City of Willcox

OPEN ENROLLMENT 2024

EMPLOYEE SOLUTIONS GROUP

AGENDA

- Health Plan Benefits
  - Medical, Dental, Vision, Life
- Pre-tax Accounts
  - Health Reimbursement Arrangement (HRA)
  - Flexible Spending Account (FSA)
- Benefit Resource Tools

EMPLOYEE SOLUTIONS GROUP

MEDICAL PLAN

- What's new and changing?

  BlueCross BlueShield → Cigna

- Current landscape of healthcare
  - Rising premium costs

OPTION 1 - CIGNA PPO PLAN + HRA

- Primary Care, Specialists and Rx Drugs are typically **COPAY** events and can be paid with your Flexible Spending Account (pre-tax money)
- To lower your taxable income (paying less in taxes per year) fund your FSA account!

Simple Benefit Summary (PPO In-Network Plan)	
Individual Deductible The amount you pay each plan year before payments begin for covered services.	**$ 5,000**
Family Deductible The amount you family pays each plan year before payments begin for covered services.	**$ 10,000**
Individual Out-of-Pocket Max (Net of HRA) Total amount employee would pay after reimbursement from HRA.	**$ 500**
Family Out-of-Pocket Max (Net of HRA) Total amount employee would pay for their family insured members.	**$ 1,000 (2 x individual)**

OPTION 1 - CIGNA PPO PLAN + HRA

- HRA allows us to reimburse employees **TAX-FREE** if you have a medical event
  - You as employee pay first $500
  - COW reimburses next $6,100

    (Deductible and coinsurance)

Health Reimbursement Arrangement (HRA) Per Member / Per Family		
	Individual	**Family (Per Insured – 2X)**
Employee Pays 1st	$ 500	$1,000
Next $6,100 100% COW | 0% EE	$ 6,100 (COW paid benefit)	$12,200 (COW paid benefit)
Max Out Of Pocket (EE *could* pay)	$ 500	$1,000

How does a HRA work?

HOW DO I USE MY HRA ACCOUNT?

STEP 1

Go to doctor or clinic for medical service

STEP 2

Doctor sends a bill to carrier which generates carrier EOB (Cigna) – mailed to you or Cigna online portal

STEP 3

Take EOB from carrier, log into ESG consumer portal or smartphone app to upload/submit to ESG

STEP 4

ESG will review EOB and process HRA reimbursement based on rules of plan (deductible and coinsurance)

STEP 5

You will receive a check or direct deposit within 7 business days after HRA claim is submitted to ESG

OPTION 2 - CIGNA HMO PLAN+ HRA

- Primary Care, Specialists and Rx Drugs are typically **COPAY** events and can be paid with your Flexible Spending Account (pre-tax money)
- To lower your taxable income (paying less in taxes per year) fund your FSA account!

Simple Benefit Summary (HMO Plan)	
Individual Deductible The amount you pay each plan year before payments begin for covered services.	**$ 5,000**
Family Deductible The amount you family pays each plan year before payments begin for covered services.	**$ 10,000**
Individual Out-of-Pocket Max (Net of HRA) Total amount employee would pay after reimbursement from HRA.	**$ 500**
Family Out-of-Pocket Max (Net of HRA) Total amount employee would pay for their family insured members.	**$ 1,000 (2 x individual)**

OPTION 2 - CIGNA HMO PLAN + HRA

- Main difference with HMO?
  - Must stay in-network
- HRA allows us to reimburse employees **TAX-FREE** if you have a medical event
  - You as employee pay first $500
  - COW reimburses next $6,100

  (Deductible and coinsurance)

Health Reimbursement Arrangement (HRA) Per Member / Per Family		
	Individual	**Family (Per Insured – 2X)**
Employee Pays 1st	$ 500	$1,000
Next $6,100 100% COW | 0% EE	$ 6,100 (COW paid benefit)	$12,200 (COW paid benefit)
Max Out Of Pocket (EE *could* pay)	$ 500	$1,000

Which medical plan is right for me?

PLAN TERMS COMPARISON (PPO vs HMO)

- How do deductibles and out-of-pockets, and provider services compare?
- How much do I plan on spending this year?
- What did I spend last year?

Cigna Medical Plan Options (In-Network Benefits Shown Below - see full plan summary for more coverage details)		
Medical Event	**Cigna PPO**	**Cigna HMO**
Deductible	$5,000 Individual $10,000 Family	$5,000 Individual $10,000 Family
Out of Pocket Max	$6,600 Individual $13,200 Family	$6,600 Individual $13,200 Family
Inpatient Hospitalization	Plan pays 70%	Plan pays 70%
Outpatient Hospitalization	Plan pays 70%	Plan pays 70%
Office Visits PCP/Specialists	$25 copay $75 copay	$25 copay $75 copay
Urgent Care	$75 copay/visit	$75 copay/visit
Emergency Room	$450 copay/visit	$450 copay/visit
Rx Prescription Drugs	$15/$55/$85/$150	$15/$55/$85/$150

Family:
Employee: Jane Doe
Spouse: John
Children:
Emma (age 12)
Liam (age 8)
Ava (age 5)

Scenario 1: Jane Doe

Health Background and Needs:

Jane:
- **Therapy Sessions**: Jane started weekly **therapy** six months ago.

- **Chiropractic Appointments**: Jane has chronic back pain She sees a chiropractor twice a month to manage her pain and maintain her mobility.

John:
- **Routine Medical Care**: John visits the doctor occasionally for check-ups and minor illnesses. He has no ongoing medical conditions.

Emma:
- **Treating medical conditions**: Emma has asthma and needs regular check-ups and occasional visits to a specialist for her condition.

Scenario 1: Jane Doe

Medical Plan Choice: PPO + HRA + FSA

Reasons for choosing:

- **Therapy appointment: copays**
- **Prescription drug: copay**
- **Specialist visits: copay**
- **Preventative care coverage (free)**

All copays are FSA eligible!

Scenario 2: Luis Gonzalez

Family Status: Single, no children

Health Background and Needs:

General Health: Luis is a 35-year-old healthy adult with no chronic illnesses. He leads an active lifestyle.

Medical History: Luis rarely visits the doctor, mainly for annual check-ups and occasional minor illnesses such as colds or the flu. He has no ongoing medical conditions or regular prescription medications.

Scenario 2: Luis Gonzalez

Family Status: Single, no children

Medical Plan Choice: HMO + HRA + FSA

Reasons:

- Low healthcare utilization
- Lower healthcare premiums
- Preventive care coverage (free)
- Provides complete catastrophic health care coverage

All copays are FSA eligible!

Is it better to pay medical bills with pre- or post-tax money?

Flexible Spending Account (FSA)

Funds non-insured qualified medical expenses

Deductible
Copay
Coinsurance

PPO Health Plan
+
FSA

Prescription (Rx)

Annual Preventative Physical

Physician Visit

Specialist Visit

Urgent Care

Emergency Room

Hospitalizations

FSA

Flexible Spending Account

- Reduce out of pocket health care costs by 20-30% based on pre-tax $ deducted from payroll used for **Non-insured qualified medical expenses**
- Debit card purchases are typically auto approved; some require documentation
- "Use it or lose it" rules – must use funds within the plan year 7/1/2024-6/30/2025
  - ***Grace Period: Claims may be filed 75 days after plan year ends on June 30th***
    - ***Full FSA balance will remain available through Sept. 14th on top of any new election***
    - ***Full election available day 1 of the plan year***

Non-insured qualified medical expenses

- Rx Drugs and / or copays
- Doctor visits and / or copays
- Deductible Expense from Health Plan
- Dental & Vision Expenses
- Over the Counter Drugs
- Contact Lenses & Glasses
- Orthodontic Treatment (Adult & Child)
- Lasik Eye Surgery
- Artificial Limbs, Crowns or Teeth
- Learning Disabilities Tuition
- Ambulance Fees / Medical Transport

FSA

Annual Limits

FSA Medical Account allows Medical, Dental and Vision expenses can be paid with tax free dollars.

- **FSA Annual Maximum (2024) - $3,200**
  - Subject to use-it or lose-it – use funds within plan year
  - Your entire annual election is available the first day of the plan year

Example expenses: Over the counter drugs, feminine products, and contact lens solution

FSA

Flexible Spending Account Savings Example

Income / FSA Election	WITHOUT FSA	WITH FSA
Salary (per pay check)	$2,500	$2,500
FSA PRE-TAX Election	**$0**	**$575**
Taxable Income	$2,500	$1,925
Income Taxes		
Federal (15%)	$375	$289
State (5%)	$125	$96
Social Security (7.65%)	$191	$147
Income after Taxes	**$1,809**	**$1,393**
POST-TAX / Out of Pocket Expense		**PAID w/ PRE-TAX FSA**
Doctor Copay	$50	**$0**
Prescription Rx Drugs	$25	**$0**
Dependent Care	$500	**$0**
Take Home Pay	**$1,234**	**$1,393**

NOTE: *Income & Expenses for with and without FSA scenarios are identical in this example*

← FSA reduces your taxable income by 23%

← Net total of $1,234 (w/o pre-tax FSA) vs $1,393 (WITH pre-tax FSA) saves you $159 per pay OR $3,816 annually for COW bi-weekly pay cycle!

Dependent Care Costs

Dependent Day Care FSA

Dependent Day Care FSA

Fund allows childcare costs to be paid with tax free dollars.

- For children 13 and under, special needs/disabled, or elderly care for dependents
- IRS limit $5,000 per year per family
- Funds accumulate throughout the year based on your monthly deduction election
    - *Example: Contribute $416.67/month – you will have access to funds as they accumulate*

DENTAL PLAN

- What's new and changing?

BlueCross BlueShield → Cigna

CIGNA DENTAL

- Voluntary program sponsored by COW and paid for by the employee on a pre-tax basis
- Max annual benefit **is $2,000**

	Deductible (max 3 per family)		Plan Pays	
	In	Out	In	Out
Preventative	$ 0	$ 0	100%	100%
Basic	$ 50	$ 50	80%	80%
Major	$ 50	$ 50	50%	50%
Orthodontia	$ 0	$ 0	N/A	N/A
Orthodontia (Lifetime Maximum)			N/A	N/A
Annual Maximum Benefit (In)			$2,000 / person	
Annual Maximum Benefit (Out)			$2,000 / person	

VISION - VSP

- Voluntary plan paid for by employees on a pre-tax basis

Network: Vision Choice	Frequency	Copay / Allowance
Well Vision Exam	Every 12 Mo	$10 (copay)
Prescription Glasses		
Materials	Every 12 Mo	$25 (copay)
Frames Allowance	Every 24 Mo	$130 (allowance)
Contact Lenses		
Exam (fitting/exam) Allowance	Every 12 Mo	$130 (allowance)
Laser Correction		Discounts (contracted facilities)

LIFE INSURANCE

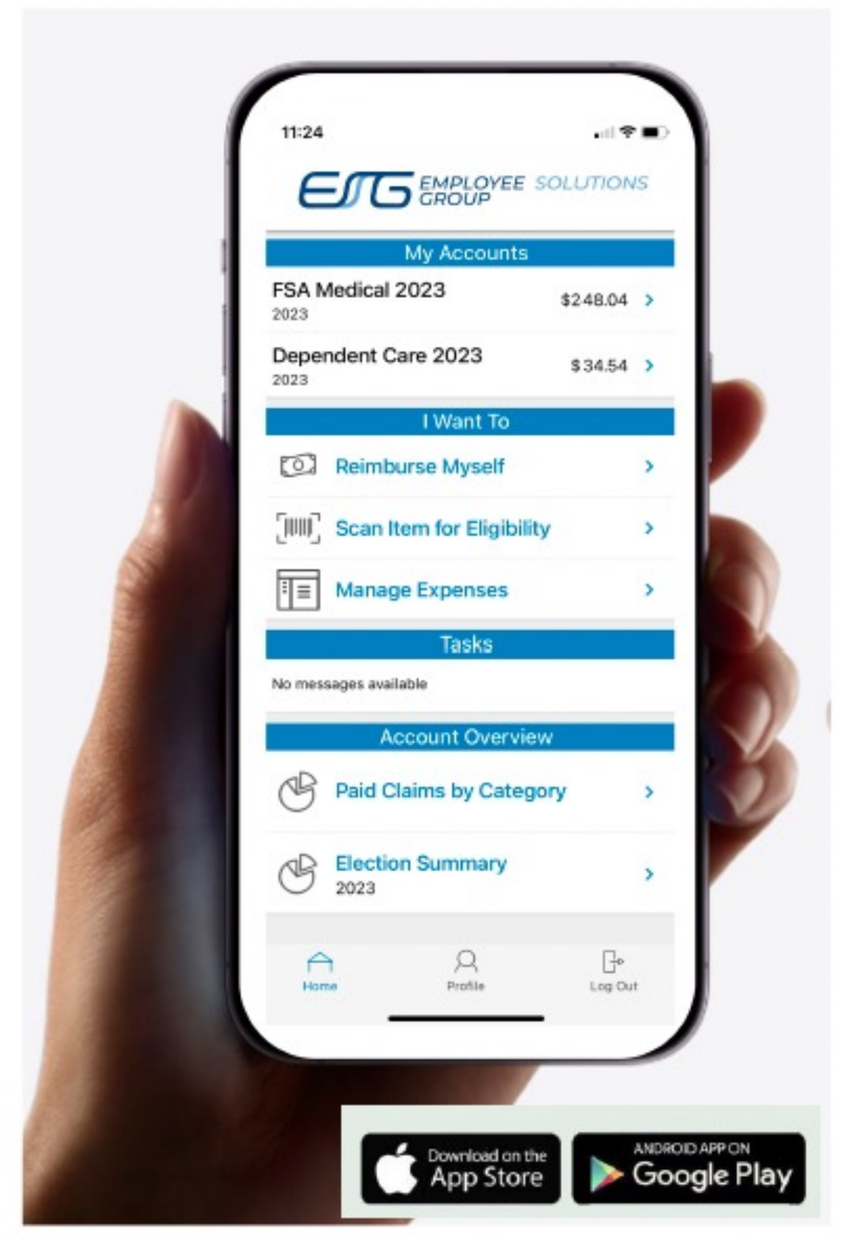
- Group Term Life (Guaranteed Issue Benefit $20,000)
  - **<u>100% Paid by COW (additional life coverage available for employee purchase)</u>**
- Accidental Death & Dismemberment:
  - Full benefit $20,000 – life, both hands, both feet, sight, one hand – one eye, one foot - one eye, one hand – one foot
  - Half benefit $10,000 – one hand, one foot, one eye
  - 1/4th benefit $5,000 – thumb and index finger same hand.
- Voluntary Term Life Program – optional increases in your family life insurance coverages (see ESG rep)

Benefit Resource Tools

Private Portal Webpage

https://employeesolutionsgroup.com/cow-open-enrollment

Benefits by ESG Smartphone App



Manage your health benefits on the go with the Benefits by ESG Smartphone App… FSA account features all in one place!

- Check balances
- Submit claims
- Scan product bar codes
- Make payments quickly
- Full service online account dashboard

All-in-One Debit Card System

- FSA funds are loaded on the card; the system will use merchant code to determine which account to use
- Point of service technology used by providers all accepting a consumer directed health debit card

Search for In-Network doctors

- Search Aetna Broad Network for provider:
  - CIGNA - FIND A DOCTOR (LINK)

- Carrier Contacts (website & phone support)

Carrier	Web Access	Phone #
Cigna	Medical & Dental – Member Login Contact Us- Online Help & Live Chat	800-244-6224
VSP	www.vsp.com (Vision)	800-877-7195
MetLife	https://www.metlife.com (Life)	800-638-5433
ESG Customer Service	**customerservice@esgcorp.biz**	877-668-8522

Key Deadlines

- **Enroll by June 17, 2024 for plan year 7/1/2024-6/30/2025**

- **Complete and sign your Employee Benefit Election Form to secure your benefits**

If you have any questions about the benefits that City of Willcox offers or about the enrollment process, please contact ESG (customerservice@esgcorp.biz) or the COW HR Benefits team.

THANK YOU

We look forward to working with you.

EMPLOYEE SOLUTIONS GROUP

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+877-668-8522

www.employeesolutionsgroup.com