

## Report Number 9: *HealthFlex Exchange* in 2016

In October, 2014, the General Board of Pension and Health Benefits announced *HealthFlex Exchange* (the *Exchange*) would be offered to a limited group of *HealthFlex* plan sponsors beginning in 2016. In December, 2014, the Conference Board of Pension and Health Benefits asked the General Board to include the North Alabama Conference in the initial group. In January, 2015, the Conference Board was offered an opportunity to adopt the *Exchange* in 2016. In April, 2015, the Conference Board of Pension and Health Benefits unanimously approved moving to *HealthFlex Exchange*, effective January 1, 2016.

### Understanding *HealthFlex Exchange*

*HealthFlex Exchange* is a plan selection model offering *HealthFlex* participants a choice of five *HealthFlex* medical plans, each coupled with one of four pharmacy plans. The *Exchange* will provide participants improved engagement, consumerism, and accountability.

Participants will receive a *defined contribution* credit toward the cost of the plan selected by the participant. Any portion of the defined contribution amount provided by the Conference which exceeds the total cost of the plan selected will automatically be credited to a participant health reimbursement account (HRA) or health savings account (HSA), depending on the plan selected. Defined contributions will be funded by health insurance premiums paid by local churches. As noted in Report Number 8, health insurance premiums will not increase in 2016.

*HealthFlex Exchange* provides the Conference an opportunity to stabilize health insurance costs while providing participants with the same carriers, networks, wellness programs, and incentives available in all five *HealthFlex* plans. In addition, the *Exchange* will offer coverage that best fits individual health needs and personal risk tolerance for unplanned expenses, and continue to provide the same underlying risk management and premium rating methodology, customer service, and administrative support unique to *HealthFlex*.

As part of the *HealthFlex* group plan, *HealthFlex Exchange* will limit disruption to participants compared with other alternatives such as individual insurance through the private market or the Federal health insurance exchange established under the Affordable Care Act. *HealthFlex Exchange* is offered exclusively to United Methodist Church plan sponsors and participants.

### *HealthFlex Exchange* Plan Designs

Participants may select from five plans, including three gold plans (more generous) and two silver plans (less generous), as follows:

- Gold. Preferred Provider (PPO) B1000 medical plan with a \$1,000/\$2,000 individual/family deductible, coinsurance of 80%/20%, and some co-payments. P1 pharmacy plan with slight increase in co-payments and co-insurance maximums compared to 2015. Combined out-of-pocket maximum. This is the most generous plan offered by *HealthFlex*. **It is anticipated most participants will select this plan since it is similar to our current (2015) Preferred Provider B750 medical plan.**

- Gold. Consumer Driven Health Plan (CDHP) C2000 medical plan with a \$1,000/\$2,000 individual/family HRA, a \$2,000/\$4,000 individual/family deductible, and co-insurance of 80%/20%. P2 pharmacy plan with higher co-payments and co-insurance compared to 2015. Combined out-of-pocket maximum.
- Gold. High Deductible Health Plan (HDHP) H1500 medical plan with a \$750/\$1,500 individual/family HSA, a \$1,500/\$3,000 individual/family deductible, and co-insurance of 80%/20%. P3 pharmacy plan with \$1,500 deductible combined with medical. Combined out-of-pocket maximum. After deductible, P3 pharmacy plan is similar to P2.
- Silver. High Deductible Health Plan (HDHP) H2000 medical plan with a \$500/\$1,000 individual/family HSA, a \$2,000/\$4,000 individual/family deductible, and co-insurance of 70%/30%. P4 pharmacy plan with \$2,000 deductible combined with medical. Combined out-of-pocket maximum. After deductible, P4 pharmacy plan is similar to P2.
- Silver. Consumer Driven Health Plan (CDHP) C3000 plan with a \$250/\$500 individual/family HRA, a \$3,000/\$6,000 individual/family deductible, and co-insurance of 50%/50%. P2 pharmacy plan. Combined out-of-pocket maximum.

Each plan includes the same dental and vision coverage currently provided.

### ***HealthFlex Exchange* Defined Contributions**

The defined contribution is a key component of *HealthFlex Exchange*. A defined contribution is a fixed amount the Conference provides as a credit toward the cost of the plan selected. The defined contribution amounts for 2016 will be as follows:

- \$724/month (\$8,688/year) for participants with individual coverage.
- \$698/month (\$8,376/year) for participants with one dependent.
- \$1,043/month (\$12,516/year) for participants with two or more dependents.

The defined contribution amount exceeds the *HealthFlex* cost of coverage for the B1000 medical plan with P1 pharmacy by \$117/month (\$1,404/year) when individual coverage is selected. For any participant who selects a plan other than the B1000 plan with P1 pharmacy, the excess defined contribution for individual coverage is greater than \$117/month (\$1,404/year). Excess defined contribution amounts will be applied to an HRA or HSA, depending on the plan selected. There are no excess defined contributions for dependent coverage.

The Conference Board of Pension and Health Benefits anticipates *HealthFlex Exchange* will be cost neutral to participants.

### **Education and Decision Support**

Education and decision support will be provided before and during the Annual Election period (early November) through district workshops, *Coverage Advisor* through *WebMD*, the *My Choice* tool, and/or by speaking with a *HealthFlex* representative by phone.