

FY25 Health Plans: FAQ

General Information

1. How many health plans are available to me?

There are four health plans available for FY25 (July 1, 2024):

- **Two high-deductible health plans** that are compatible with a health savings account.
- **Two copay-driven plans** – one with a deductible and one without. Both health plans are compatible with a medical flexible spending account.

Additional Benefit Plan Information

- **Dental plan:** Regardless of which plan you enroll in (base or enhanced) or your coverage level, the state will contribute \$25.32 per month toward your premium.
- **Wellmark Blue Cross Blue Shield of South Dakota:** Wellmark is our administrator for claims processing, pre-authorization approvals, and first level appeals.
- Care and case management, the pregnancy support program, rare disease management, Hinge Health, and the Livongo Diabetes Management and Diabetes Prevention Program are coordinated by Wellmark.
- Pharmacy benefits through CVS/Caremark are also administered by Wellmark.
- **Covered eye exam:** Medical insurance coverage includes one eye exam for each covered member per year. This covered exam is available regardless of whether or not you have vision coverage.
- **Married State Employees:** If you and your spouse are both State employees, you are not required to carry separate plans. This means that you and your spouse, along with any covered dependents, can enroll in one health plan.
- **Dependents of State Employees:** If your covered dependent(s) are current state employees, or become a state employee, they can be covered under your health plan as long as they continue to meet the eligibility requirements of a dependent.
- **Dual Coverage:** If your spouse and/or dependent(s) are covered under your health plan they cannot be covered under their own plan as well. This means that if your spouse or dependent is going to stay covered under your health plan, they need to opt-out of their health plan. Subsequently, if they plan on enrolling in their

own health coverage, you should remove them from your plan by completing the Life Event “Dependent or Employee Gains Eligibility Under Another Plan.”

- **Dependent Verification:** If you add a spouse and/or dependent to any of your health or flexible benefits throughout the plan year, the dependent verification process is administered by the Benefits Department. You will be able to attach supporting documentation in Employee Space if you experience a qualifying life event. Our goal is to streamline the process, allowing you one point of contact for your qualifying life events

2. Do I have to participate in FY25 Open Enrollment?

Yes, FY25 Open Enrollment is an active enrollment which means that you need to enroll in your benefits, or if you are an opt-out to the health plan, actively opt-out of the health plan by logging into Employee Space and completing your elections.

It’s also important to check your HSA contributions if you participate in an HSA. There are several reasons for this: you may have elected Ineligible/Decline when you are eligible for the State’s contribution to the HSA but did not want to contribute your own pre-tax contributions; you may have become ineligible due to a change in your circumstance, and you should check your current contribution amount to make sure you do not go over the IRS contribution limits for the calendar year. For more information:

<https://bhr.sd.gov/benefits/hsa-fsa-hra/hsa/>

3. When will the changes be effective?

Changes will take effect on July 1, 2024.

4. Are there any new benefit offerings for FY25?

Yes, the State of South Dakota is pleased to be offering Hinge Health beginning July 1, 2024. Hinge Health is a digital clinic for joint and muscle pain. Combining expert clinical care and advanced technology, this service will provide employees and covered family members aged 18 years and older to move beyond pain and injury, avoid unnecessary surgeries when possible, and reduce opioid use.

Additional details will soon be available on the BHR website.

Health Plan Information

5. Will I have to pay an employee premium for my health insurance?

The State offers a plan with no premium for employee-only coverage: the Washington Plan. We also offer the Lincoln, Jefferson, and Roosevelt Plans so you can buy up to the coverage that fits you best.

6. What will my premium be?

All premiums amounts are listed in the Benefits Guide - <https://bhr.sd.gov/benefitsguide.pdf>

7. Is there a tobacco surcharge?

Yes. The tobacco surcharge will still apply.

8 How many tiers of coverage will there be for FY25?

There are four tiers of coverage and premiums for the health plans and flexible benefits.

- Employee only
- Employee + child(ren)
- Employee + spouse
- Family (employee + spouse + child(ren))

9. What if I want to opt out of coverage?

You can opt out of the South Dakota State Employee Health Plan if you provide proof of other creditable group health coverage, including TRICARE or Medicare.

Acceptable proof of coverage includes a Certificate of Creditable Coverage from your other insurance carrier, a TriCare Identification Card, or a Medicare Award Letter or Identification Card. Please note: Medicaid, Indian Health Services, and coverage from the Marketplace are NOT considered creditable group health coverage.

You are not required to provide proof of other coverage for family members.

10. If I opt out of the health plan, can I still enroll for other coverage?

Yes, you can elect other coverage, including dental, vision, short-term disability, accident insurance, hospital indemnity, and critical illness.

11. Do both HDHPs still have the no-cost preventive therapy drug list?

Yes, the Washington and Lincoln Plans both include the no-cost preventive drug benefit.

12. I have a specialty prescription with a co-pay card. How will that work with the prescription plans?

You can still use any copay card, but any expenses paid by the copay card will not apply toward your deductible or your out-of-pocket maximum.

13. Do prescriptions have separate deductibles and out-of-pocket maximums?

None of the plans have a separate prescription deductible, nor a separate prescription out-of-pocket maximum.

14. Does the copay for prescriptions go toward the deductible or the out-of-pocket max (OPM)?

On the Jefferson and Roosevelt Plans, prescription copayments will apply to the OPM, but not to the deductible. On the Lincoln and Washington Plans, prescriptions will apply to the deductible and coinsurance until the OPM is met. Preventive prescriptions with a fixed dollar amount will apply to the OPM.

LiveWellSD Program

15. Is there an incentive for participating in the well-being program?

We are implementing adjustments to the Well-Being Rewards program for the new fiscal year. Starting in FY25, an employee will no longer be required to participate in well-being activities to earn rewards. Instead, the primary policyholder and their covered spouse will be only required to complete the online Health Assessment and Annual Wellness Exam to earn reward dollars.

Incentive dollars earned during FY25 (July 1, 2024 – July 30, 2025) will be awarded during the FY26 plan year based on the health plan and coverage level you are enrolled as of July 1, 2025.

Employee – \$500
Employee plus Spouse – \$750
Employee plus Child(ren) – \$750
Employee plus Family – \$1,000

For more information on the LiveWellSD program, visit <https://bhr.sd.gov/benefits/livewellsd/>

16. What are the requirements for earning the wellness incentive this year?

You and your covered spouse (if applicable) must complete the biometric screening and the online health assessment qualifications by April 1, 2025, to earn the incentive.

17. Am I required to participate in the wellness program?

Participation in the LiveWellSD Program is and always has been optional. Employees who do not want to participate **will be able to enroll in any of the four health plan options.**

However, well-being has its own set of rewards, including increased energy, decreased stress, more restful sleep, decreased risk of illness or injury, improved immunity, increased longevity, reduced stress, and a happier and more fulfilling life.

18. I cover my spouse on my health plan. Do we each receive the incentive?

No. The incentive is a flat amount for the primary policyholder.

19. Where can I learn more about LiveWellSD?

Go to bhr.sd.gov/benefits/livewellsd to learn more about the LiveWellSD Program, or go to bhr.sd.gov/livewellsd/ to access resources, set well-being goals, connect your tracking device, and more.

Tax-advantaged Account Information

20. What is the difference between an HRA, a medical FSA and an HSA?

All of these are accounts you can use to set aside pre-tax dollars to pay for qualified medical, dental and vision care expenses.

- A **health reimbursement account (HRA)** is funded by the employer. State employees on a low-deductible health plan who complete the wellness incentive will receive the incentive in an HRA. Like a medical FSA (outlined below), it is a use-it or lose-it account. You have until June 30, 2025, to incur claims for the FY25 plan year.
- A **medical flexible spending account (medical FSA)** is funded by you, the employee, and a full FSA is only available to those who select a low deductible health plan for coverage. If you are in a high deductible health plan, an FSA is limited to expenses for dental and vision until you reach your deductible, per IRS guidelines. It is a use-it or lose-it account. You have until September 14th of the current plan year to incur expenses, and

until October 28th of the current plan year to submit expenses for reimbursement.

- A **health savings account (HSA)** can be funded by both employer and employee and is only available to those who select a high-deductible health plan for coverage and meet the eligibility requirements. HSAs are unique in that they are triple tax-advantaged, they roll over from year to year, and the money is yours to keep, even if you change jobs or retire. HSAs also offer investment options.

For more information on these accounts, visit <https://bhr.sd.gov/benefits/HSA-FSA-HRA/>

21. Can I still elect the medical FSA up to the 2024 limit even if I receive the incentive in an HRA?

Yes. Employees can elect up to the 2025 IRS maximum annual contribution of \$3,200 even if they are receiving funds in an HRA.

22. Can I contribute to an HSA and a medical FSA in the same plan year?

If you qualify for an HSA by electing the Washington or Lincoln plan, you cannot elect to set up both an HSA and an FSA per IRS regulations. You can contribute to a limited purpose FSA that works like a regular FSA but can only be used for vision care and dental expenses until your deductible is met. Once you've met your deductible, you can [submit verification to WEX](#), and then the FSA can be used for medical and prescription expenses as well.

23. Can I still contribute the maximum allowed amount to an HSA if I receive the contribution from the State?

If you're receiving a contribution to your HSA account from the State, you need to include that amount into your total annual contribution.

24. If I currently have a medical FSA, can I elect the Washington or Lincoln High Deductible Health Plans with an HSA?

Due to IRS Regulations, if you choose one of the two high deductible health plans (Washington or Lincoln) during open enrollment, you must spend your remaining FSA balance by June 30, 2025. If you choose one of the two low deductible health plans (Jefferson or Roosevelt), you will have the normal grace period to use your Medical FSA dollars, which ends September 14, 2025.

Important Dates to Keep in Mind

25. For new hires, what are the insurance effective dates and deadlines?

Coverage begins the first day of the month following date of hire. New hires will have 30 days to enroll.

26. Can I make changes to my health plan and flexible benefits after a qualifying event?

Yes. After a qualifying event — a major life change that makes you eligible to update your benefits — you have 30 days to make changes to your health plan and flexible benefits. You must enter a Life Event in Employee Space and submit sufficient supporting documentation within 30 days of the event, as well. For more information, visit bhr.sd.gov/benefits/lifeevents/.

27. If I experience a qualifying event, can I elect different benefits?

For most qualifying events, the answer is yes. For example, if you are currently enrolled in the Washington High Deductible Plan, and then get married, you can change to the Lincoln, Jefferson, or Roosevelt Plan. However, keep in mind that if you switch from a High Deductible Plan to a Low Deductible Plan, or vice versa, and contribute to a tax-advantaged account, you may want to check compatibility with the Benefits Program.

For details on qualifying life events and changes allowed, please visit <https://bhr.sd.gov/benefits/lifeevents/>.

28. If someone is hired on the first day of a month, would they have insurance starting that day or on the first day of the next month?

Coverage begins on the first of the month following date of hire. For example, if an employee begins work on August 1, their coverage would be effective on September 1.

29. When someone terminates employment, does their insurance go through the month in which they are terming, or does the coverage go through the end of the next month?

Employees pay premiums in the current month, not one month in advance. Therefore, when an employee terminates employment, their coverage will cease at the end of the month they terminate. For example, if an employee terms as of September 15, their coverage would end on September 30. The exception is FSA and HRA which terminate on the last day of employment per IRS guidelines.

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30. If I have questions regarding my specific health questions and/or prescription questions, who should I contact?

You can contact Wellmark's dedicated Customer Service line. The number is **800.846.9183**. Be sure to have your identification card when you call.

31. Do I have to choose a primary care provider?

No, you can see any primary care provider of your choice. A primary care provider refers to general and family practice providers, internal medicine physicians, OB/GYNs, and pediatricians. A non-primary care provider refers to a provider who offers specialized areas of practice, such as dermatology, oncology, or cardiology.

32. How do I find out if a provider/pharmacy is in-network.

Please see the instructions on finding a primary care provider: bhr.sd.gov/benefits/health-plans/preventive/Howtofindadoctor.pdf

33. How does the Care management Program with Wellmark Work?

The Wellmark Care Team includes health advocates, care manager nurses and an integrated team of specialists including pharmacists, behavioral health specialists, and care advocates. They are accessible any time by calling the number on the back of your Wellmark ID card.

34. How do I enroll?

If you have a health condition, you can call the Wellmark Care Team at any time to request support. Wellmark will also reach out to members who are identified for program participation through hospital admission notifications, health, and pharmacy claims information, and through provider referral. This program is free, voluntary, and confidential.

35. What is Wellmark's Blue365® discount program?

As a Wellmark member, you are automatically eligible to get personalized access to [Blue365](#) — a free portal that offers discounts on health and wellness brands to keep you engaged in a healthy lifestyle. Blue365 gets you deals on personal care items like glasses and hearing aids, gym memberships, gear like fitness trackers and wireless ear buds, financial health programs, healthy meal kits, weight loss coaching, pet insurance, travel packages, and more.

Blue365 deals and discounts are updated regularly, and you can stay informed with a weekly email sent to your inbox.

36. In addition to Blue365, what else is included with my Wellmark membership?

Being a Wellmark member has its perks. Along with your health insurance coverage, you get free tools and resources that make your life easier, including:

- **myWellmark®**, your secure member portal for access to all your health benefits information at home or on the go.
- **BeWell 24/7SM**, a free phone line to answer your health questions and help you navigate the health care system 24/7.
- **IDX Identity®** for identity theft protection, including credit monitoring and \$1 million of theft recovery insurance, all at no cost to you.
- **Livongo Diabetes Management Program** – A free program for qualifying participants to help manage type 1 and type 2 diabetes.
- **Livongo Diabetes Prevention Program** – A free program for the prevention of type 1 and type 2 diabetes.
- **Doctor on Demand** – Enjoy video visits with board-certified physicians and get treatment and prescriptions for a cold, flu, allergies, bugs your kids pick up, and more. It's fast care anywhere – 24/7.

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