



Maine Municipal Employees Health Trust

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www.mmeht.org

IMPORTANT NOTICE

To: Mr William Bridgeo, City Manager
City of Augusta
From: Diane Barnes, Chair, Board of Trustees
Date: November 4, 2016
Re: 2017 Health Trust Rate Announcement – Rated Groups

The Maine Municipal Employees Health Trust (MMEHT) Board of Trustees has established 2017 rates for its health, dental, life, vision, income protection, and long term disability plans. These rates will take effect on January 1, 2017. The Health Trust will mail a separate general rate and benefit plan change announcement to all Health Trust participants within the next few weeks.

This notice contains the following important announcements and information:

- **2017 Rate Adjustments by Benefit Plan Type**
- **2017 Rate Adjustment – Medicare Retirees**
- **2017 Health Plan Benefit Changes**
- **Health Trust Wellness Programs**

2017 Rate Adjustments – All Plans

The Health Trust announces the following 2017 rate adjustments by benefit plan type:

- 1. Health Plans**
For City of Augusta: 13% increase for POS A and POS C plans
15% increase for POS 200, PPO 500, PPO 1000,
PPO 1500 and PPO 2500 plans
- 2. Dental Plan** 3% increase (all groups)
- 3. Life Insurance Plan** No adjustment (all groups)
- 4. Vision Insurance Plan** No adjustment (all groups)
- 5. Income Protection Plan** No adjustment (all groups)
- 6. Long Term Disability Plan** No adjustment (all groups)

These rate adjustments will become effective January 1, 2017.

Over 450 employer groups participate in one or more of the Health Trust health plans. Groups with more than 50 covered employees are referred to as “Individually Rated Groups”. At the present time, 46 individually rated groups participate in the Health Trust. **Health plan premiums for the Individually Rated Groups (groups with more than 50 covered employees) will receive increases ranging from a minimum of 5% for the POS A and POS C plans and 7% for the POS 200 and all PPO plans, to a maximum of 13% for the POS A and POS C**

plans and 15% for the POS 200 and all PPO plans. Rate adjustments for the Individually Rated groups depend in part upon the group's own claims experience, and in part upon the experience of the Health Trust as a whole.

Each year, the Health Trust Board works with its actuary, benefit advisors, and staff to examine plan costs and set rates. This is accomplished by looking at the Health Trust's past claims experience, as well as future inflation trends that take into account increasing use of medical services, technology, prescription drugs, and cost shifting from underpayment of services by Medicaid and Medicare.

For 2017, combining factors for healthcare and pharmacy trends and actual Health Trust claims experience resulted in an indicated average rate adjustment of 11.99%. In an effort to reduce the financial impact of such an increase on Trust employers and employees, the Health Trust Board of Trustees voted to use a portion of the Health Trust reserves to lower the rate adjustment to an overall Trust-wide average of 9.25%. This increase will apply to the POS A and POS C plans offered by non-rated groups. Individually rated groups (including **City of Augusta**) will receive separate rate adjustments based partly on their own experience, as noted above.

As the lower-cost health plans (the POS 200 and all of the PPO plans) continue to grow, and their experience becomes more credible, the Trust's actuary has determined that they continue to be underpriced, based upon actual claims experience by plan. Because of this underpricing, as well as the higher medical trends projected for the PPO plans, the Trustees voted to increase premiums for those plans by an additional 2%. This surcharge is reflected in the rate adjustments listed on the first page of this memo.

The Health Trust is able to apply funds from the reserves to lower rates for 2017 because it is financially strong. However, it is important to realize that these reserves are not unlimited, and the Trust must continue to maintain enough in the reserve account to provide stability in the future. The Health Trust is faced with significant expenses, including over \$2 million in fees each year to support programs through the federal Affordable Care Act. These fees are projected to continue into the future, and may even increase, which will affect the Trust's available reserves.

2017 Rate Adjustment – Medicare Retirees

The Health Trust is one of the few providers of health benefits in the state of Maine that will continue to cover employees as part of the group, even after they have retired. Eligible retirees under the age of 65 are eligible to continue the same coverage as active employees. Retirees age 65 and over, or those eligible for Medicare, are eligible for the Health Trust's Retiree Group Companion Plan coverage. This plan includes full prescription drug benefits, with the same prescription drug coverage as the active employee plans. Prescription drug costs currently make up about 70% of the total plan costs for the Medicare retirees participating in the Health Trust plan.

Because the premiums for these Medicare retirees are currently based in part upon the annual rate adjustments for the employer groups from which they retired, the monthly premiums for Medicare retirees vary widely. The Health Trust Board has determined that it is in the best interests of these retirees, and of the Trust as a whole, for these premiums to be brought more in line with actual claims experience for the entire group of Medicare retirees, rather than tying the annual rate adjustment for the retirees to the experience of the active employees. As a result, premiums for the Medicare retirees will be increasing in 2017, but not at the same percentage as premiums for active employees.

The Health Trust began the process of equalizing the monthly premiums for all Medicare retirees in 2016, and is continuing this process with the 2017 rate adjustments. Medicare retirees who retired from **City of Augusta** will receive a rate increase of **11%**.

Health Plan Benefit Changes for 2017

The following plan benefit changes will be effective January 1, 2017.

Emergency Room Copays

Effective January 1, 2017, the **Emergency Room copay for all POS and PPO plans will increase by \$50**. Use of emergency room services by Health Trust health plan members is very high, and a significant percentage of those emergency room visits are for non-emergency reasons such as sore throats, coughs, colds, skin rash, conjunctivitis, and ear infections. The average cost for an emergency room visit has increased greatly over the past several years, and this has continued to be a large claims expense for the Health Trust. For this reason, and in an effort to decrease the number of non-emergency visits to the emergency room, the Health Trust is increasing the copay for emergency room services, to **\$150 per visit for the POS plans and \$200 per visit for the PPO plans**.

We understand that this increased copay expense may pose a hardship for some members. We encourage members to use one of the Walk-In Clinics in Anthem's network whenever possible rather than going to the emergency room. Members who use a participating Walk-In Clinic will only be charged the Specialist copay for whichever plan they are in, rather than the higher emergency room copay. A current list of participating Walk-In Clinics may be found on the *What's New?* page of the Health Trust's website, www.mmeht.org.

We also encourage participants in the Health Trust health plan to enroll in Anthem's LiveHealth Online feature, which allows members to talk to a doctor online through a live video. Members can log on, choose a doctor from a list of health services providers, and ask questions, any time, day or night. To use LiveHealth Online, members will need to log on to livehealthonline.com, and set up an account. The member's credit card will be charged the appropriate office visit copay for each time the member speaks with a LiveHealth Online doctor.

Members may also wish to use the free NurseLine service available through Anthem. This service allows members to speak with a registered nurse about any health concern. Nurses can answer questions and/or provide suggestions on where the member should go to receive care. The NurseLine may be accessed by calling 1-800-607-3262 (toll free).

Some of the most common uses for the LiveHealth Online and NurseLine services are for questions relating to cold or flu symptoms, headaches, allergies, and other family health issues. Many of the emergency room visits by Health Trust members are related to these symptoms. When members use LiveHealth Online, or when they call the NurseLine, both the Health Trust and its participants can save money. LiveHealth Online and the NurseLine are not meant for emergency situations – members should call their doctor or 911 in an emergency.

Prescription Drug Copays

Effective January 1, 2017, **all** Health Trust medical plans (POS, PPO, and Retiree) will see the following changes:

Elimination of "two copays for a 90 day supply" at retail pharmacies.

Effective January 1, 2017, members will be charged a copay for each 30-day supply of medications purchased at a retail pharmacy (that is, three copays for each 90-day supply). Members who purchase their medications through Anthem's mail order pharmacy, on the other hand, will only have to pay two copays for that same 90-day supply.

By requiring members to pay three (3) copays when purchasing a 90-day supply of medications at the retail pharmacy, but only two (2) copays when purchasing a 90-day supply via mail order, the Trust hopes to encourage more members to use the mail order program for their prescription drugs. There is no dispensing fee charged to the Trust for prescriptions purchased via mail order, and there is a greater discount on the price of medications purchased via mail order, so such a change could provide substantial savings to the plan.

Information on how to fill prescriptions via mail order will be sent to all Health Trust participants as part of their 2017 rate letters. It will also be included in this winter's *Wellness Works* newsletter. Although the copay change

does not take effect until January 1, 2017, we encourage members who are currently filling 90-day prescriptions at the retail pharmacy to consider switching to mail order now. By making the change now, members will be assured of receiving the lower copay via mail order in 2017.

Adoption of a 15-day split fill program for specialty medications.

This program applies only to new prescriptions for a small list of specified specialty medications for treatment of cancer, multiple sclerosis, iron toxicity, neurological disorders, and blood cell deficiency. Members will receive 15-day supplies of their medications for the first two months. The member will only be charged a partial copay for each 15-day supply, and the plan will only pay for 15 days' worth of medication for each partial fill. At the end of the two month trial period, if the member is able to tolerate the medication, they will then transition to a 30-day supply. This program will only apply to members filling their specialty medications through Accredo, as Apothecary by Design already has a similar program in place.

Transgender Surgery

In compliance with the Non-Discrimination provision of the federal Affordable Care Act, effective January 1, 2017, all of the Health Trust health plans will remove the exclusion for transgender surgery.

Health Trust Wellness Programs

For over twenty-five years, the Health Trust has provided **health education and promotion programs** to Health Trust health plan participants. These programs, which range from health education classes held at the worksite, to grant programs for employer-sponsored wellness programs, to newsletters and bulletins, can help your employees and their dependents to stay healthier and more productive in the workforce. The Health Trust recommends these wellness programs as an important tool to help keep claims costs down and health insurance premiums at a reasonable level.

We encourage you and your employees to take advantage of the Health Trust's health education and promotion programs. We can help improve the health status of your employees and control costs with wellness offerings aimed at modifying health risk factors such as smoking, obesity, poor nutrition, stress, and sedentary life styles. We encourage you to contact the Health Trust's Wellness Works staff at 1-800-452-8786 for more information.

As a member of the Health Trust, you are part of a group self-insured plan that is committed to providing its employer groups and participants with superior customer service and quality benefit plans, and to using its strength in numbers to take full advantage of cost saving opportunities in the health care market, today and in the future. **The Board of Trustees appreciates your commitment to the Trust.**

If you have any questions about the information contained in this notice, or if you would like additional information about any Health Trust program, please contact Anne Wright, Director, Health Trust Services, or Kristy Gould, Assistant Director, Health Trust Services, at 1-800-452-8786.

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Maine Municipal Employees Health Trust

MONTHLY RATES
EFFECTIVE DATE: JANUARY 1, 2017

AUGUSTA

RATED GROUP

	POS-A Traditional	POS-C Comprehensive	POS-200	PPO-500	PPO-1000	PPO-1500	PPO-2500
Single Person	\$981.07	\$863.32	\$762.55	\$734.90	\$703.85	\$641.73	\$587.98
Employee & Spouse	\$2,200.45	\$1,936.40	\$1,710.36	\$1,648.31	\$1,578.67	\$1,439.36	\$1,318.83
Employee & Child(ren)	\$1,600.60	\$1,408.52	\$1,244.13	\$1,198.98	\$1,148.31	\$1,046.99	\$959.32
Family	\$2,200.45	\$1,936.40	\$1,710.36	\$1,648.31	\$1,578.67	\$1,439.36	\$1,318.83

Retiree (with Medicare) - Retiree Group Companion Plan

Single Person	\$479.34
Two Person	\$958.68

¹ Dental

Single Person	\$42.10
Employee & Spouse	\$72.67
Employee & Child(ren)	\$138.70
Family	\$133.36

² Vision

Single Person	\$5.31
Employee & Spouse	\$10.62
Employee & Child(ren)	\$11.37
Family	\$18.18

Income Protection Plan (short term disability)

Employee may select 40%, 55% or 70% of annual salary
\$2.04 per month for each \$100 of monthly coverage

Long Term Disability

³ Employer Paid: \$0.40 per \$100 of covered payroll

⁴ Employee Paid: Age banded

Life Insurance

Basic Life (including AD&D) \$0.30 per \$1,000 of coverage, per month
No cost if enrolled in health insurance

Supplemental Life \$0.30 per \$1,000 of coverage, per month

Dependent Life	Option A	\$1.50
	Option B	\$3.20

1 - Dental coverage has no minimum participation requirement

2 - Vision coverage has no minimum participation requirement

3 - Long Term Disability must have 100% enrollment if employer-paid

4 - Long Term Disability requires minimum 25% enrollment if employee-paid

