

# MEMORANDUM

**TO:** Faculty and Staff

**FROM:** Junell A. Ransdell  
Associate Vice President, Human Resources

**SUBJECT:** FY'2017 Insurance Plans and Premiums

**DATE:** May 2, 2016

At its meeting on April 27, 2016, the Board of Trustees approved recommendations regarding medical, dental and vision benefits. Overall, we are having a good year, as we did last year, and claims are projected to come in under budget for plan year 2016. Claims for the past two years were reviewed and the data was trended forward, taking healthcare inflation into consideration, to arrive at expected claims for the upcoming fiscal year. Effective July 1, 2016, the College will continue to offer the High Deductible Plan and Open Access Plan with no changes to plan design and no increase to the overall premiums for each plan. **The Board maximum annual contribution for plan year 2017 for all employees will be set at \$10,600 per the terms of the faculty collective bargaining agreement. As this is less than the Board contribution provided during plan year 2016, the employee share of premium will increase (\$57.66/month for Open Access employee only coverage; please see next page for more details). However, the employee share of premium for single coverage under the High Deductible Plan will remain at \$0.** Other changes for plan year 2017:

- For those who enroll in the High Deductible Plan, the College will make an annual contribution of \$2,908 into an employee's health savings account to pay for IRS qualified medical and dental expenses. **LLCC's contribution to a health savings account will be made in two installments on July 15, 2016 and January 15, 2017.** This change will alleviate potential issues with employees over contributing to their health savings accounts (in violation of IRS guidelines). Over-contributing may occur because IRS contribution limits are set by calendar year in conflict with our plan year, which runs from July 1 to June 30.
- Health Equity will be the health savings account provider for all new enrollees in the High Deductible Plan. Employees who currently have a health savings account are not required to use Health Equity but may open an account with them if they wish. Please contact Human Resources for more information.

## **OPEN ENROLLMENT PERIOD IS MAY 2 – JUNE 9, 2016**

Elections made during open enrollment will be effective July 1, 2016. Open enrollment is the **only** time of the year, other than when a qualifying change in status occurs (marriage, divorce, birth/adoption, etc.), that an eligible employee may change health insurance plans, add or drop dependents, or decline insurance coverage.

**Employees who are changing plans, adding/dropping dependents, contributing to a flexible spending account and/or declining health insurance coverage must go online and complete enrollment information. No late enrollments will be accepted after the deadline date.** If you are making NO changes to your current enrollment in a health insurance plan, there is nothing you need to do to continue your coverage for FY2017. Please refer to the online enrollment instruction sheet for more information.

## INFORMATIONAL SESSIONS

Please plan to attend one of the following Q & A sessions for an opportunity to ask any questions you may have about health insurance, dental insurance, health savings accounts, flex spending accounts, etc.

- May 5, 2016                      9:00 – 10:00AM              Robert H. Stephens Room
  
- May 11, 2016                    2:00 – 3:00PM              Via Skype Meeting  
Please contact Nicole Ralph at [nicole.ralph@llcc.edu](mailto:nicole.ralph@llcc.edu) or 6-2342 for a link to the meeting.
  
- Employees, particularly new enrollees in the High Deductible Plan, are encouraged to set one-on-one meetings to discuss their specific questions. Please contact Nicole Ralph to schedule a meeting to answer questions about plans, health savings accounts and enrollments.
  
- June 8, 2016                    1:00 – 3:00PM              Representatives from Allied Benefit Systems, the College's third-party administrator, will be available to answer benefit, claims and open enrollment questions in the HR Conference Room.

### **Monthly Premiums for FY2017**

LLCC's Contribution toward Dental Insurance: \$37.34 per month

LLCC's Contribution toward Health Insurance: \$10,600 for FY2017 (\$883.34 per month)

	<b>HealthLink Open Access Plan</b>	<b>High Deductible Plan w/HSA</b>	<b>Dental Insurance Plan</b>
<b>LLCC Contribution to HSA</b>		\$2,908 for plan year 2017	
<b>Employee Only</b>	\$941.00 <b>(\$57.66)*</b>	\$641.00 <b>(\$0.00)*</b>	\$37.34 <b>(\$0.00)*</b>
<b>Employee plus One Dependent</b>	\$1,517.00 <b>(\$633.66)*</b>	\$1,101.00 <b>(\$460.00)*</b>	\$80.94 <b>(\$43.60)*</b>
<b>Employee plus 2+ Dependents</b>	\$2,387.00 <b>(\$1,503.66)*</b>	\$1,802.00 <b>(\$1,161.00)*</b>	\$130.72 <b>(\$93.38)*</b>

**\*Dollar amounts in parentheses reflect the amount for which the employee is responsible. However, Facilities Services Union benefited members will not have an employee share of premium for Open Access Plan Employee Only coverage per the terms of their collective bargaining agreement.**

**For benefit-eligible employees (as defined in board policy) who decline health insurance coverage, LLCC will contribute \$500 for the plan year, with no employee contribution required, to a medical flexible spending account to be used for reimbursement of out-of-pocket medical expenses. However, if said employee makes an annual contribution of more than \$500 via salary deduction to a flexible spending account, LLCC will match the contribution dollar for dollar to a maximum LLCC contribution of \$1,275 for the plan year. Total employee/employer contributions may not exceed \$2,550 annually per IRS regulations.**

**IMPORTANT INFORMATION FOR FISCAL YEAR 2017**  
**(July 1, 2016 through June 30, 2017)**

**AVAILABILITY OF SUMMARY HEALTH INFORMATION:**

As an employee, the health benefits available to you represent a significant component of your compensation package. They also provide important protection for you and your family in the case of illness or injury. The College has provided you with a detailed schedule of benefits for each plan, as well as Summary Plan Documents. Please refer to these documents for detailed information on the Open Access and High Deductible Plans. Choosing a health coverage option is an important decision. To help you make an informed choice and in compliance with the Affordable Care Act, we have provided a Summary of Benefits and Coverage (SBC), which summarizes important information about each health coverage option in a standardized format, to help you compare across options. The SBC is available on the HR Portal page. You may also contact the Human Resources office at 217-786-2752 for a paper copy. **Again, for specific and detailed information about plan deductibles, coverage, limitations and exclusions, please refer to the schedule of benefits and summary plan document available on the HR Portal page.**

*As always, HR staff are available to provide any additional information you may need to make an informed decision. Please stop by or call the Human Resources office at any time if you would like more information.*