started through this process.

See me if you have any questions.