

Federal Employee Health Plan

ANVCA Conference

If you would like to discuss this material or your benefits strategy please contact Terry Allard, terrya@thewilsonagency.com or call 907-277-1616

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PRESENTED BY:

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Introduction



Cherie is a top industry expert with over 20 years of experience in the benefits industry. Her experience includes benefit program strategy, health care reform (PPACA) guidance, financial analysis, account management and customer service. Currently, she leads our large group and self-funded team. Prior to joining The Wilson Agency, she worked as Principal and Senior Consultant for Mercer Health & Benefits where she focused on mid-sized to large employers with benefit plans ranging from 200 to more than 15,000 employees, multi-state employers in different industries such as professional services, manufacturing, public employers and senior living companies. Cherie is a member of the Employee Benefits Planning Association (EBPA), International Foundation of Employee Benefits (IFEBC) and holds life and disability licenses in several states to accommodate contracting. Cherie holds a B.A. in French with Minor in Business from the Seattle University and serves as a volunteer for the French American School of Puget Sound.



Stephanie is a seasoned employee benefits professional with over 15 years of experience in all facets of employee benefits. Previously, Stephanie worked as human resource benefits manager for Yukon Kuskokwim Health Corporation (YKHC), giving her a strong understanding of the benefits for a hospital system. During her time at YKHC, she coordinated benefit plans for over 1,200 employees in multiple remote Alaska locations. Her current role as benefits advisor allows her to use her thorough understanding of benefit plans to provide participants with the knowledge they need to build a successful and sustainable benefit package. Prior to moving to Alaska Stephanie worked for a tribal organizations doing business in South Dakota. Stephanie graduated with honors from National America University with a Bachelor of Science in Accounting.

Today's Discussion

- Federal Employee Health Benefit Plan
- Eligibility
- Benefits
- Costs
- Application
- Administration
- Questions?

Healthcare Reform & Tribal Employer Eligibility

ACA – Signed March 23, 2010

- Allowed tribal employers access to Federal Plan
 - Starting May 1, 2012

Controlling company must have at least one of the following contracts

- Indian Self-Determination and Education Assistance Act (ISDEAA); or
- Title V of the Indian Health Care Improvement Act (IHCIA)

Alaska Native employers interested to reduce health plan premiums

- Results may be different based on location of employees and current plans and contributions offered
 - Alaska-based employees
 - Large number of employees in lower 48

Company Eligibility

Tribal employer (Controlling Company) must verify they are carrying out at least one of the following programs:

- Indian Self-Determination and Education Assistance Act (ISDEAA); or
- Title V of the Indian Health Care Improvement Act (IHCIA)

Employer must offer FEHB to all eligible employees within the tax ID number, with exception of:

- Employees that are covered under a separate collective bargaining agreement
- Employees that are covered under a separate plan for SCA (Service Contract Agreements)

Subsidiaries can make their own decision on if they will join FEHB

No minimum number of employees are required to enroll to participate in FEHB

Tribal coverage can continue to be offered to tribal members. Tribal employees are eligible for FEHB coverage regardless of tribal status.

Employee Eligibility

Who is eligible?

- Common Law Standard Employees: Full-time and Part-Time employees
- Seasonal employees: if expected to work 130 hours per calendar month for at least the upcoming 90 days

Who is NOT eligible?

- Board members, unless they meet both the common law standard of employee and FEHB eligibility requirements
- Current COBRA participants
- Domestic Partners
- Temporary, seasonal and intermittent employees

Coverage Effective Date

Employees are eligible on 1st day of employment

Election Period: 31 days prior to 60 days after eligibility date

Effective Date: 1st day of the 1st pay period that begins after:

- the FEHB enrollment request is received; AND
- That follows a pay period during any part of which employee was in pay status

Event	Status
Eligibility Date	February 1
Enrollment Request	February 15
Pay Period (in which employee is in pay status)	Ends on February 25
Coverage Begins	February 26

Typical
outside
FEHB:
Coverage
would begin
February 1

Employer Contribution Requirements

Tribal Employer is required to contribute the lesser of:

- 72% of amounts OPM determines are the Program-wide weighted average of premiums in effect each year, for self only, self plus one, and self plus family enrollments, respectively
- 75% of the total premium for the particular plan an enrollee selects
- Contributions will vary by plan (and by state for HMO plans)
- Rates are three-tier
 - Single Employee
 - Employee plus One
 - Employee plus Family

Large tribal employers are using the rates set by the Federal Government for ease of administration

- Employers may contribute up to 100% of the premium

Employer Contribution Requirements

Full Time Employees (32+ hours per week)

- Standard tribal employer contribution

Part Time Employees (16-32 hours per week)

- May receive a pro-rated tribal employer contribution

Part Time Employees (less than 16 hours per week)

- Standard tribal employer contribution

Plan Rates

Employees have many options for plan design and network.

Fee for Service plans: National rates

HMO or Regional Plans: Vary by state

Administration: Premiums are paid in arrears

Tribal Premium Rates for the Federal Employees Health Benefits Program



Fee-for-Service Plans (FFS)	2019 Monthly premium rates				
Plan - Option - Enrollment Code	2018 Total Monthly Premium	Total Premium	Tribal Employer Pays	Employee Pays	Change in employee payment

Nationwide APWU Health Plan						
High Self	471	698.30	726.22	498.72	227.50	25.91
High Self & Family	472	1675.87	1742.91	1138.19	604.72	58.94
High Self Plus One	473	1466.38	1525.03	1066.59	458.44	55.89
CDHP Self	474	554.43	597.68	448.26	149.42	10.81
CDHP Self & Family	475	1330.59	1417.09	1062.82	354.27	21.62
CDHP Self Plus One	476	1219.73	1299.00	974.25	324.75	19.82
Nationwide Blue Cross and Blue Shield Service Benefit Plan						
Standard Self	104	741.89	741.89	498.72	243.17	-2.01
Standard Self & Family	105	1719.32	1719.32	1138.19	581.13	-8.10
Standard Self Plus One	106	1622.42	1622.42	1066.59	555.83	-2.76
Nationwide Blue Cross and Blue Shield Service Benefit Plan						
Basic Self	111	638.95	638.95	479.21	159.74	0.00
Basic Self & Family	112	1522.21	1522.21	1138.19	384.02	-8.10
Basic Self Plus One	113	1436.15	1436.15	1066.59	369.56	-2.76
Nationwide Blue Cross and Blue Shield Service Benefit Plan FEP Blue Focus						
Blue Focus Self	131	New Plan	460.59	345.44	115.15	New Plan
Blue Focus Self & Family	132	New Plan	1089.18	816.89	272.29	New Plan
Blue Focus Self Plus One	133	New Plan	990.21	742.66	247.55	New Plan
Nationwide GEHA						
High Self	311	721.11	728.33	498.72	229.61	5.21
High Self & Family	312	1713.47	1816.25	1138.19	678.06	94.68
High Self Plus One	313	1586.46	1602.32	1066.59	535.73	13.10
Standard Self	314	476.13	509.45	382.09	127.36	8.33
Standard Self & Family	315	1126.02	1283.66	962.75	320.91	39.41
Standard Self Plus One	316	1023.69	1095.34	821.51	273.83	17.91

Examples
of Rates:
National

Contract	Enrollment Code	Employee Type	Option/Enrollment Type	Payment Period	Employee Payment
Aetna Direct	N61	Tribal Employee	CDHP Self	Monthly	\$139.33
Aetna Direct	N62	Tribal Employee	CDHP Self & Family	Monthly	\$351.38
Aetna Direct	N63	Tribal Employee	CDHP Self Plus One	Monthly	\$305.56
Aetna HealthFund CDHP and Aetna Value Plan	JS1	Tribal Employee	CDHP Self	Monthly	\$550.32
Aetna HealthFund CDHP and Aetna Value Plan	JS2	Tribal Employee	CDHP Self & Family	Monthly	\$1253.16
Aetna HealthFund CDHP and Aetna Value Plan	JS3	Tribal Employee	CDHP Self Plus One	Monthly	\$1301.10
Aetna HealthFund CDHP and Aetna Value Plan	JS4	Tribal Employee	Value Self	Monthly	\$305.27
Aetna HealthFund CDHP and Aetna Value Plan	JS5	Tribal Employee	Value Self & Family	Monthly	\$697.22
Aetna HealthFund CDHP and Aetna Value Plan	JS6	Tribal Employee	Value Self Plus One	Monthly	\$750.66
Aetna HealthFund HDHP	224	Tribal Employee	HDHP Self	Monthly	\$164.93
Aetna HealthFund HDHP	225	Tribal Employee	HDHP Self & Family	Monthly	\$363.80
Aetna HealthFund HDHP	226	Tribal Employee	HDHP Self Plus One	Monthly	\$360.10

Examples of Rates:
Alaska
HMO or
State plan

Benefits

Medical plans – Fee-for-Service (PPO) Plans and HMO / State Plans available

- Nationwide plans are FFS
- HMO plans are available in all states. These plans do not have Out-of-Network benefits.

Dental and Vision – Tribal employees are not eligible for these plans

Federal Employee Group Life Insurance (FEGLI) – this benefit is not available to tribal employees currently, but should be in the future

Benefit Plan Options

Employer needs to offer all plans and not influence choice of plan

Employer cannot limit the number of plan choices

For plan options: <https://www.opm.gov/healthcare-insurance/tribal-employers/health-insurance/>

Plan	Plan Code	Plan Brochure	Patient Safety	2019 Changes	2019 Rates	Directory	Plan Website
Blue Cross and Blue Shield Service Benefit Plan	10	[1.73 MB]	[1.73 MB]	[1.73 MB]		Go	Go
Blue Cross and Blue Shield Service Benefit Plan	11	[1.73 MB]	[1.73 MB]	[1.73 MB]		Go	Go
Blue Cross and Blue Shield Service Benefit Plan FEP Blue Focus	13	[1.65 MB]	[1.65 MB]	[1.65 MB]		Go	Go
GEHA	31	[1.6 MB]	[1.6 MB]	[1.6 MB]		Go	Go
NALC	32	[1.8 MB]	[1.8 MB]	[1.8 MB]		Go	Go
GEHA	34	[1.61 MB]	[1.61 MB]	[1.61 MB]		Go	Go
MHBP - Value Plan	41	[2.06 MB]	[2.06 MB]	[2.06 MB]		Go	Go
SAMBA	44	[1.74 MB]	[1.74 MB]	[1.74 MB]		Go	Go
MHBP - Std	45	[2.06 MB]	[2.06 MB]	[2.06 MB]		Go	Go
APWU Health Plan	47	[1.66 MB]	[1.66 MB]	[1.66 MB]		Go	Go
MHBP - Consumer Option	48	[2.06 MB]	[2.06 MB]	[2.06 MB]		Go	Go
NALC	KM	[1.8 MB]	[1.8 MB]	[1.8 MB]		Go	Go

Choice:

Different networks that vary by state, region, carrier & plan choice

15 plan choices in Alaska

- 12 national plans
- 3 closed network – state specific plans

State Specific HMO, HDHP and CDHP Plans

Plan	Plan Code	Plan Brochure	Patient Safety	2019 Changes	2019 Rates	Directory	Plan Website
Aetna HealthFund HDHP	22	[1.77 MB]	[1.77 MB]	[1.77 MB]		Go	Go
Aetna HealthFund CDHP and Aetna Value Plan	JS	[1.72 MB]	[1.72 MB]	[1.72 MB]		Go	Go
Aetna Direct	N6	[1.77 MB]	[1.77 MB]	[1.77 MB]		Go	Go

Sample Benefit Comparison

Major difference for members outside of IHS will be the Out of Network Benefits

Balance bill amounts do not count toward Deductible or OOP maximum

Benefit	SAMPLE PPO Plan 1.00		FEHB BCBS Standard Plan 1.057 National Plan		FEHB Aetna HealthFund HDHP 22 Regional	
	In-Network	Out-of-Network Based on 80 th percentile	In-Network	Out-of-Network Based on 125% Medicare	In-Network	Out-of-Network Based on 125% Medicare
Deductible: Individual / Family	\$500 / \$1,500	\$500 / \$1,500	\$350 / \$700	\$350 / \$700	\$1,600 / \$3,200	\$1,600 / \$3,200
Out-of-Pocket Max Individual / Family	\$1,500 / \$4,500	\$1,500 / \$4,500	\$5,000 / \$10,000	\$7,000 / \$14,000	\$6,000 / \$7,900	\$7,000 / \$14,000
Office Visit Primary / Specialist	Deductible waived \$25 / \$25 copay	Deductible waived \$25 / \$25 copay	\$25 / \$35 copay	Deductible + 35% coinsurance	10% coinsurance	40% coinsurance
Hospital Services and Inpatient Facility	20%		\$350 deductible / copay, then 15%	\$450 deductible / copay, then 35%	10% coinsurance	40% coinsurance
Emergency Care	\$100 copay, then 20%		15%	35%	10% coinsurance	40% coinsurance
Pharmacy (Retail) Generic Brand Preferred Brand Non-Preferred	\$10 \$20 \$40		Tier 1: 20% Tier 2: 30% Tier 3: 45% Tier 4: 30% Tier 5: 30%		\$10 50% to \$200 50% to \$350 (\$700 NP)	40% coinsurance Specialty: not covered

SAMPLE compared to FEHB PPO 350

FEHB: Nationwide BCBS Standard Plan with \$350 deductible

FEHB: AK Aetna HealthFund HDHP

Employees may opt for less expensive plans which would have different results

	Sample PLAN*	FEHB 2019 BCBS Standard	FEHB 2019 AK Aetna HDHP
Employee	\$620	\$742	\$660
EE + Spouse	\$1,363	\$1,622	\$1,427
EE + 1 Child	\$1,096	\$1,622	\$1,427
EE + Children	\$1,096	\$1,719	\$1,455
EE + Family	\$1,842	\$1,719	\$1,455

* Self-funded mid-size plan

Example for Mid- Size Employer

Self-Insured employer

Current contributions:

- 75% Employer
- 25% Employee

Overall increase for both is 13.1%

	Enrollment	Sample PLAN*	Enrollment	FEHB 2019 BCBS Standard
Employee	100	\$620	100	\$742
EE + Spouse	75	\$1,363	95	\$1,622
EE + 1 Child	Included below	\$1,096	NA	\$1,622
EE + Children	40	\$1,096	NA	\$1,719
<u>EE + Family</u>	<u>75</u>	<u>\$1,842</u>	<u>95</u>	<u>\$1,719</u>
Monthly Premium		\$346,215		\$391,595
Employer Cost Share	75%	\$259,661	75%	\$293,696
Employee Cost Share	25%	\$86,554	25%	\$97,899

Example for Small Employer

Fully insured plan – under 50 employees

Current contributions:

- 70% Employer
- 30% Employee
- Shift to 75% / 25%

Overall decrease in rates is - 32.9%

The employees receive a greater discount than the employer

	Enrollment	Sample PLAN*	Enrollment	FEHB 2019 BCBS Standard
Employee	25	\$1,146	25	\$742
EE + Spouse	6	\$2,291	12	\$1,622
EE + 1 Child	Included below	\$2,119	NA	\$1,622
EE + Children	12	\$2,119	NA	\$1,719
<u>EE + Family</u>	<u>6</u>	<u>\$3,265</u>	<u>12</u>	<u>\$1,719</u>
Monthly Premium		\$87,414		\$58,642 -32.9%
Employer Cost Share	70%	\$61,190	75%	\$43,982 -28.1%
Employee Cost Share	30%	\$26,224	25%	\$14,661 -44.1%

Advantages / Disadvantages

Advantages

- Potential Cost Savings
- Plan choice for employees
- Federal Plan has a much larger pool to spread cost /risk
- Plans would be set up for government contracts, instead of waiting until you have employees that need plan set up right away

Disadvantages

- Loss of control on costs
- Employer must contribute at least 72% of employee and family premium
- Enrollment for employees may be challenging

Other Considerations

- Plan choices and premiums vary by state – administration of contributions may be a challenge
- Administration of eligibility and termination
- Does this make you an employer of choice?
- Claims experience will no longer be available
- Added expense for change in eligibility time period

Process for Application

Express interest and complete an application packet that includes signing an agreement with OPM to participate in FEHB

OPM will send Expressed Interest fact sheet

Application Packet – must be received 60 days in advance of the effective date of coverage

Acceptance

Next Steps for ANCs and ANVCAs

Partner with The Wilson Agency

- Evaluate feasibility – both administrative and financial impact to your organization
- Communications strategy
- Application and enrollment strategy
- Advocacy

The Wilson Agency

907-277-1616

Clients benefit from a full suite of benefit services:

- Plan negotiation, review and placement
- Great customer service
- Compliance support
- AleraHR resource
- Nationwide benefits expertise
- Benefits administration system, if desired
- HR Services, if desired

WORKFORCE STRATEGY



INTEGRATED SERVICES

Health & Welfare | Human Resources | Retirement

Our parent organization, Wilson Albers & Company, focuses on three distinct service areas: Health & Welfare Services, Human Resources Services, and Retirement Plan & Financial Services.

We provide competitive benefits solutions and meet your compliance needs while you manage your business. We take the time to truly understand your company, developing tailored solutions and providing hands-on support to meet your unique goals.

As an Alera Group company and a member of the Benefit Advisors Network, we provide our clients with national resources and leading industry expertise. Pairing these with our powerful local relationships and team of in-office experts, we give our clients the solutions, strategies and resources they need to reach their goals

Health & Welfare	Human Resources	Retirement
<ul style="list-style-type: none">• Strategic Benefit & Wellness Planning• Compliance for your entire Benefit Package• Strategic Renewal Planning with trusted carrier partners• Data Analytics & Benchmarking• Employee Education• Advocacy	<ul style="list-style-type: none">• Strategic Management Consulting• Recruiting• HR/Payroll/Benefits Systems• Compensation & Market Analysis• Employment Compliance & Administration• Training & Performance Management	<ul style="list-style-type: none">• Retirement Plan Design• Vendor Search & Oversight• Investment• Plan Process Management• Employee Education• Retirement Committee Coordination

Whether using one or more of our services, our mission is to provide local employers with employment programs and services engineered to support their business goals and to deliver the highest possible value to our clients and their employees. We bring you business-focused solutions that eliminate obstacles and provide peace-of-mind.

Employee benefits are an important part of your workforce strategy. We are uniquely qualified to be your all-in-one service provider for human resources and employee benefits.