

# 2013 Benefits Update

Open Enrollment and Beyond

# NRAO Budget Overview

NSF contributions to the non-ALMA NRAO operations (GB, VLA, VLBA, CDL) have been reduced.

- \* From \$43.1M in FY12 to \$41M in FY13 & FY14.

NRAO has completed the EVLA upgrade project and has almost completed the ALMA project.

- \* Shifts in program composition and support have had a serious impact on operations and staffing.

NRAO has aggressively looked for alternative revenue sources

Undertaken structural changes in the way we manage and account for our central services.

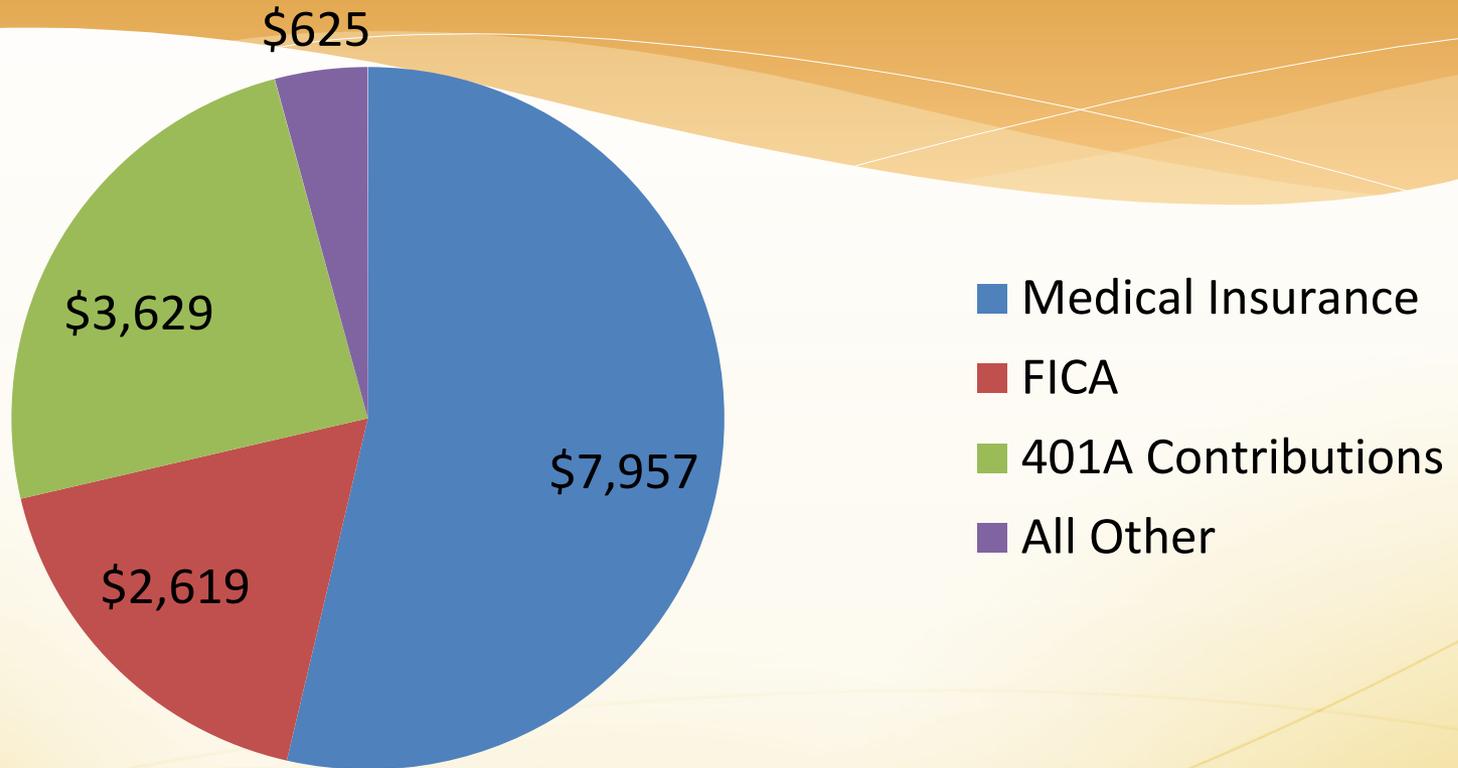
- \* Spread expenses across all activities.

# NRAO Budget Overview

NSF Funding (\$K)				
	FY11	FY12	FY13	FY14
NRAO Ops	\$ 44,264	\$ 43,100	\$ 41,000	\$ 41,000
ALMA Ops		28,610	34,307	36,410
EVLA Construction (Exp)	2,048	2,503	1,407	44
ALMA Construction (Exp)	60,036	42,978	14,629	11,579
<b>Total Funding</b>	<b>\$ 106,348</b>	<b>\$ 117,191</b>	<b>\$ 91,343</b>	<b>\$ 89,033</b>

# NRAO Budget Overview

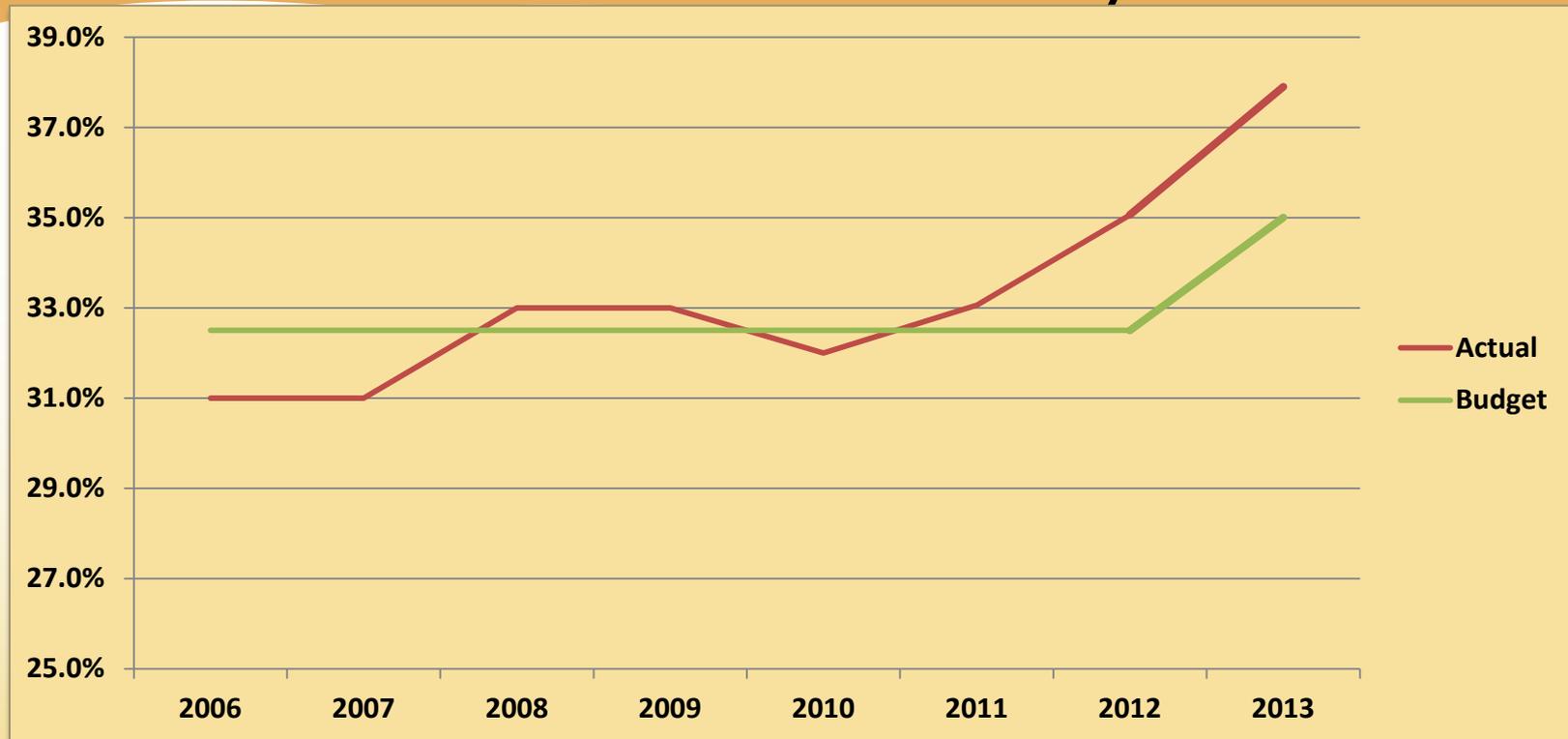
## FY13 Benefits Expenses by Category (\$K)



- Medical Costs were 54% of FY13 benefits expenditures.
- Medical, FICA (Social Security) & Retirement are 96% of benefits expenses.

# NRAO Benefits Expense Trends

## Benefits Rate as a % of Payroll



- NRAO benefits expenses historically were close to budget until 2011.
- Gap in 2012 & 2013 was > \$1M in each year – even after increasing the rate for 2013.

# Number of Factors Have Contributed to Increased Claims

- \* Aging workforce and retiree base.
  - \* More complex, higher-cost claims.
- \* No substantial changes to plan design for several years (2007 to 2011).
  - \* As expenses rose, the employee cost share was reduced.
- \* Healthcare trend continues to rise at rates greater than inflation and wages.

# Tough Choices

- \* Only three viable ways to find \$IM to cover the Benefits Program shortfall:
  - \* Move all Employees to the HDHP and move retirees to alternate program(s).
  - \* Reduce employer contribution to the 401a.
  - \* More layoffs.
- \* Management chose the medical plan option as it was deemed the least likely to impact recruitment and retention, and provided needed budget savings.

# Open Enrollment Presentation

# Active Employee Medical Plan

- ❖ All employees move to the High Deductible Health Plan.
- ❖ Must open a bank account with Chase for your Health Savings Account contributions
  - ❖ Direct link to account set-up.
  - ❖ Subject to identity confirmation.
  - ❖ Cannot use a P.O. Box
- ❖ Manual enrollment – change of plans, updates to dependents, etc.
  - ❖ All new HDHP enrollees must fill out enrollment form.



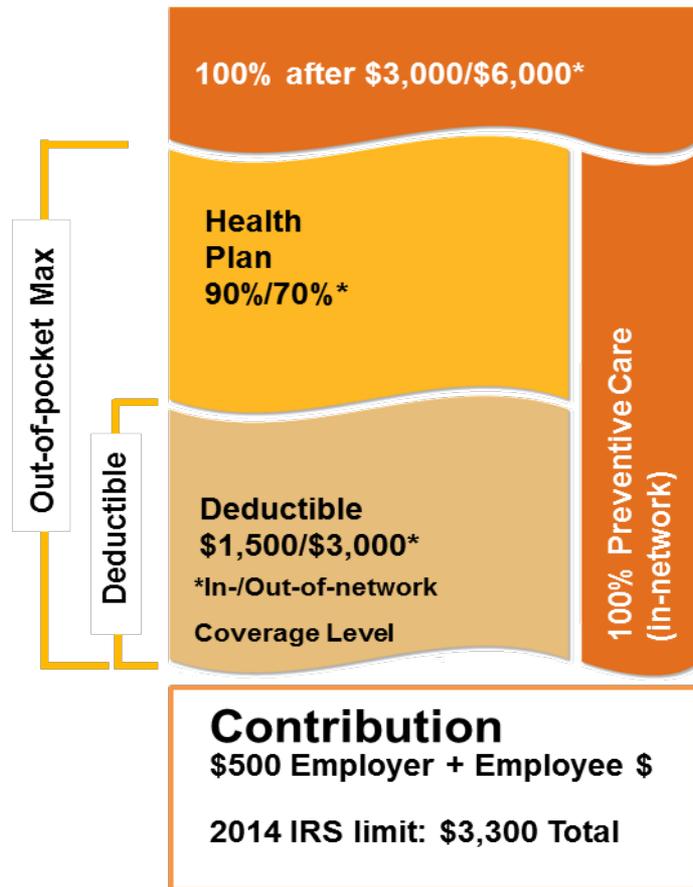
# Employees Currently on the HDHP

- \* No changes necessary – unless you are adding/deleting dependents.
- \* Bank account continues to function, cards are good until expiration date.
- \* HSA election (and contributions) will roll over to next year.
  - \* If you want to change it, can do so.
  - \* Not limited to changing during Open Enrollment.

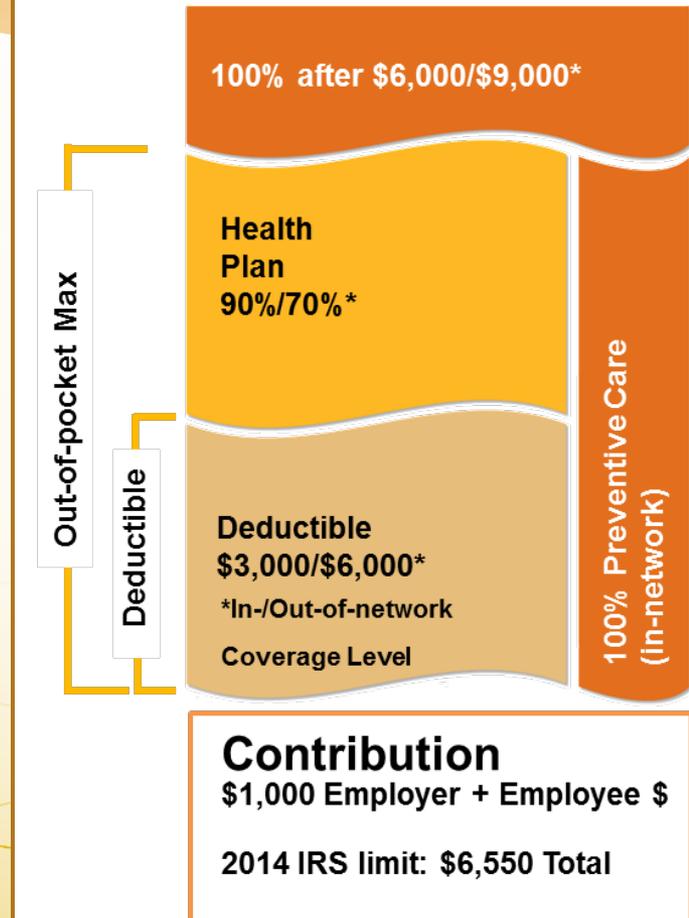
# Plan Design

Preventive drugs covered outside of deductible at tier percentage.

## Single Coverage



## Family Coverage



# How does it work? Before the Deductible...

\$1,500 individual/\$3,000 Family (In-Network)

\$3,000 individual/\$6,000 Family (Out-of-Network)

- Expenses (medical and Rx) before the deductible are the responsibility of the employee.
- Receive Cigna negotiated rates – do not pay full price.

Except for  
Preventive Services  
& Preventive drugs.

These expenses are outside of the deductible.

- 100% for preventive care
- Percentage for Rx.

# After the Deductible...

- After deductible is met, plan pays at 90%.
- Employee pays 10% of medical charges.
- 20/40/50% of drug cost.
- Receive Cigna negotiated rates – do not pay full price.

\$1,500 individual/\$3,000 Family additional In-Network exposure

\$3,000 individual/\$6,000 Family additional Out-of-Network exposure

Except for  
Preventive Services  
& Preventive drugs.

These expenses are outside of the deductible.

- 100% for preventive care
- Percentage for Rx.

# Out of Pocket Max is met...

- Plan pays 100% of expenses after out-of-pocket max is met.
  - The most you owe in a calendar year is:

\$3,000 individual/\$6,000 Family (In-Network)

\$6,000 individual/\$9,000 Family (Out-of-Network)

# Drug Coverage

- \* Prescription drugs are separated into two categories:
  - \* Preventive (as defined by the IRS)
  - \* Non-preventive.
- \* Preventive drugs are covered at the HDHP percentage:
  - \* OUTSIDE of the deductible
  - \* 20/40/50% of negotiated rate
  - \* Does not count toward deductible - DOES count towards out-of-pocket maximum.
- \* Non-preventive drugs are at full negotiated rate until deductible is met.
  - \* Then move to 20/40/50% of negotiated rate.
  - \* Count towards both the deductible and the out-of-pocket maximum.
- \* Drugs are covered at 100% after out-of-pocket maximum is met.

# CIGNA ChoiceFund Enrollment

## Link to enroll available on Open Enrollment website

### CIGNA ChoiceFund<sup>SM</sup> HSA Savings Account

[Home](#) > [Health Savings Account \(HSA\) Enrollment](#)

If you are having technical problems  
with this site,  
call 1-800-284-8346

#### Health Savings Account (HSA) Enrollment

 Print

Notice: This is a publicly accessible log in page. If you have provided anyone with your personal information, he/she would be able to access this enrollment site.

Follow the steps below to complete your bank application:

- Log in by entering your Social Security Number, Date of Birth, Mailing Address ZIP Code, and the Open Enrollment ID provided by your employer.\*
- Read and accept the Electronic Disclosure and User Agreement.
- Enter your bank application information.
- Read and accept the applicable Enrollment Disclosures and Agreements.
- Read and accept the Fee Schedule that applies to your HSA.
- Review and submit your enrollment information.
- Print your bank application confirmation.

#### Returning Users Only

\*If you completed an online bank account application within the past 120 days, you must have your 8-digit alpha-numeric confirmation number available. If you don't remember your confirmation number, you'll be required to complete the online bank account application again to receive a new confirmation number.

#### Important information about procedures for opening a new account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an Account.

**What this means for you:** When you open an Account, we will ask for your name, address, date of birth (for individuals), and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

[Begin](#)

# Medicare Eligible Employees

## ❖ NEW GUIDANCE FROM AUI LEGAL COUNSEL 10/30/2013:

- ❖ If you have begun receiving Social Security benefits, you are **REQUIRED** to participate in Medicare Part A when you turn 65.
  - ❖ If you decline, you forfeit past and future Social Security benefits.
  - ❖ You may **NOT** participate in an HSA if you are enrolled in Medicare Part A.
- ❖ **CAN BE COVERED ON HDHP.**
- ❖ AUI/NRAO is working to determine alternate method to deliver employer contribution.
- ❖ If you are not receiving Social Security benefits, you are **NOT** required to participate in Medicare Part A, regardless of age.
  - ❖ You **MAY** contribute full amount in the HSA.

# Medicare Eligible Employees

- \* **Additional option:**

- \* Employees are allowed to drop their active employer coverage and sign up for Medicare A and B.
- \* Medicare Secondary Payer Act does not prohibit this; however, it does prohibit employers from giving an “incentive” for employees to do this.
- \* No contributions from employer, or “bonus” for dropping.

# Other Insurance Coverage

- \* **Employees** with other insurance cannot participate in the HSA.
  - \* Medicaid, Tri-care, spousal coverage, spouse Health FSA.
- \* **DO HAVE INSURANCE COVERAGE ON HDHP.**
- \* **AUI/NRAO** is working to determine alternate method to deliver employer contribution.
- \* If dependents have other insurance, can contribute to HSA – reduced amounts.
  - \* Example: Employee with child on Medicaid will get full \$1,000 from AUI/NRAO, but can only contribute \$2,300 to HSA (\$3,300 combined individual annual maximum).
- \* See HR for specifics of your situation.

# Other Considerations

- \* If you decide to drop your AUI/NRAO coverage, you may be able to pick up your spouse's coverage.
  - \* Depends on plan document language of their employer.
- \* If their plan does not recognize this as a qualifying event, AUI/NRAO DOES during other employer's open enrollment.
- \* Stay on HDHP until their open enrollment, move off with qualifying event at that time.
  - \* Keep your HSA money.

# Under 65 Retirees

- \* Will also be moved to the HDHP.
- \* Premiums remain at whatever rate was agreed to upon retirement – some fixed, some not.
- \* AUI/NRAO will make a contribution to their HSA.
  - \* Mirrors active contribution - \$1,000/\$500
- \* Correspondence sent this week.
- \* Meetings, if appropriate, in December.

# Over 65 Retirees

- \* Remain on current plan until April 2014.
- \* Moving 65 and over coverage to “Defined Contribution” approach with Extend Health.
  - \* \$200 per covered member contribution each month.
  - \* No premiums due.
  - \* Extend Health assists retirees in finding appropriate coverage for their circumstances and demographics.
- \* Additional communication plan and meetings to begin in January.



# 2014 Medical Premiums



## 2014 Medical Plan Monthly Premium

<b>Tier</b>	<b>\$0 - 49.9K</b>	<b>\$50 - 79.9K</b>	<b>\$80 - 100K</b>	<b>Over \$100K</b>	<b>Total Rate (ER + EE)</b>
<b>Employee</b>	\$91.00	\$113.00	\$121.00	\$127.00	\$510.88
<b>Employee + One</b>	\$176.00	\$193.00	\$208.00	\$220.00	\$1,057.53
<b>Employee + Family</b>	\$256.00	\$281.00	\$303.00	\$318.00	\$1,456.02

- \* Returning to 80/20 split of premiums, a standard rate split for industry & peer groups.
- \* Cost of HDHP increased by moving all employees (renewal revised); however, premiums are less expensive than Copay Plan.

# Monthly Premium Comparisons

HDHP Premiums are higher than anticipated. Moving all employees to the HDHP changed actuarial basis. Overall plan cost reduced, but individual HDHP cost increased.

## \$ Change from 2013 HDHP Premiums Per Month

<b>Tier</b>	<b>\$0 - 49.9K</b>	<b>\$50 - 79.9K</b>	<b>\$80 - 100K</b>	<b>Over \$100K</b>
<b>Employee</b>	\$30.93	\$47.37	\$50.56	\$53.20
<b>Employee + One</b>	\$73.89	\$80.90	\$86.99	\$92.26
<b>Employee + Family</b>	\$107.14	\$117.82	\$126.78	\$132.86

HDHP premiums are lower than Copay Plan premiums would have been.

## \$ Change from 2013 Copay Plan Premiums Per Month

<b>Tier</b>	<b>\$0 - 49.9K</b>	<b>\$50 - 79.9K</b>	<b>\$80 - 100K</b>	<b>Over \$100K</b>
<b>Employee</b>	-\$21.04	-\$6.73	-\$5.39	-\$4.04
<b>Employee + One</b>	-\$25.18	-\$22.00	-\$19.32	-\$16.63
<b>Employee + Family</b>	-\$32.42	-\$27.23	-\$23.27	-\$20.61

# Annual Premium Comparisons

## \$ Change from 2013 HDHP Premiums Per Year

<u>Tier</u>	<u>\$0 - 49.9K</u>	<u>\$50 - 79.9K</u>	<u>\$80 - 100K</u>	<u>Over \$100K</u>
<b>Employee</b>	\$371.16	\$568.44	\$606.72	\$638.40
<b>Employee + One</b>	\$886.68	\$970.80	\$1,043.88	\$1,107.12
<b>Employee + Family</b>	\$1,285.68	\$1,413.84	\$1,521.36	\$1,594.32

## \$ Change from 2013 Copay Plan Premiums Per Year

<u>Tier</u>	<u>\$0 - 49.9K</u>	<u>\$50 - 79.9K</u>	<u>\$80 - 100K</u>	<u>Over \$100K</u>
<b>Employee</b>	-\$252.48	-\$80.76	-\$64.68	-\$48.48
<b>Employee + One</b>	-\$302.16	-\$264.00	-\$231.84	-\$199.56
<b>Employee + Family</b>	-\$389.04	-\$326.76	-\$279.24	-\$247.32

# Bi-Monthly Premiums

- \* 24 premiums instead of 26.
- \* Two pay periods with premium “holiday”.
  - \* No medical, dental, vision, supp. life premiums taken from last paycheck of the month.
  - \* January and August.

**2014 Medical Plan Bi-Monthly Premium**

<b>Tier</b>	<b>\$0 - 49.9K</b>	<b>\$50 - 79.9K</b>	<b>\$80 - 100K</b>	<b>Over \$100K</b>	<b>Total Rate (ER + EE)</b>
<b>Employee</b>	\$45.50	\$56.50	\$60.50	\$63.50	\$510.88
<b>Employee + One</b>	\$88.00	\$96.50	\$104.00	\$110.00	\$1,057.53
<b>Employee + Family</b>	\$128.00	\$140.50	\$151.50	\$159.00	\$1,456.02

# HSA Contributions

- \* AUI/NRAO provide \$1,000 family/\$500 individual.
  - \* Quarterly installments – beginning of Jan, Apr, July, Oct.
  - \* Employees making \$50,000 annually or less will have full amount loaded to accounts in January.
- \* Hardship requests will be considered on case-by-case basis.
- \* Annual maximum contribution amounts (including employer portion):
  - \* \$3,300 Individual
  - \* \$6,550 Family
  - \* \$1,000 Over 55 catch-up

# Healthcare Reform Update

- ❖ Individual Marketplace open.
  - ❖ Sent Insurance Marketplace Notice with mailing.
    - ❖ Will update on web for revised HDHP premiums.
  - ❖ Open enrollment for exchanges began October 1, 2013.
  - ❖ Plans effective January 1, 2014.
- ❖ Employees are free to shop the exchange market.
  - ❖ HDHP is considered “affordable” by definitions of ACA.
  - ❖ Employees would not be eligible for federal subsidies.
- ❖ Medicaid coverage has been expanded – 138% of federal poverty level (FPL).
  - ❖ Virginia will likely not participate.
  - ❖ West Virginia & New Mexico will.
  - ❖ \$16,535 or less individuals, \$33,746 or less for a family of four.





# Dental Coverage

- ❖ Biannual enrollments – not a year you can make changes.
  - ❖ Next enrollment without a qualifying event is fall 2014.
- ❖ 2.7% premium increase – premiums on website.
- ❖ Coverage continues through Delta Dental of Virginia.
- ❖ Dependent child eligibility mirrors medical – age 26.
- ❖ Can view eligibility, claims and benefits summary online at [www.deltadentalva.com](http://www.deltadentalva.com).

# Vision Coverage

UnitedHealthcare Vision™

- ❖ United Healthcare continues as carrier.
- ❖ Full coverage summary available on web.
- ❖ Premiums unchanged for 2014.
- ❖ Dependent child eligibility mirrors medical – age 26.
- ❖ Enrollment continues into 2014 unless terminated.



# Flexible Spending Accounts

- ❖ **Will not be offered in 2014.**
  - ❖ Not enough participation in Dependent Care FSA to continue contract.
- ❖ 2013 balances must be drawn down by March 31, 2014.
- ❖ Must spend on qualifying expenses **PRIOR** to December 31, 2013.
- ❖ HSA money can only be used for expenses **AFTER** December 31, 2013.

# Supplemental Retirement Accounts 403(b)

- ❖ No restrictions on participation.
  - ❖ No waiting period or age restrictions.
  - ❖ Do not need to be benefits eligible.
- ❖ PRE-tax dollars.
- ❖ Limit for 2014 remains unchanged.
  - ❖ Currently \$17,500 annually for individuals under 50.
  - ❖ Additional \$5,500 “catch-up” for individuals over 50.
- ❖ MUST fill out new forms if you want to maximize your contributions and were not previously doing so.
- ❖ Can open an account or change amounts at any time.



# Health Advocate



- ❖ Use Health Advocate to:
  - ❖ Better understand Health Savings Accounts and High Deductible Plans
  - ❖ Cost Estimator Tools
  - ❖ Billing negotiations or correct billing mistakes
  - ❖ Reschedule important appointments
  - ❖ Coordinate coverage between carriers
  - ❖ Get tests approved that were previously denied.
- ❖ Personal service - Confidential & HIPAA compliant
- ❖ Can be used for medical, dental, vision and HSA.

# Benefit Enrollment Process

## Manual Forms

- ❖ All open enrollment changes must be accompanied by a hard copy form.
- ❖ Forms are available on the open enrollment website.
- ❖ HSA bank account enrollment is handled online.
  - ❖ Open Enrollment ID: nrao2014
- ❖ Open Enrollment closes November 21<sup>st</sup>.
  - ❖ Must have changes to Cigna by December 1<sup>st</sup> so cards can be produced and received by employees.

# Open Enrollment Forms

[www.nrao.edu/hr/OE/OE2014](http://www.nrao.edu/hr/OE/OE2014)

## 2014 Premiums

- Medical
- Dental
- Vision

## Resources

- Medical, Dental & Vision Enrollment Form
- Health Savings Account Enrollment - **Open Enrollment ID: nrao2014**
- Health Savings Account Salary Reduction Agreement - Form to contribute your own money to HSA.
- 403b Salary Reduction Agreement
- Prescription Drug Pre-Authorization Form
- Life Insurance Enrollment/Change Form

**Medical Insurance Plan by Cigna Healthcare**

## Open Enrollment CY2014

by [Carolyn Hunsinger](#) — last modified Oct 28, 2013 02:11 — [History](#)

**Annual Open Enrollment period and information. This site is still being updated. If you have a question, please contact HR.**

### Director's Memo Regarding 2014 Benefit Changes

**Open Enrollment:  
October 21, 2013 to November 20, 2013**

### Open Enrollment Presentation Schedule

Tuesday, October 29	DSOC Auditorium	9:00-10:30 am
Wednesday, October 30	DSOC Auditorium	1:30-3:00 pm
Thursday, October 31	VLA Cafeteria	10:30-Noon
Monday, November 4	NTC Penthouse	9:30-11:00 am
Monday, November 4	ER Auditorium	3:00-4:00 pm
Tuesday, November 5	Jansky Auditorium	1:00-2:30 pm
Wednesday, November 6	Jansky Auditorium	10:30-Noon
Friday, November 8	ER Auditorium	10:00-Noon

Plan Design

MO Effective Date:  
12/21/2013  
BW Effective Date:  
12/14/2013

# Medical, Dental & Vision Enrollment Form

ASSOCIATED UNIVERSITIES, INC.  
NATIONAL RADIO ASTRONOMY OBSERVATORY  
Medical, Dental & Vision Enrollment Form

**Personal Information**

Name: \_\_\_\_\_ Employee #: \_\_\_\_\_ Eff Date: \_\_\_\_\_  
 Street: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 New Employee  Single  DOB: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Coverage Change  Married  SSN: \_\_\_\_\_ Gender:  F  M  NE

**Benefit Elections**

<b>Medical</b>	<b>Dental</b>	<b>Vision</b>
<input type="checkbox"/> Accepted <input type="checkbox"/> Refused	<b>Not O.E. Year</b>	<input type="checkbox"/> Accepted <input type="checkbox"/> Refused

**Covered Dependents**

Full Name & Coverage Election	DOB	Relationship	Gender	SSN
Med <input type="checkbox"/> Den <input type="checkbox"/> Vis <input type="checkbox"/>	_____	Spouse	M <input type="checkbox"/> F <input type="checkbox"/>	_____
Med <input type="checkbox"/> Den <input type="checkbox"/> Vis <input type="checkbox"/>	_____	Child	M <input type="checkbox"/> F <input type="checkbox"/>	_____
Med <input type="checkbox"/> Den <input type="checkbox"/> Vis <input type="checkbox"/>	_____	Child	M <input type="checkbox"/> F <input type="checkbox"/>	_____
Med <input type="checkbox"/> Den <input type="checkbox"/> Vis <input type="checkbox"/>	_____	Child	M <input type="checkbox"/> F <input type="checkbox"/>	_____
Med <input type="checkbox"/> Den <input type="checkbox"/> Vis <input type="checkbox"/>	_____	Child	M <input type="checkbox"/> F <input type="checkbox"/>	_____
Med <input type="checkbox"/> Den <input type="checkbox"/> Vis <input type="checkbox"/>	_____	Child	M <input type="checkbox"/> F <input type="checkbox"/>	_____

**Employee Authorization**

I authorize Associated Universities, Inc. to reduce my taxable salary in accordance with IRC Section 125 for the required employee premiums for the Group Medical, Dental, and/or Vision coverages I have elected. This agreement will remain in force until I give AUI 30 days' written notice of termination due to qualifying event or open enrollment elections.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

**HR USE ONLY**

Conexis \_\_\_\_\_ HRIS \_\_\_\_\_ Medical \_\_\_\_\_ Dental \_\_\_\_\_ Vision \_\_\_\_\_

Qualifying Event Type: \_\_\_\_\_ Date of Event: \_\_\_\_\_

Medical Election

Vision Election

Add dependent information here. Be sure to check coverage.

Be sure to fill out dependent information in its entirety!

# HSA/HDHP Election Process

Complete  
Med/Den/Vis  
Enrollment  
Form

Complete  
HSA Salary  
Reduction  
Agreement

Open HSA  
through web  
portal

Forward  
forms to HR  
for  
processing

Remember to keep a copy for  
your records.

All forms available on the Open  
Enrollment Website:  
[www.nrao.edu/hr/OE/2014OE](http://www.nrao.edu/hr/OE/2014OE)

# All Trustees Scholarship

- \* Open to current high school seniors.
- \* Applicable to an accredited school of higher education.
- \* \$3,500 per year for four years.
- \* Deadline to apply is November 15<sup>th</sup>
  - \* Must apply online, see HR website for more details.

# Employee Communication

- ❖ HR is available to help you navigate your plan change.
- ❖ Director will hold All-Hands meetings at sites the week of November 18<sup>th</sup>.
- ❖ Under 65 retiree communications begin this week – continue through December.
- ❖ Over 65 retiree communications begin in January.
- ❖ Employee feedback is welcome and encouraged.
- ❖ Presentation will be available on Open Enrollment website after meetings.



Questions?