



HEALTH MATTERS



A MONTHLY REPORT ON THE STATUS OF THE CITY OF CARMEL EMPLOYEE HEALTH BENEFIT PLAN

July 31 Balance	\$515,975		Dec 31, 2011 Balance	\$748,080
Total Revenues	\$882,216		Jan-Aug Revenues	\$7,809,422
Employer Premiums	715,108		Jan-Aug Expenses	\$7,907,580
Employee Premiums	159,279		Aug 31, 2012 Balance	\$649,922
Other Revenues	7,829			
Total Expenses	\$748,269		YTD Gain/(Loss)	(\$98,158)
Week 1 Claims	154,286			
Week 2 Claims	244,513			
Week 3 Claims	84,111			
Week 4 Claims	174,957			
Fixed Costs—Premiums	69,145			
Fixed Costs--Fees	21,257			
Monthly Gain/(Loss)	\$133,947			
August 31 Balance	\$649,922			

Coming Soon

Flu season is just around the corner. The City does intend to offer flu shots again this year. You will receive additional information once the dates and times are set.

Wellness screening will be held the first two weeks of November. If you are already a wellness member, or want to join the program, you must participate in the screening. Whether or not you choose to participate in the City-sponsored program, we encourage you to consider establishing some 2013 wellness goals for yourself. Healthy individuals make healthy organizations.

New Plan Option Available in 2013

As our health care environment continues to change, we need to change also. In addition to our PPO plan (Plan B), next year the City will offer a new option—a high-deductible health plan (HDHP). We want to take this opportunity to summarize some of the important features of this plan—more detailed information will be provided as we approach open enrollment in December.

As the name suggests, a high-deductible health plan is a health insurance option with a higher deductible and lower premiums than a more traditional health plan, such as Plan B. The HDHP is designed to help you be a better health care consumer. While you would pay significantly lower premiums for the HDHP, you would pay all medical costs out-of-pocket until the deductible is met. There are no copays. In other words, if you go to an in-network doctor for the flu, you would pay the full network-negotiated fee for that visit. If you get a prescription filled, you would pay the full amount for that prescription. This would continue until you meet the annual deductible.

The thought of paying the full cost for medical services up front is intimidating for many people; however, the "sting" is significantly reduced by pairing the HDHP with a health savings account (HSA). The HSA is a tax-sheltered savings account designed specifically to pay qualified out-of-pocket medical expenses, much like the medical flexible spending account available with Plan B. However, unlike the medical flexible spending account, the HSA is not use-it-or-lose-it. The account would be owned by you; any unspent balance would be carried over from year to year and would go with you if you leave the City's employ.

If you choose the HDHP option and open an HSA, both you and the City can make bi-weekly contributions to the HSA. These contributions, if carefully planned and managed, will go a long way toward covering the higher deductible of the HDHP. Unused funds in the account will accumulate over time and can be used to pay future medical costs, even after retirement. Excess funds in the account may also be invested to earn additional income for medical expenses.

The choice of a health plan for 2013 will be a challenge for everyone, so we encourage you to start thinking now about which plan is best suited for you and your family. We will provide more detailed information via email within the next week.

In addition, Sue Wolfgang will meet informally with employees, as part of Mobile HR, on the following dates:

- Tuesday, October 9th, 1:00-2:00 PM - Street Department Conference Room
- Wednesday, October 17th, 8:30-9:30 AM - Water Distribution Conference Room
- Tuesday, October 30th, 2:30-3:30 PM - Wastewater (shooting range)

These meetings are open to all employees, and will give everyone an opportunity to ask general questions about 2013 insurance changes. Then in November we will schedule more in-depth meetings for those interested in learning more about the HDHP and HSA.

One other thing to keep in mind, regardless of which insurance plan you chose: The Patient Protection and Affordable Care Act (PPACA) now requires that virtually all in-network preventive and women's preventive services be provided without cost to the employee. In addition, the City is planning to open an employee health clinic in early 2013, which will provide primary care services to the City's health plan participants at no cost. These new benefits will offset some of the higher costs of both Plan A and Plan B.