

# New Health Plans: Frequently Asked Questions

## General Information

### 1. Why are we updating our health insurance plans?

We are reimagining healthcare by offering four new health plan options that enable you to find a plan that fits your health and financial needs. Our new plan will simplify the health and wellness experience for employees while putting value back in the plans. The new plans offer stability while still being affordable to our employees and to the State as an employer.

### 2. How were these decisions made?

This past summer, BHR asked state employees their opinions about the benefits program through a survey and a series of focus groups. Fifty-three percent of state employees responded, giving us a good picture of what people were happy with and what they felt needed improvement. Coupled with market research and benchmarking, we used all of the information to reinvent the health plans to better support you and your families.

### 3. How many health plans are available to me?

There are four new health plans available beginning for FY22 (July 1, 2021) – two high deductible, HSA Qualified Plans and two copay driven plans, one with a deductible and out of pocket maximum and one with no deductible, but an out of pocket maximum. Information on the plans is available on the [New Plans page](#) on the BHR website.

### 4. Where can I read more about the new health plans?

A special page has been set up on the BHR website - <https://bhr.sd.gov/newplans/>

### 5. Will more information be coming?

Yes. Additional information will be arriving in the coming weeks and months as we approach open enrollment. Email, postcards, employee education sessions, both virtually and in person will be arriving soon.

Follow [Benefits on social media](#) for additional information.

### 6. What else is new besides the revamped health plans?

There are several other enhancements to the benefits program.

- **Dental Plan Changes** - You will now receive the same benefit for less money each month. Dental premiums will include a state-paid subsidy of 50% of the employee-only, base plan premium. This will lower employee premium contributions for the dental plans and applies to both the Base and Enhanced Dental Plans. For example, if you have employee only coverage, your premium for FY22 will be \$8.10 on the base plan. If you participate in the enhanced plan and have employee only coverage, your new premium will be \$18.07 per pay period. To summarize, no matter what coverage level you have (base or enhanced) or whom you cover, you will see a reduction of \$8.10 per pay period if you are paid 24 times per year, or a

reduction of \$16.20 per pay period if you are paid 12 times per year. Please see page 6 of the FAQ for a complete breakdown of dental premiums. See Question #35 below for complete rate information.

- **Covered Eye Exam** - Medical insurance coverage will include one eye exam for each covered member per year. This covered exam is available regardless if you have vision coverage or not.
- **Opt-Outs and Flexible Benefits** - Flexible benefits such as Dental, Vision, and others will continue to be available to Opt-Out employees.

**7. Will ALEX be available to assist me in choosing my new plan, and will it contain information regarding employee cost?**

Details on ALEX are still being determined, but it will be available for all employees once again for FY22 Open Enrollment. ALEX will prompt you for some basic information about you and your family, ask a few questions about your personal situation (everything you say remains confidential), and help you figure out which of the four plans would be best for you.

**8. Will there be Lunch and Learns or other opportunities to ask questions about these changes?**

Beginning January 2021, BHR will begin hosting multiple Zoom and in-person sessions for state employees. These sessions will be held at different times throughout the day to allow for greater access. Please visit <https://bhr.sd.gov/newplans/> to view the schedule of events.

**9. Do I have to participate in FY22 Open Enrollment?**

Yes. Because the health plans are new this year, all state employees are required to participate in FY22 Open Enrollment to select the coverage that is best for you and your family. If you do not participate in Open Enrollment, your coverage will be defaulted to the Washington High Deductible Health Plan, and you will be enrolled in employee only coverage. Your dependent(s) coverage will not rollover, if you currently have them covered. The only benefits that will rollover into the new plan year are supplemental life insurance and short-term disability. You will need to actively re-elect all flexible benefits, such as dental and vision, along with any savings account contributions, such as Health Savings Accounts and/or Flexible Spending Accounts.

Open Enrollment will take place May 3 – May 17, 2021.

**10. When I enroll, when will the changes be effective?**

July 1, 2021

**11. Are there any changes as far as who I can cover under my insurance?**

No. As a reminder, employees may cover spouses and dependent children up to age 26 or up to age 29 if the child is a full-time student.

## **Health Plans Information**

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

The State continues to offer a plan with no premium for employee only coverage. However, we are also excited to provide you the opportunity to buy up coverage levels with the Lincoln, Jefferson, and Roosevelt plans to find a plan that best fits your individual situation.

**13. What will my premium be?**

The employee premium is different for each of the four health plans. Please note these premium options are contingent upon the legislature approving the Governor’s budget proposal during 2021 legislative session.

**24 Pay Periods**

	Washington	Lincoln	Jefferson	Roosevelt
Employee Only	\$0	\$12.25	\$44.89	\$57.14
Employee + Child(ren)	\$21.32	\$40.13	\$90.29	\$109.60
Employee + Spouse	\$48.02	\$74.50	\$145.12	\$171.60
Family	\$59.84	\$92.83	\$180.82	\$213.82

**12 Pay Periods**

	Washington	Lincoln	Jefferson	Roosevelt
Employee Only	\$0	\$24.49	\$89.79	\$114.28
Employee + Child(ren)	\$42.63	\$80.25	\$180.57	\$218.19
Employee + Spouse	\$96.04	\$149.00	\$290.24	\$343.20
Family	\$119.67	\$185.66	\$361.64	\$427.64

**14. Is there still a Tobacco Surcharge?**

Yes. The tobacco surcharge is still in place will still apply.

**15. How many tiers for coverage will there be for FY22?**

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

- Employee Only
- Employee + Child(ren)
- Employee + Spouse
- Family (Employee + Spouse + Child(ren))

**16. What does the change in age banding mean for me?**

The impact of removing the age-graded premiums varies, in general the premiums will be

slightly higher for employees under age 40 with the change to premiums based on coverage tier only.

**17. What if I want to opt-out?**

You will have the chance to opt-out of the South Dakota State Employee Health Plan if you provide proof of other creditable group health coverage, including TRICARE or Medicare. Please note Medicaid, Indian Health Services, or VA coverage are NOT considered creditable group health coverage for you as an employee. If you choose not to enroll your eligible family members, you will not be required to provide proof of other coverage for your family members.

Acceptable proof of coverage includes a Certificate of Creditable Coverage from your other insurance carrier.

**18. Will I still get a \$300 credit if I do choose to opt-out of the health plan?**

No. We will no longer be offering this credit for opt-outs.

**19. My spouse and I are both state employees. Can we still request a combined family deductible?**

Current law states that if married employees are both eligible to participate in the State’s benefits, they must elect their own coverage. Contingent upon the legislature approval during the 2021 Legislative Session, the State is requesting that married state employees be allowed to cover each other on the same plan. Therefore, there will no longer be a combined deductible.

**20. Will Generics be covered? How will I know which ones for which plan?**

Prescription drugs will be covered in a similar fashion to the current prescription coverage.

**21. Do both HDHPs still have the Preventive Therapy Drug list?**

Yes, the Washington and Lincoln plans both include the preventative drug benefit.

Pharmacy	30 day / 90 day	
	Generic	Deductible
Preventive Generic		\$0
Preferred Brand		Deductible
Preventive Preferred Brand		\$55 / \$137.50
Non-Preferred Brand		Deductible
Preventive Non-Preferred Brand		\$75 / \$187.50
Specialty Preferred		Deductible
Preventive Specialty Preferred		\$85
Specialty Non-Preferred		Deductible
Preventive Specialty Non-Preferred		\$110

**22. Will employees receive a list of their prescriptions again for FY22?**

A complete list of prescriptions will be available in the coming months.

**23. Does the co-payment for prescriptions go toward the deductible and or out of pocket max?**

The Jefferson and Roosevelt plan prescription co-payments will apply to the out of pocket

maximum, not to the deductible. There will not be a separate prescription deductible this year, nor a separate prescription out of pocket. The Lincoln and Washington plan prescriptions will apply to the deductible and coinsurance until the out of pocket maximum is met. The Preventative prescriptions that have a fixed dollar amount associated with them will apply to the Member's out of pocket maximum.

**24. Do the co-payments on the prescriptions go towards the Out-Of-Pocket Max? Co-Insurance?**

The Jefferson and Roosevelt plans co-payments will apply to the out of pocket maximum. Each time a copay is paid, that co-payment will apply to either the \$4,500 Roosevelt out of pocket or the \$4,000 Jefferson out of pocket.

**25. How will the new covered eye exam work? Will it be covered under a medical claim?**

Employees will receive one eye exam per year for each covered member of their family through the health insurance. Employees should inform their eye care provider of this benefit when making their appointment and present their health insurance card at the appointment. If an employee also has vision insurance, they should present both cards.

## **benefIT Well-Being Program Details**

**26. Am I still required to participate in the wellness program?**

Participation in the beneFIT well-being program is and always has been optional. The program is a part of your overall benefits package. Tools and resources are offered to help improve your overall well-being, focusing on physical, mental, social, emotional and financial health.

However, an incentive will be provided to employees who complete the health screening qualification, because we feel it is beneficial for you to know and understand your numbers. Employees who do not want to participate in the beneFIT well-being program will be able to enroll in any of the four health plan options.

**27. Do I need to complete the wellness qualifications to access one of the low deductible health plans?**

No. The low deductible health plans are available to anyone who wants to enroll in them.

**28. Is there an incentive for participating in the wellness program?**

If you and your covered spouse (if applicable) complete the health screening qualification by April 1, 2021, you will earn the incentive. The incentive for completing the wellness qualifications for this year will be based upon the health plan you select during open enrollment:

**Low Deductible Health Plan** - receive reimbursement of up to \$500 in a [Health Reimbursement Account \(HRA\)](#) to offset costs during the plan year. The completion of the wellness qualification is no longer required in order to select a low deductible health plan.

**High Deductible Health Plan** - receive the State contribution of \$500 into a [Health Savings](#)

[Account \(HSA\)](#), if eligible based on IRS rules. Employees who do not qualify for the HSA can choose one of the Low Deductible Health Plans and receive the HRA or choose a High Deductible Health Plan and decline the HSA.

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

A health screening is the only qualification required to earn the incentive. The health screening qualification can be completed in one of two ways:

- 1.) Participate in one of the on-site screening events offered, or
- 2.) schedule an annual wellness preventive exam with your primary health care provider, complete the health care provider form with your physician, follow the instructions on the form and submit to Total Wellness. If you and your covered spouse (if applicable) have met the health screening qualification and are eligible for the incentive, you will receive a confirmation email. You can also check your completion status at [benefit.staywell.com](https://benefit.staywell.com).

**30. Where can I learn more about the beneFIT well-being program?**

Go to <https://bhr.sd.gov/benefits/active/benefit/> to learn more about the beneFIT well-being program or go to [benefit.staywell.com](https://benefit.staywell.com) to access resources, set wellness goals, connect your tracking device and more.

**31. I cover my spouse on my health plan. Do we each receive the \$500 incentive?**

No. There is a flat incentive amount, which is outlined in Question 27 (above).

## **Tax Advantaged Account Information**

**32. What is the difference between an HRA and an HSA?**

A **Health Reimbursement Account (HRA)** is an employer-funded benefit that employees can use to reimburse out of pocket medical, dental and vision costs. Like a Flexible Spending Account (FSA), HRA's reimburse medical costs after they are incurred.

A **Health Savings Account (HSA)** is an individually owned medical savings account and can be funded by the state, the employee or both. The funds set aside can be used for qualified expenses. More information will be available soon.

**33. Can I still elect the Flexible Spending Account (FSA) 2021 limit even if I receive the \$500 in an HRA?**

Yes. Employees can elect up to the 2021 IRS maximum annual contribution of \$2,750 even if they are receiving reimbursement of funds in an HRA.

## **Flexible Benefit Plans Information**

**34. What will my employee dental premium be with the contribution from the state? Will the contribution be different for base and enhanced dental premium coverage?**

<b>Base Dental Plan Premiums</b>	<b>24 PP</b>	<b>24 PP</b>	<b>12 PP</b>	<b>12 PP</b>
<b>Coverage Level</b>	<b>Current</b>	<b>New 7/1/21</b>	<b>Current</b>	<b>New 7/1/21</b>
<b>Employee</b>	\$16.20	\$8.10	\$32.40	\$16.20
<b>Employee + Spouse</b>	\$32.35	\$24.25	\$64.70	\$48.50
<b>Employee + Child(ren)</b>	\$35.41	\$27.31	\$70.82	\$54.62
<b>Employee + Family</b>	\$51.56	\$43.46	\$103.12	\$86.92

<b>Enhanced Dental Premiums</b>	<b>24 PP</b>	<b>24 PP</b>	<b>12 PP</b>	<b>12 PP</b>
<b>Coverage Level</b>	<b>Current</b>	<b>New 7/1/21</b>	<b>Current</b>	<b>New 7/1/21</b>
<b>Employee</b>	\$26.17	\$18.07	\$52.34	\$36.14
<b>Employee + Spouse</b>	\$52.25	\$44.15	\$104.50	\$88.30
<b>Employee + Child(ren)</b>	\$53.28	\$45.18	\$106.56	\$90.36
<b>Employee + Family</b>	\$79.37	\$71.27	\$158.74	\$142.54

**35. Will the flex benefits premiums stay the same or increase?**

Premiums for flexible benefits, such as dental, vision, or accident insurance will remain the same. However, the state will begin subsidizing 50% of the employee-cost only for dental premiums. Please see above.

## **Effective Dates of Coverage Beginning July 1, 2021**

**36. What will the insurance effective dates and deadline dates for new hires be?**

Coverage begins the 1<sup>st</sup> of the month following date of hire. New hires will have 30 days to enroll.

**37. Will I still have 30 days to make changes to my health plan and flexible benefits after a qualifying event?**

Yes, you will still have 30 days to make changes to your health plan and flexible benefits after a qualifying event.

**38. If someone is hired on the 1st of a month, would they have insurance starting that day or the 1st of the next month?**

Coverage begins the 1<sup>st</sup> of the month following date of hire. For example, an employee begins work on August 1<sup>st</sup>. Their coverage would be effective on September 1<sup>st</sup>.

**39. If someone resigns on 12/23, and utilizes vacation time until 1/23, when would their coverage end?**

Because the employee is considered an active employee until January 23<sup>rd</sup>, coverage would end

on January 31<sup>st</sup>.

**40. If a new employee starts on the 30th of the month, would their insurance start in a day or two? Or would they have a 30-day waiting period?**

There would not be a 30-day waiting period. Coverage begins the 1st of the month following date of hire. For example, an employee begins work on August 30<sup>th</sup>, their coverage would be effective on September 1<sup>st</sup>.

**41. 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 will now 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 that they terminated. For example, if an employee terms as of September 15<sup>th</sup>, their coverage would end on September 30<sup>th</sup>.