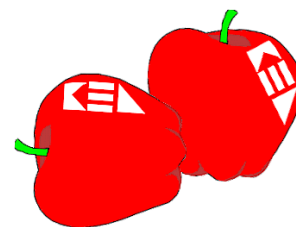


# Your Money Matters, v.9.22.16

## An Infrequent Newsletter About Your Salary and Benefits

by Mike Milka, KEA Treasurer, Bargaining Team member



### This edition: Changes to your MESSA insurance

There have been many members with questions about the changes in our medical insurance. I would like to provide answers to some of those questions. I know that this looks lengthy, but I am sure that you will find it to be quite clear and thorough.

The first change involves the deductible for MESSA Choices II, and the corresponding premium coming out of your paycheck. Starting September 1<sup>st</sup>, single subscribers now have a \$500 annual deductible (up from \$300), while 2-person and family subscribers have a \$1000 deductible (up from \$600). Whatever amount you have already paid this year (between January and September) towards the prior deductible level will be applied to this new deductible amount.

For example, if you had already met your \$600 family deductible prior to September 1<sup>st</sup>, you now have an additional \$400 to pay through December 31<sup>st</sup>. If you are single, and have paid nothing towards your deductible so far this year, you still have the full \$500 deductible for the remainder of the year. Additionally, if you stay with Choices II in 2017, anything that you pay towards the deductible in October, November and December of this year will carry over towards your deductible obligation for next year.

The current monthly employee contribution rates for MESSA Choices II are:

MESSA Choices II, eff. Sept. 1 <sup>st</sup>	Single	2-Person	Family
Employee monthly rate*	\$114.99	\$258.35	\$321.42

\*These numbers reflect employee share of medical premium ONLY and do not include the additional amount paid for dental coverage.

The second change to our insurance gives members the option to move to a new plan with an even higher deductible, starting in January, in order to reduce the premium cost nearer to last year's rate. At the same time, however, the district's share of the Choices II premium will be capped, and members keeping that plan will have to pay more for it. A new Open Enrollment window will start on October 3<sup>rd</sup> for you to declare which option you want. The explanation that follows should help you begin to make sense of what your decision is about, and what your cost will be.

With the new plan – called MESSA ABC Plan 1 – the annual deductible will be \$1300 for single subscribers, and \$2600 for 2-person and family subscribers. The medical coverage is the same as MESSA Choices II, with the exception that once the deductible is met, there are no more office, urgent care, or emergency room copays. Plus, this type of high-deductible plan is accompanied by a personal Health Savings Account, or H.S.A., managed by HealthEquity. The money put into this account can be used against the deductible and any other medical expenses not fully covered by insurance, such as eyewear. Note that prescription costs also apply towards the deductible; and after the deductible is met, normal Rx copays apply. Payment for medical expenses and prescriptions can be made by debit card linked to this account.

Starting January 1<sup>st</sup>, the monthly employee contribution rates for MESSA ABC Plan 1, for those who choose to switch to this plan, will be:

MESSA ABC Plan 1, eff. Jan. 1 <sup>st</sup>	Single	2-Person	Family
Employee monthly rate*	\$103.52	\$232.54	\$289.31

\*These numbers reflect employee share of medical premium ONLY and do not include the additional amount paid for dental coverage.

Once your H.S.A. is established, shortly after January 1, the district will provide a subsidy towards the deductible by depositing either \$800 (single) or \$1600 (2-person or family) into that account. You will have immediate use of that amount to offset your deductible obligation as you incur medical charges. You will also be required to add either \$200 or \$400, in accordance with 2011 PA 152, which requires that we share our employer's health care costs under an 80/20 split. You may choose to add even more, up to a total (employer + employee) of \$3400 or \$6750, per year. Your contribution can be made via payroll deduction. You will be provided an option to indicate how much you want to put into the H.S.A, and over what term those additional contributions will be made. Details will accompany the Open Enrollment information coming in October.

The funds in the H.S.A. account belong to you. Unspent funds at the end of each year will roll over and can be accumulated over time. You may use these funds towards your future health care costs, even after you leave employment with the district. Members choosing MESSA ABC Plan 1 will get further information from MESSA or Health Equity about setting up their H.S.A. and how to access the money in that account.

Note that this H.S.A. takes the place of a Medical Flexible Spending Account, or F.S.A. Per IRS regulations, no taxpayer may contribute to both types of accounts during the same tax year. So, if you have an F.S.A. and want to switch to the ABC Plan 1 with an H.S.A., you will need to use up the funds in your F.S.A. by December 31<sup>st</sup>. If you are staying with Choices II, you will still be able to participate in the Medical F.S.A. plan. All employees will still have the use of the Dependent Care F.S.A. available to them.

There are additional eligibility requirements for an H.S.A. For example, you cannot be enrolled in Medicare or Medicaid, be receiving V.A. benefits, be a dependent of someone else, or be covered by a traditional low deductible health plan. Employees should contact HealthEquity with any eligibility questions.

Also beginning January 1<sup>st</sup>, the district's contribution to MESSA Choices II will be capped at the same level as its contribution to the MESSA ABC Plan 1. That means that members choosing to stay with Choices II will be required to pay the difference between the ABC Plan 1 cap and the full premium for Choices II. This will result in a dramatic increase in a member's cost.

Starting January 1<sup>st</sup>, the monthly employee contribution rates for MESSA Choices II, for those who choose to stay with this plan, will be:

<b>MESSA Choices II, eff. Jan. 1<sup>st</sup></b>	<b>Single</b>	<b>2-Person</b>	<b>Family</b>
Employee monthly rate* above ABC Plan 1 cap	\$160.87	\$361.56	\$449.88

\*Again, these do not include dental.

Under either plan – Choices II or ABC Plan 1 – the unsubsidized portion of the deductible will be \$500 (single) or \$1000 (2-person/family). Under the ABC Plan 1, members will also have an H.S.A. with a minimum balance of \$1000 (single) or \$2000 (2-person/family), and may add more. All premium contributions, and all H.S.A. contributions, are pre-tax dollars. That means that for every \$100 of your paycheck directed to medical expenses, your income tax burden is reduced by roughly \$30.

Additional meetings will be held in October to discuss these options. The dates are Oct. 6, 13, and 26. All dates will have two meetings each: one starting at 3 PM and another at 4:30 PM. The meetings will be held at KAMSC in the Presentation Center (CEC, 4<sup>th</sup> floor). Please plan to attend if you have more questions.

For more information about your MESSA insurance and HealthEquity, click on the following links:

- MESSA ABC Plan FAQs -- [https://www.messa.org/portals/0/pdf/MESSA\\_ABCs\\_FAQ\\_121814.pdf](https://www.messa.org/portals/0/pdf/MESSA_ABCs_FAQ_121814.pdf)
- MESSA ABC Plan1 summary -- [https://www.messa.org/Portals/0/PDF/messa\\_highlights\\_plan1.pdf](https://www.messa.org/Portals/0/PDF/messa_highlights_plan1.pdf)
- MESSA ABC Rx Coverage -- [https://www.messa.org/portals/0/pdf/ABC\\_Rx\\_Benefits\\_Overview.pdf](https://www.messa.org/portals/0/pdf/ABC_Rx_Benefits_Overview.pdf)
- MESSA Choices II summary -- [https://www.messa.org/Portals/0/PDF/mph\\_ccii\\_general.pdf](https://www.messa.org/Portals/0/PDF/mph_ccii_general.pdf)
- HealthEquity -- <http://healthequity.com/learn/health-savings-account>