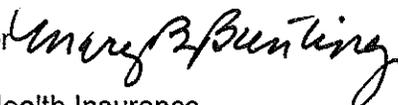


HAMPTON VA

June 13, 2016

MEMORANDUM TO: PFT Employees
FROM: Mary B. Bunting, City Manager 
SUBJECT: Annual Open Enrollment for Health Insurance

HEALTH INSURANCE ANNUAL OPEN ENROLLMENT PERIOD

The annual open enrollment period for health insurance will be held for two weeks beginning June 13, 2016, and ending June 24, 2016. Employees are encouraged to attend one of the briefings to be held by Finance during this two-week period to be sure you understand the benefits in the Anthem BCBS KeyCare Plan. Spouses are also encouraged to attend.

PREMIUM INFORMATION:

Anthem BCBS has recommended a 7% increase in premiums based on claims experience and mandatory fees imposed by the new Health Care Reform legislation. Normally both the City and employee share in the increase. **However, for the upcoming plan year, the City will pick up 100% of the employee's share of the premium increase. This means for the second year in a row that employee premiums will not increase as long as there is no change in their plan type.** This will help to ensure that employees see an actual increase in take home pay. The new premium amounts can be found on the second page of this memo.

GRANDFATHERED STATUS:

The City of Hampton's Group Health Insurance Plan is a 'grandfathered health plan' under the **Patient Protection and Affordable Care Act (PPACA)**. A grandfathered health plan is any group health plan or individual coverage that was in effect on the date of the new law's enactment, which was March 23, 2010. Being a grandfathered health plan means that our plan does not include certain consumer protections of the **Affordable Care Act (ACA)** that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Although grandfathered health insurance plans are not required to cover preventive care with no cost sharing, I would like to emphasize that we do still cover these services with the same cost sharing (copayments & coinsurances) as we did prior to the PPACA.

IMPORTANT UPDATE:

Due to new reporting requirements by the ACA, we are now required to have documentation on file if you choose not to have coverage through the City of Hampton's group health insurance plan. Attached to this memo is a Waiver of Coverage Form. If you choose not to have health insurance through our plan, I will need for you to complete the waiver form and return it to the Finance Department by June 24, 2016.

BENEFIT DESIGN CHANGE:

Your prescription drug benefits will be continue to be provided by OptumRx. As an important reminder, when we implemented the new Rx plan through OptumRx last year, **we grandfathered your prescription medications for one year** at the tier they were at through our previous provider. **Effective August 1, 2016 your prescription medications may fall on a different tier, so your copayments may change.** You can find information about your current medications by creating a login on the OptumRx website, www.optumrx.com Instructions for logging in can be found at: <http://hampton.gov/benefits>

ENROLLMENT DEADLINE – FRIDAY, JUNE 24, 2016

A Schedule of employee briefings, a summary of the KeyCare benefits, and the Benefit Election Form and the Enrollment Form is available on the intranet at: <http://hampton.gov/benefits> and will also be available at all of the Open Enrollment Briefings, or you may contact Kristin May at 727-6613 to obtain one.

This will be your only opportunity, until this time next year to:

1. Enroll, drop, or change your current coverage (unless you make a change within 31 days of a qualifying loss of other coverage or have a change in family status which is defined as marriage, divorce, birth/adoption/legal custody of a dependent child, death of a spouse or dependent child, loss of a dependent child's status, termination or commencement of a spouse's employment which affects coverage, change from part-time to full-time status (or vice versa) by the employee or employee's spouse which affects coverage, or an unpaid leave of absence taken by the employee or employee's spouse which affects coverage.)
2. Add/drop a spouse or dependent child (unless you change your enrollment within 31 days of a change in family status as defined in #1), and/or
3. Enroll for pre-tax or after-tax payment of your premium.

Documentation is required to enroll family members. Attach copies of *birth certificates, adoption papers, or court-ordered custody papers* to cover dependent children and a *marriage certificate* to cover your spouse.

Anthem BCBS KeyCare Health Insurance Premiums

For the Plan Year 8/1/16 – 7/31/17

	<u>From:</u>		<u>Increase Amount:</u>		<u>NEW Premium:</u>	
	<u>PER-PAY</u>	<u>MONTHLY</u>	<u>PER PAY</u>	<u>MONTHLY</u>	<u>PER PAY</u>	<u>MONTHLY</u>
Employee Only						
City	\$220.79	\$441.58	\$19.85	\$39.70	\$240.64	\$481.28
Employee	\$62.75	\$125.50	\$ 0.00	\$0.00	\$62.75	\$125.50
TOTAL	\$283.54	\$567.08	\$19.85	\$39.70	\$303.39	\$606.78
Employee + Minor						
City	\$318.58	\$637.16	\$30.26	\$60.52	\$348.84	\$697.68
Employee	\$113.71	\$227.42	\$ 0.00	\$ 0.00	\$113.71	\$227.42
TOTAL	\$432.29	\$864.58	\$30.26	\$60.52	\$462.55	\$925.10
Employee + Family						
City	\$537.57	\$1,075.14	\$55.40	\$110.80	\$592.97	\$1,185.94
Employee	\$253.88	\$507.76	\$ 0.00	\$ 0.00	\$253.88	\$ 507.76
TOTAL	\$791.45	\$1,582.90	\$55.40	\$110.80	\$846.85	\$1,693.70

Please feel free to call Kristin May at 727-6613 if you have any questions or need assistance.