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July 2018 Benefit Update

6-1-2018 (amended 6-15-2018)

Last fall during open enrollment we introduced three benefit changes to expect in the future: 1) a \$50 tobacco surcharge starting January 2019; 2) the portion of the medical premium paid by the University for family coverage to reduce over the next three years, resulting in a gradual cost increase to those covering spouses and children; and 3) changes to the annual summer wellness drive. Below are details about these changes.

Medical Insurance Rate Adjustment

There will be a 1% increase to the total premium in all three of our medical plans effective July 1, 2018. Keep in mind that the total premium is split between what UAMS pays (3/4 of the total premium for most employees) and what you pay (remaining 1/4).

If you are enrolled in employee-only coverage in the Classic or Health Savings plan, your medical premium cost will not increase; UAMS will cover the cost of the increase. Those enrolled in the Premier plan will see a slight increase, as will UAMS.

If you cover a spouse and/or children in any of the three medical plans, you will see an increase in your premium cost that could be higher than 1%.

Why are rates increasing more for employees who cover family members?

Currently, all UA campuses are subsidizing, or paying a portion of the total premium, that is higher than other employers. For example, UAMS currently pays 75% of the total premium for full-time employees in the Classic plan, whether one has employee-only coverage or family coverage. This level of dependent subsidy is higher than other public employers in Arkansas and higher than at other universities in our region. In fact, the University's subsidy amounts paid for spouses are about twice as

much as the University's dollar contributions for employee-only coverage.

The UA System Office has set premium subsidy targets for UAMS to reach by the year 2020.

Remember, "subsidy" refers to the portion of the total premium that UAMS pays. The targets are:

- Employee-only: increase from current 75% to a subsidy not to exceed 83%
- Employee-spouse: reduce from current 75% to 69%
- Employee-child(ren): reduce from current 75% to 72%
- Employee-family: reduce from current 75% to 71%

This shift allows the University to continue to offer competitive benefits and to redirect some of those dollars to other needs.

Did you know that spouses tend to use 25% more health care and cost the medical plan 25% more money than employees? This is true of all employer plans, not just the UA plan. Adjusting the premium expense for spouses begins to correctly reflect the costs of spouses on the plan.

Many spouses have access to health coverage through their employment outside of the University.

Competitively aligning subsidies for spouses in the University's plan may encourage spouses employed outside of the University to explore coverage through their own employer.

Adjusting subsidy levels may help the University avoid Working Spouse Exclusions or overall Spouse Exclusions in the future. Because there is no legal requirement to offer medical insurance for spouses, some employers have moved to restrict or simply eliminate that coverage option. The change in spouse and dependent subsidies strikes a balance in offering coverage, but at a cost that is more sustainable for the University.

Even with this change the University is still paying a major portion of the total monthly premium cost.

No changes to copays, deductible, coinsurance

At this time the benefits provided under the University's three medical plans will remain the same. For a better understanding of your medical benefits, we recommend you refer to the document "UA Medical Plan-At a Glance" which is posted on our website, www.hr.uams.edu - click the Medical Insurance link on our home page.

New rates enclosed

The new rates will take effect on your July 21 paycheck if you are paid biweekly, or your July 31 paycheck if you are paid monthly. To view the full rate sheets, including the portion paid by UAMS, visit www.hr.uams.edu and select Benefits, Insurance Rates.

Revised Wellness Program

The following only applies to employees enrolled as the primary member/carrier in one of the three UA medical insurance plans: Classic, Premier and Health Savings Plan. If you are covered as the spouse or child under someone else's UA plan, this does not apply to you.

The University has made the decision to move away from the formal wellness program previously administered through Onlife. Effective July 31, 2018, the services provided by Onlife, including access to their website and health coaches, will end. Biometric screenings offered in past summers by UAMS Student/Employee Health and the Regional Program/AHEC clinics will also end.

Disease management and wellness services remain available through UMR and Get Healthy UAMS. Visit our website for links and details.

Wellness remains an important objective and the University will continue to reward employees who complete specific wellness steps. Instead of the previous wellness program through Onlife, the University will focus on these two goals:

- Tobacco cessation
- Promoting annual preventive/wellness exams

You will still need to complete two steps this year in order to receive your wellness reward in 2019.

The steps will be simpler than in years past. The two steps are:

1. **Visit an in-network primary care provider (PCP) of your choice for an annual wellness visit.**

The visit must be by November 1st of this year. If you've already had your annual wellness exam **in the last 12 months – since Nov. 1, 2017** – great, you have completed this step. If not, schedule your exam early enough so that your visit occurs on or before November 1, 2018. Be sure to go to an in-network doctor.

An annual wellness exam with basic lab work is covered as a preventive benefit, meaning our medical insurance picks up the full cost; you do not pay a copay or deductible. When you schedule your appointment, be sure to indicate that this is the annual wellness exam that your insurance covers in full. Be prepared for a possible regular office visit claim to be filed, however, especially if this is your first doctor's visit in a while. Why? If your wellness exam begins as preventive but the doctor identifies a condition and submits the claim with a diagnosis

of a condition or as treatment of a condition, UMR cannot pay the claim as a preventive visit. The claim must be filed to UMR as “preventive” in order to be free to you.

While it’s important for you to know your biometric numbers - such as your cholesterol and blood pressure - you will not be required to report or record them. They are for your information so that you may set your own goals to becoming healthier. There are several free smart phone and computer applications to assist you with this, as well as tracking your diet and exercise. Examples are MyFitnessPal, Lose It!, Fitocracy, and MyChart.

2. Complete the Tobacco Attestation.

You won’t do this until November, during Open Enrollment. You’ll receive more details at that time. At that time you will need to log into Employee Self Service and self-report your use of tobacco/nicotine by checking one of three boxes:

- You are tobacco free and will remain a non-user; or
- You are a current user but will commit to enroll in and complete a tobacco cessation program (by a specified deadline); or
- You are a tobacco user and decline to participate in a tobacco cessation program.

If you check either of the first two options and get your annual wellness exam by the November 1st deadline, you will receive your 2019 wellness reward. As in years past, the reward will be a reduction to your 2019 maximum out of pocket limit if you have Classic or Premier coverage. If you are in the Health Savings Plan, your reward will be an additional employer contribution to your HSA.

However, if you check the third option indicating you will remain a smoker or tobacco user, or if you fail to complete the tobacco attestation in November, you will not receive the wellness reward. You will also have an additional \$50 tobacco surcharge deducted from your paycheck.

\$50 Tobacco Surcharge

Starting January 2019, any employee who carries the UA medical insurance and who self-reports that they will be a tobacco/nicotine user in 2019, or who fails to take the tobacco attestation, will pay a \$50 tobacco surcharge each month. For employees who are paid biweekly, the surcharge will be \$23.08 every two weeks. This is a separate, after-tax deduction on your paystub -- not added to your normal medical premium cost.

The tobacco attestation is based on the honor system. However, the University will review program compliance the first year and may choose to return to Cotinine Testing in future years. (Cotinine is an alkaloid found in tobacco.)

“Tobacco” includes any form of tobacco products that are smoked (e.g., cigarettes, cigars, pipes); applied to the gums, chewed or ingested (e.g., dipping or chewing leaf tobacco); and/or inhaled (e.g., snuff or electronic cigarettes).

The University of Arkansas recognizes the value of a tobacco-free workplace and has created this program to assist and encourage employees in ending their use of tobacco and tobacco products. The surcharge applies to your use of tobacco products. It does not apply to covered spouses or children.

Tobacco Cessation Programs

Smokers and tobacco users have many opportunities to quit. Tobacco cessation assistance is available through UMR at no cost to participants. Chantix, patches, gum, and/or two office visits with your in-network primary care physician are provided at no expense to you through our medical plan. Your provider’s office visit claim must be coded as a visit for tobacco cessation in order for the zero copayment to apply.

Employees may also use other formal cessation programs, including but not limited to a UAMS or other hospital/clinic based cessation program. Visit inside.uams.edu/gethealthy - select Benefits, then

Smoking Cessation - for other resources including SOS (Stamp Out Smoking), Quit for Life, American Cancer Society, and the Arkansas Department of Health.

UA Retirement Savings Plan

This section does not apply to Residents or APERS/ARTRS participants. However, they and others who are ineligible for UAMS contributions to the UA 403(b) Retirement Plan may make personal, unmatched contributions at any time. Contact our office or visit www.hr.uams.edu for information – select Benefits, UA Retirement Plan, Tax Deferred Annuities (unmatched).

We are in year three of the five-year phase-in to a required employee retirement contribution of 5% by July 2020. This affects employees who participate in the UA Retirement Plan through TIAA and/or Fidelity and are eligible for the employer match.

The employee required contribution will increase from 2% to 3% with the pay period beginning July 1, 2018.

This change will have no impact on the total percent that most employees contribute. Rather, we will automatically reduce your VOLUNTARY contribution by 1% and move that 1% to the REQUIRED contribution. Examples:

Today - You contribute 8% VOLUNTARY + 2% REQUIRED for a total of 10% (which is the amount needed to receive the 10% University match).

July 1st - You will automatically change to 7% VOLUNTARY + 3% REQUIRED. Your total remains 10% and you will still receive the 10% match.

Today - You contribute 1% VOLUNTARY + 2% REQUIRED for a total of 3%.

July 1st - You will automatically change to 0% VOLUNTARY + 3% REQUIRED. Your total contribution remains 3%.

Today - You only contribute the 2% REQUIRED.

July 1st - Your REQUIRED contribution will increase to 3%. You will see an increased amount deducted from your paycheck to show the additional 1% contribution.

These changes require no action on your part. However, you can elect to change your VOLUNTARY % contribution at any time. The paper form can be found on our website under Forms, Benefit Forms.

You can also elect to change how you invest your retirement savings by contacting Fidelity and/or TIAA any time, either by logging into your account via their websites or by calling them. Visit www.hr.uams.edu - select Benefits, then UA Retirement Plan - for additional information.

Questions?

Contact the **UAMS Office of Human Resources – Employee Services**

Location: 4th floor Central Building, wing 4C, 7:30 a.m. – 4:30 p.m. Monday to Friday

Phone: (501) 686-5650

Email: AskHR@uams.edu

Internet: www.hr.uams.edu

July 2018 UAMS Employee Medical Rates

Visit www.hr.uams.edu – select Benefits, Insurance Rates – to view the total premium and the portion paid by UAMS for medical and other insurance plans.

	Classic		Health Savings		Premier	
	<i>Biweekly</i>	<i>Monthly</i>	<i>Biweekly</i>	<i>Monthly</i>	<i>Biweekly</i>	<i>Monthly</i>
Employees who work 75% - 100% time						
Employee Only	48.23	104.50	34.14	73.96	80.64	174.71
Employee + Spouse	119.57	259.06	88.09	190.86	212.33	460.04
Employee + Child(ren)	94.78	205.35	69.06	149.63	162.17	351.36
Employee + Family	163.56	354.37	120.38	260.83	280.02	606.72
Employees who work 50% - 74% time						
Employee Only	77.55	168.03	63.46	137.49	114.74	248.61
Employee + Spouse	186.00	402.99	154.52	334.79	290.00	628.34
Employee + Child(ren)	149.46	323.83	123.74	268.11	225.90	489.46
Employee + Family	256.13	554.95	212.96	461.41	387.82	840.28
Faculty Group Practice on 75% - 100% appointment						
Employee Only		0		0		69.14
Employee + Spouse		0		0		162.54
Employee + Child(ren)		0		0		130.22
Employee + Family		0		0		218.84
Faculty Group Practice on 50% - 74% appointment						
Employee Only		63.33		32.79		132.47
Employee + Spouse		143.92		75.72		306.46
Employee + Child(ren)		118.47		62.75		248.69
Employee + Family		200.59		107.05		419.43
Physician Residents, Housestaff						
Employee Only		0		0		69.14
Employee + Spouse		259.06		190.86		460.04
Employee + Child(ren)		205.35		149.63		351.36
Employee + Family		354.37		260.83		606.72