While there are no changes to most of our benefits, there are some changes to our Medical and Retirement plans that take effect in July.

**Medical Insurance Rate Adjustment**

There will be a 1-3% increase to the *total* premium in our three medical plans effective July 1, 2019. Keep in mind that the total premium is split between what UAMS pays and what you pay.

If you are enrolled in ‘employee-only’ coverage in the Classic or Health Savings plan, your medical premium cost will not increase. However, those covering a spouse and/or children, and those enrolled in the Premier Plan, will see an increase.

**New rates enclosed**

The new rates will take effect on your August 2 paycheck if you are paid biweekly (to coincide with the first pay period that begins after July 1), or your July 31 paycheck if you are paid monthly. You’ll find the new rates on the last page of this notice. To view the full rate sheets, including the portion paid by UAMS, visit [www.hr.uams.edu](http://www.hr.uams.edu) and select Benefits, Insurance Rates.

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

Currently all UA campuses subsidize a portion of the total premium that is higher than other employers -- higher than other public employers in Arkansas and higher than other universities in our region.

The UA System Office has set premium subsidy maximums for all campuses to reach by the year 2020.

Remember, “subsidy” refers to the portion of the total premium that UAMS pays. The targets for the Classic Plan, which is the primary plan, are:

- **Employee-only:** at or lower than 83% (currently over 75%)
- **Employee-spouse:** at or lower than 69% (currently 71%)
- **Employee-child(ren):** at or lower than 72% (currently 73%)
- **Employee-family:** at or lower than 71% (currently 72%)

The dollar amount that UAMS contributes to the Classic plan is carried over to the other two plans, Premier and Health Savings. It is your choice which of the three plans to select, as the UAMS contribution is consistent among the three plans.

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 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, please 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.

Revised Wellness Program

The following only applies to employees enrolled as the primary member (the one who carries the coverage in their name) in one of the three UA medical insurance plans - Classic, Premier or Health Savings Plan. If you are covered as the spouse or child under another UA employee’s plan, this does not apply to you.

Wellness remains an important objective and the University will continue to reward employees who complete specific wellness steps. The University will focus on these three goals:

- Tobacco cessation
- Reduce obesity
- Promote annual preventive/wellness exams

You will need to complete two steps this year in order to receive your wellness reward in 2020.

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

   The visit must be by October 31st of this year. If you’ve already had your annual wellness exam – since Nov. 1, 2018 – great, you have completed this step. If not, schedule your exam early enough so that your visit occurs on or before October 31, 2019. Be sure to go to an in-network doctor for this visit.

2. 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. However, be prepared for a possible and additional regular office visit claim to be filed, 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 are not 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 smartphone and computer applications to assist you with this, as well as tracking your diet and exercise. Examples are MyFitnessPal, Lose It!, Fitocracy, and MyChart. If you need to lose weight, try out the new Real Appeal benefit that is free to employees – sorry, not available to family members at this time. You’ll find information about Real Appeal on our website.

3. Complete the Tobacco Pledge

   You will need to complete the Tobacco Pledge in November, during Open Enrollment. You’ll receive more details at that time of how to log into Employee Self Service and self-report your use of tobacco 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, you will receive your 2020 wellness reward. As in years past, the reward will be a reduction to your 2020 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 Health Savings Account (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 pledge 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

Any employee who carries the UA medical insurance who self-reports that they are a tobacco user and will not enroll in a cessation program, or who fails to take the tobacco pledge, will have a tobacco surcharge deducted from their pay. The surcharge is $50 if you are paid monthly, $23.08 if you are paid bi-weekly. This is a separate, after-tax deduction on your paystub -- not added to your normal medical premium cost.

The tobacco pledge is based on the honor system. However, the University will review program compliance 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.

New UA System benefits website, www.uasys.edu/benefits

Check out the new centralized University of Arkansas System benefits website! Over the next year we will gradually migrate our UAMS benefits site, www.hr.uams.edu/benefits, to the UA site.
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 four of the five-year phase-in to a required employee retirement contribution of 5%, to be reached 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 3% to 4% in July. This will affect the July 19th bi-weekly and July 31st monthly paychecks.

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:

If Today - You contribute 7% VOLUNTARY + 3% REQUIRED for a total of 10% (which is the amount needed to receive the full 10% University match).

Then July - You will automatically change to 6% VOLUNTARY + 4% REQUIRED. Your total remains 10% and you will still receive the 10% match.

If Today - You contribute 1% VOLUNTARY +3% REQUIRED for a total of 4%.

Then July - You will automatically change to 0% VOLUNTARY + 4% REQUIRED. Your total contribution remains 4%.

If Today - You only contribute the 3% REQUIRED.

Then July - Your REQUIRED contribution will increase to 4%. 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 2019 UAMS Employee Medical Rates

Visit [www.hr.uams.edu](http://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.

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