

# FAQs

## SPECIAL OPEN ENROLLMENT: August 30 – September 12, 2019



Every employee currently enrolled in the Traditional Health Care Plan can switch to the High Deductible Healthcare Plan (HDHP). The offer of this special open enrollment is due to an increase in the 2018-2019 employee contribution to the Traditional Health Care Plan determined by the Healthcare Subcommittee on August 29, 2018.

### 1. Why is the window to decide by September 12, 2018, so tight?

- **Payroll:** this window allows each of your nine paychecks from September – May to have the same Healthcare deduction. Most employees are nine-month employees, so the new contribution amount starts with the September payroll. Making the change now protects you from a larger monthly employee contribution later in the fall if you were to switch Plans during the regular open enrollment in November. See #2 below.
- **Employee Requests:** Many employees have asked for a special open enrollment to make changes to their healthcare plan. This option responds to testimony at school board meetings, and from employee groups.
- **Rate Change:** The District received the new rates determined by your healthcare subcommittee on August 29, 2018, and immediately opened this special enrollment. In May 2018, the committee discussed that rates would change, and determined the amount on August 29.

### 2. Can I wait and make this change during the regular open enrollment in November?

**Yes!** November 15, 2018 through December 15, 2018 is your annual regular open enrollment when you can switch between plans, and make other necessary changes such as adding a dependent child or spouse.

### 3. If I change to the High Deductible Health Plan now, can I change back to the Traditional Plan?

**Yes!** Every year you can make plan changes during the annual open enrollment November 15 – December 15 with all changes effective January 1<sup>st</sup>.

### 4. What are my healthcare plan rates for 2018-2019?

The Medical, Dental, Vision, and Prescription benefits are identical between the Traditional Plan, and the HDHP. The deductible and out-of-pocket maximum amounts differ.

MEDICAL BENEFITS	TRADITIONAL PLAN	HIGH DEDUCTIBLE HEALTH PLAN (HDHP)
Annual Medical Deductible		
Individual	\$200	\$1,500
Family	\$600	\$3,000
Reimbursement Percentage	Plan pays 80% Plan pays 60% (non-PPO facility)	
Out-of-Pocket Maximum (Not including deductible)		
Individual	\$1,000	\$2,000
Family	\$3,000	\$4,000
Prescription Drug Coverage		
Generic Copay		\$5
Preferred Brand Copay		\$25
Non-Preferred Brand Copay		\$50
Specialty Copay		\$100 (limited to a 30-day supply)
Health Reimbursement Arrangement	None	\$750/year*
<b>Employee Contribution</b>		
<b>Monthly (12 month deduction)</b>	<b>\$550.14</b>	<b>\$228.00</b>
<b>Monthly Pro-rated (9 month deduction)</b>	<b>\$733.52</b>	<b>\$304.00</b>
<b>Annual</b>	<b>\$6,601.68</b>	<b>\$2,736.00</b>

\*If you newly elect the HDHP, \$625 will be the prorated credit to your HRA account on September 1<sup>st</sup> for September 2018 – June 2019. Another \$750 will be credited on July 1<sup>st</sup> for the period July 2019 – June 2020.



## **FAQs Expanded from Employee Questions**

### **SPECIAL OPEN ENROLLMENT: August 30 – September 12, 2019**

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**Q: When I fill out the paper work to decline coverage under the school district's health care plan what happens to the District's contribution they are contributing on my behalf to the plan?**

A: That amount becomes available in the budget to be reappropriated for other uses.

**Q: Why are we just finding out about this increase and why was this not brought up at the bargaining table early in August?**

A: The Healthcare Subcommittee set these rates on August 29, 2018. A discussion of the need to increase both employer and employee contributions to the plan was discussed at the August mediation. Additionally, if you review the notes from the HealthCare Committee meeting on May 16, 2018, both a rate increase and need for a special open enrollment was discussed. [The May 2018 online notes reflect this.](#)

**Q: I am paid on a 12-month cycle as a teacher. Will I be paying the 12-month or nine month deduction amount?**

A: Regardless of the pay option you selected as a teacher, your healthcare deductions will always be taken out on a nine month basis (September through May). Your deduction (9-months) will be \$733.52 for the Traditional Plan or \$304.00 for the High Deductible Plan, deducted from your September through May paychecks unless the Healthcare Subcommittee adjusts rates.

**Q: Why didn't KPBSD offer a Health Savings Account (HSA) account with the HDHP?**

KPBSD is prohibited by law against offering an HSA account in conjunction with our HDHP. The KPBSD HDHP is not considered by the Internal Revenue Service as a "**Qualified High Deductible Health Plan**" (QHDHP).

**Q: Why are you offering a Special Enrollment now?**

Your Health Plan employee contribution can be taken out on a pre-tax basis through the District's Section 125 Plan, therefore the District must follow certain IRS regulations. With a Section 125 Plan we are only allowed to have one Annual Open Enrollment period, unless there is an experience of certain Qualifying Events.

A significant increase in the Health Plan contribution charged to an employee is considered a Qualifying Event per IRS regulation 26 CFR 1.125.4 allowing a Special Enrollment for those employees currently enrolled in the affected Plan to switch to the lower cost Plan option or decline coverage (if they have other coverage outside of KPBSD that meets the minimum ACA requirements).

**Q: If I switch to the HDHP, will I still have Prescription, Dental, and Vision coverage?**

A: Yes, you will still have the same Prescription, Vision, and Dental coverage. These benefits have not changed and there is no extra cost for those benefits. These benefits are exactly the same regardless of which Medical Plan you elect.

**Q: Can I, the employee, contribute to my Health Reimbursement Arrangement (HRA) account?**

No, only employers are permitted to contribute to an HRA account. *If you newly elect the HDHP effective September 1, 2018, \$625 will be the prorated credit to your HRA account on September 1st for September 2018 – June 2019. Another \$750 will be credited on July 1st for the period July 2019 – June 2020.*

**Q: Why are employee contributions to the Traditional Plan increasing?**

A: Both employee and District contributions are increasing primarily due to increases in the Medical, Dental, Prescription, and Vision costs related to claims submitted by the Traditional Plan's members. Those increases have occurred despite decisions by the healthcare committee to initiate costs savings measures such as BridgeHealth, Teledoc, and the Aetna network of facility providers. Hopefully increased member use of these cost saving measures will have the hoped for positive impact on Plan costs.

**Q: What happens to the deductible and out of pocket maximums that I have met under the Traditional Plan?**

A: The deductible and out of pocket maximums that you have met under the Traditional Plan during 2018 will be credited towards the higher deductibles. For example, if you met your entire \$200 deductible and \$1,000 Out of Pocket Maximum under the Traditional Plan, you would have \$1,300 deductible remaining to meet under the HDHP. Then you would have another \$1,000 to meet towards your HDHP Out of Pocket Maximum before the Plan starts paying eligible Major Medical claims at 100%.

**Q: What if I meet a portion of the deductible in the last three months of the Calendar year?**

A: The portion of the deductible that you meet in the last three months of the Calendar Year (October through December) will roll over to the next Calendar Year.

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