

April 19, 2011

State Health Plan Update:

On April 13, 2011, the Governor vetoed a bill that would significantly increase the out of pocket costs for state employees covered under the NC State Health Plan. The legislature's plan would require state employees to pay individual health insurance premiums for the first time and face higher co-pays and deductibles. Under the bill, state workers would pay \$10.86 or \$21.72 per month starting in July, depending on their coverage level. Existing premiums for dependents would rise by 5.2 percent a year for the next two years, possibly raising premiums for family coverage from \$580 per month to more than \$660 by 2012.

As a result of this veto, there will most likely be a delay in the Annual Enrollment Period that would allow changes to be made to either the plan type(80/20 vs 70/30) or coverage level (adding or dropping dependents). Once new legislation is submitted and passed, all employees will receive information via email and via home address with details regarding benefit changes and enrollment dates. Since the enrollment period will most likely occur after convocation, it is important for Faculty to be advised they will need to pay special attention to home mailings from the SHP as well as ECU Official email to ensure they are aware of the deadline to make changes.

Additional information will be forthcoming as it is available. In the meantime, please note the following notes/considerations:

- The annual health insurance deductible runs on a fiscal year from July 1 through June 30. If you have already met your deductible for this fiscal year and anticipate any upcoming medical services, it is in your best interest to schedule these services/appointments prior to July 1 if possible.
- Effective July 1, 2011, dependent children may be covered up to age 26 regardless of student status or marital status. They are not eligible to be covered if they qualify for coverage under their own employer plan.

2011/2012 PROPOSED CHANGES TO THE STATE HEALTH PLAN

Highlights of Proposed Plan Changes for 2011-2012

Effective July 1, 2011

- Employees will be responsible for a monthly premium for employee only coverage:
 - 80/20 Plan: **\$21.72** per month (\$260.64/yr)
 - 70/30 Plan: **\$10.86** per month (\$130.32/yr)
- All Wellness Initiatives are repealed. All employees are eligible to select either the 80/20 or the 70/30 plan regardless of smoking status or BMI status.
- If you do not wish to make changes to your current coverage, no action is required.
- All changes must be made via the web. Paper applications cannot be accepted.
- Dependent premium increase of **5.2%** this year as well as next year.

Benefit changes under each plan are as follows:

| | <u>70/30 Basic Plan</u> | | <u>80/20 Standard Plan</u> | |
|---------------------------------|-------------------------|----------------|----------------------------|----------------|
| | New | Old | New | Old |
| Deductible | \$933 | \$800 | \$700 | \$600 |
| Co-insurance Max | \$3,793 | \$3,250 | \$3,210 | \$2,750 |
| Urgent Care | \$87 | \$75 | \$87 | \$75 |
| Primary Care Copay | \$35 | \$30 | \$30 | \$25 |
| Specialist Copay | \$81 | \$70 | \$70 | \$60 |
| PT/OT/ST – Mental Health/SA | \$64 | \$55 | \$52 | \$45 |
| Emergency Room/Inpatient Co-Pay | \$291 | \$250 | \$233 | \$200 |
| Prescription Drug | \$10/\$40/\$64 | \$10/\$35/\$55 | \$10/\$40/\$64 | \$10/\$35/\$55 |

Monthly premium increases will be effective in the June 15 payroll:

| | 70/30 Plan Monthly | 70/30 Annual | 80/20 Plan Monthly | 80/20 Annual |
|---------------------|---------------------------|---------------------|---------------------------|---------------------|
| Employee/Only | \$ 10.86 | \$130.32 | \$ 21.72 | \$260.64 |
| Employee/Child(ren) | \$198.82 | \$2385.84 | \$271.68 | \$3260.16 |
| Employee/Spouse | \$495.14 | \$5941.68 | \$598.72 | \$7184.64 |
| Employee/Family | \$526.68 | \$6320.16 | \$632.34 | \$7588.08 |