What is the Task Force's recommendation for plan changes in the 2018-2019 Fiscal Year?

Based on our research and consultations about employee impact and potential cost savings, we support the Town Manager's recommendation that we add a deductible of $250 ($500 for families). This means that the only change to our plan would be:

- In certain situations, such as surgery, inpatient hospital stays, imaging (CT, MRI, etc.), and births, or for certain facility fees, the patient would be responsible for paying up to $250 ($500 for families). Once you paid that amount out of pocket, BCBS would cover the rest. Copays do not count toward the deductible, and you would still pay copays even after meeting the deductible.

We have consulted for several months and studied a great deal of data to come to this decision to support the Town Manager, but it wasn't easy. No one wants to add a deductible, but in the end we feel it is the best option.

- The recommended plan changes would keep the town from spending over $500,000 in premium costs for this year, and decrease the amount of money employees have taken out of their paycheck for dependent coverage or for part-time employee cost-sharing.
- <u>It will actually result in no additional premium costs to the Town or for those Employees/Pre-65 Retirees who carry dependents for this Plan Year.</u> During the past few years, although the Town has absorbed the increase for Employees and Pre-65 retirees, those Employees and Pre-65 Retirees who carried dependents under our plan had to pay out more for the increases.
- Only around an estimated ⅓ of employees would ever pay even $1 of the deductible. Even fewer would pay all of it, because most people on the plan are healthy and would not need services that require a deductible, like imaging and surgeries. We feel this is better than having an increased copay, which would not give the Town enough savings to invest in Wellness@Work programs, and would impact almost every single employee.
- Employees can use their Flexible Spending Accounts to pay for deductibles, if they occur. FSAs are taken pre-tax so it saves the employee money. A portion of the FSA money can roll over to the following year if not used.
- We had hoped that we could save money in premium costs that can be reinvested in Wellness@Work programs that would help employees manage their health better, which means decreased future claims--which means BCBS would not be as likely to increase our premiums by as much in the future. If we don't invest in long term solutions, we will find ourselves in the same situation as soon as next year. The decision to recommend the lower deductible plan was based on the fact this is something new for employees, dependents and pre-65 retirees. We did not want to penalize employees additional costs while they navigated a new way of managing their health care.