



MONTANA UNIVERSITY SYSTEM
OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION
Benefits Department

2500 Broadway Street ♦ PO Box 203203 ♦ Helena, Montana 59620-3203 ♦ (877) 501-1722 ♦ (406) 444-2574 ♦ FAX (406) 444-0222

October 23, 2015

To: Montana University System Benefit Plan Retiree Members

From: Montana University System Employee Benefits

Subject: IMPORTANT: Mid-Year 2016 Benefit Plan and Premium Changes

The Montana University System (MUS) Benefit Plan is your self-insured employer plan covering over 18,000 MUS employees, retirees, and their family members. As a self-insured plan we are funded by a combination of contributions as determined by the Montana Legislature and plan member premiums. We are responsible for providing health care coverage for you and your family members in accordance with state and federal laws and provisions.

During 2015 the MUS Benefit Plan saw a number of adverse factors converge, resulting in a drop in our financial reserves that are used to pay claims. Prior to 2015 we had very favorable experience in our benefit plan and built excess financial reserves. We chose to use that excess to help hold down or subsidize premiums for our plan members beginning in July 2015.

After those changes were implemented, we saw an increase in our health care costs, including some of the highest cost claims in our history. Since inception the MUS Benefit Plan has only had four claims exceeding \$1M per year - three of those claims happened during the 2015 plan year. We are also seeing increases in other cost areas, such as hospital care, as well as increases in health care utilization.

This “perfect storm” combination of higher costs and lower revenues mean that we need to make some changes in order to ensure that the plan remains healthy and able to serve MUS members well into the future. Therefore we will be taking steps beginning December 31, 2015 to restore the plan finances, including implementing the following mid-year benefit adjustments:

Benefit Description	Benefit through December 30, 2015	Change as of December 31, 2015
Copayments		
Office Visits (non-specialty)	\$15	\$25
Specialty Visits	\$15	\$40
Emergency Room Facility Visits	\$125	\$250
Urgent Care Visits	\$50	\$75

Benefit Description	Benefit through December 30, 2015	Change as of December 31, 2015
Copayments (cont.)		
URx Copays	Tier A (retail/mail) \$0/\$0 Tier B (retail/mail) \$15/\$30 Tier C (retail/mail) \$40/\$80 Tier D (retail/mail) 50 % Tier F (retail/mail) 100%	Tier A (retail/mail) \$0/\$0 Tier B (retail/mail) \$25/\$50 Tier C (retail/mail) \$60/\$120 Tier D (retail/mail) 50 % Tier F (retail/mail) 100%
URx Specialty Copays	Specialty \$50/Specialty \$200	Specialty \$150/ Specialty \$300
Deductible		
Increase In-Network Deductible	\$500 (individual)/\$1,000 (family)	\$750 (individual) / \$1,500 (family)
Out-of-Pocket Maximums		
Increase In-Network Medical OOP	\$3,500 (individual)/\$7,000 (family)	\$4,000 (individual)/\$8,000 (family)
Increase Rx Out-of-Pocket	\$1,650 (individual)/\$3,300 (family)	\$2,150 (individual)/\$4,300 (family)
Other Benefit Adjustments		
Infertility Treatment	Covered – See Summary Plan Description for details	Not covered – plan exclusion
Vision Hardware Benefit	See full description at www.choices.mus.edu/Vision.asp (frames, lenses and contacts subject to copayments)	\$300 frames and lenses maximum annual allowance / \$150 contacts maximum annual allowance, in lieu of frames and lenses

However, mid-year benefit changes alone are not sufficient to restore financial stability to the plan. As a result, we will be making **premium changes to our non-Medicare and Medicare retiree Choices members** which will go into effect January 1, 2016.

The premiums will be as follows for medical:

Montana University System Benefit Plan – Medical Rates							
2015/16 Renewal Rates	Pacific Source HMO	BCBS HMO	Allegiance Managed Care HMO		Pacific Source HMO	BCBS HMO	Allegiance Managed Care HMO
	Rates July 1 – December 31, 2015					Rates January 1 – June 30, 2016	
Non-Medicare Retirees							
Retiree Only	\$722	\$646	\$660		\$830	\$743	\$759
Retiree + One	\$1,199	\$1,073	\$1,096		\$1,379	\$1,234	\$1,260
Retiree + Two or More	\$1,438	\$1,286	\$1,314		\$1,654	\$1,479	\$1,511
Retiree + Spouse*(mp)	\$736	\$659	\$673		\$846	\$758	\$774
Retiree + Spouse* (mp) +Children	\$970	\$868	\$887		\$1,116	\$998	\$1,020
Survivor	\$722	\$646	\$660		\$830	\$743	\$759
Survivor + Children	\$889	\$795	\$813		\$1,022	\$914	\$935

Montana University System Benefit Plan – Medical Rates (cont.)							
2015/16 Renewal Rates	Pacific Source HMO	BCBS HMO	Allegiance Managed Care HMO		Pacific Source HMO	BCBS HMO	Allegiance Managed Care HMO
	Rates July 1 – December 31, 2015				Rates January 1 – June 30, 2016		
Medicare Retirees							
Retiree Only*	\$310	\$278	\$284		\$357	\$319	\$326
Retiree* + One	\$736	\$659	\$673		\$847	\$757	\$774
Retiree* + Two or More	\$970	\$868	\$887		\$1,115	\$998	\$1,020
Retiree* + Spouse*(mp)	\$495	\$443	\$453		\$569	\$509	\$521
Retiree* + Spouse*(mp)+Children	\$680	\$608	\$622		\$782	\$699	\$715
Survivor*	\$310	\$278	\$284		\$357	\$319	\$326
Survivor* + Children	\$440	\$393	\$402		\$506	\$452	\$462

MUS retirees who are eligible and enrolled in the MUS Medicare Advantage Program through New West will not see a change to their premiums prior to July 1, 2016.

We will also continue to monitor the plan and review benefits with a potential to make further benefit and premium adjustments July 1, 2016.

Retirees may also wish to take an opportunity to research coverage and premium costs on the Montana Health Care Exchange (for non-Medicare retirees) or Medicare Supplement and Medicare Advantage Plans offered commercially.

The Montana Health Insurance Exchange open enrollment season runs from November 1, 2015 through January 31, 2016. You may find information on this option at www.HealthCare.gov or by calling 1-800-318-2596.

The Medicare Open Enrollment season runs from October 15 – December 7, 2015. Information can be found on Medicare options by visiting www.Medicare.gov or calling 1-800-MEDICARE. In addition, the State Health Insurance Program (SHIP) through the Montana Department of Health and Human Services offers assistance to individuals seeking information, counseling, and advocacy regarding Medicare coverage. They may be reached at 1-800-551-3191 or they can direct you to a counselor in your area.

Frequently Asked Questions – FAQs

1. **Can I make new benefit plan elections beginning December 31, 2015?** – No. These changes do not meet the IRS definition of a “qualifying event” required for a participant to modify their benefit election mid-year.
2. **I am a Medicare retiree. Can I change from the MUS Medicare Choices retiree coverage I have and enroll in New West MUS MAP on January 1?** – Potentially, however it requires prior approval from Medicare to permit the change. Please contact the MUS Benefits Office at (877) 501-1722 or email us at benefit@montana.edu.

3. **I am a retiree and I am considering enrolling in another plan. Can I come back on the MUS retiree Choices program next year if I don't like it?** – Currently the MUS only offers a one-time opportunity to come back, known as a “retreat right”, if you enroll in the MUS Medicare Advantage Plan through New West.
4. **Why aren't these benefit changes being made July 1, 2016?** – Waiting to reduce costs and increase revenue means that we will incur even bigger losses by June 30, 2016; those in turn need to be funded in order for us to maintain sufficient funds to pay claims. In order to lessen the ultimate impact of the costs on our employees, we are starting to make smaller program changes earlier in lieu of even larger adjustments in July.
5. **Aren't there any other benefit cuts you can make to help reduce our premiums? For example, suppose I am a man and don't need mammograms, why am I charged for them?** – The Affordable Care Act substantially limits the amounts and types of benefit changes we can make while complying with the Essential Benefit provisions of the law. In general, insurance coverage is provided for all plan members with the understanding that you may use certain services and your co-worker may have different needs. However, you jointly participate in helping to fund the benefits that you respectively use as MUS Plan members.

If you have questions or need additional information, we encourage you to contact the MUS Employee Benefits office at 1-(877) 501-1722 or email us at www.musbenefits.edu.

Sincerely,



Connie Welsh,
Director of Benefits
Montana University System Employee Benefits