
Open Enrollment for 2023 Benefits

*Joint Meeting - Administrative & Professional Assembly
and Staff Council*

October 19, 2022





Remember These Dates

- Open Enrollment begins: Oct. 24 (*This is one week earlier than previous years.*)
- Virtual Benefits Fair webinars: Nov. 7-9
- Open Enrollment ends: Nov. 30, 4:45 p.m.



Open Enrollment Basics

During Open Enrollment, you will have the opportunity to:

- Enroll in coverage
- Cancel existing coverage
- Update benefit elections

-Effective Jan. 1, 2023



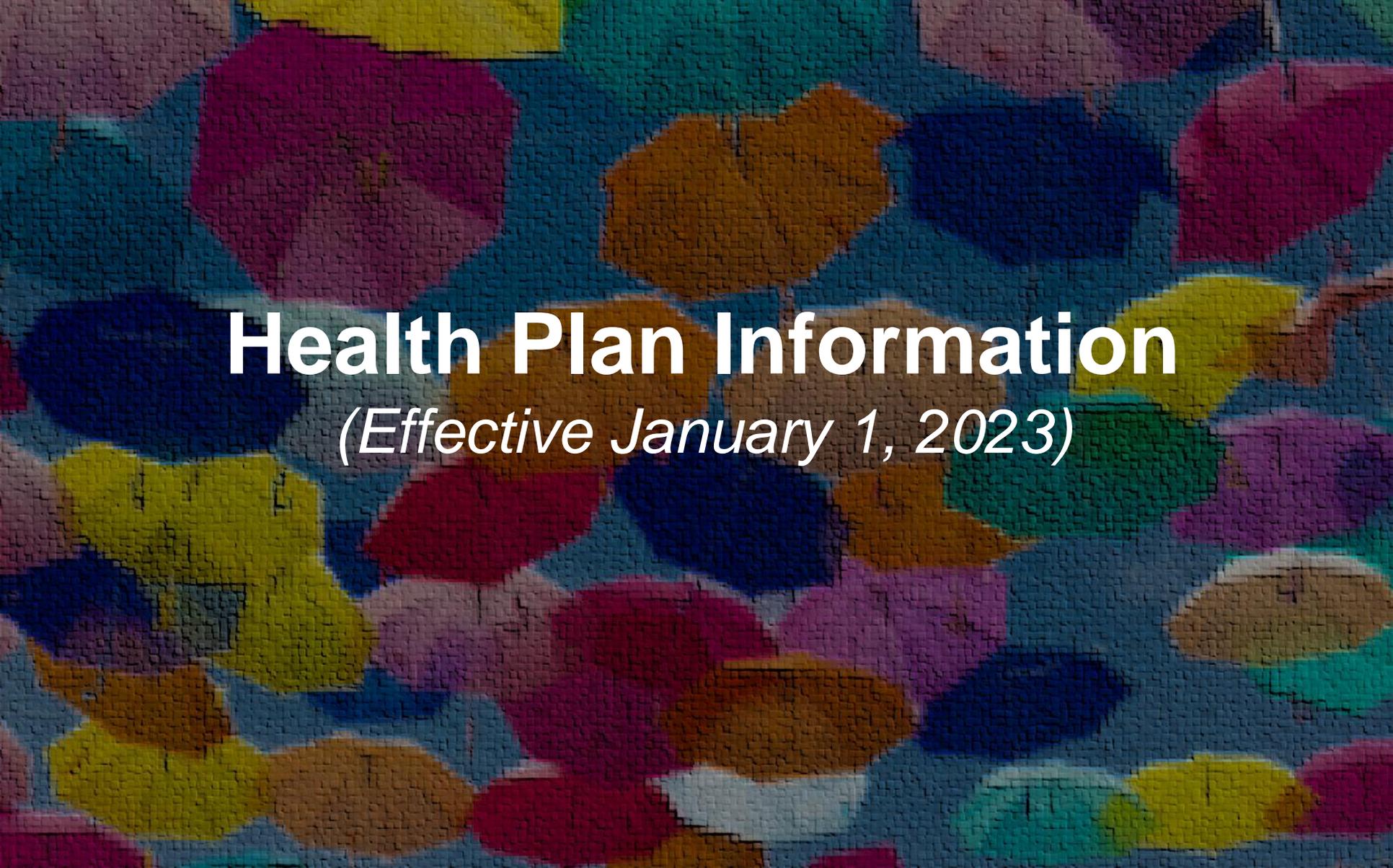
Enroll Online

- By next week, additional Open Enrollment information will be available at aub.ie/oe2023.
- Open Enrollment packets will **not** be mailed to employees.
- However, postcard reminders will be mailed to employees.
- Required notices will also be mailed to employees in mid-November.

Benefits Enrollers

- You must select your benefits via AU Access.
- Benefits enrollers will be available at the East Glenn Administrative Complex twice per week during OE.
- Please schedule an appointment for a face-to-face and/or phone meeting, to be held at a dedicated time. A scheduler link will be available at aub.ie/oe2023.
- You can also call 833-203-4283 to schedule an appointment.





Health Plan Information

(Effective January 1, 2023)



Our Health Insurance Plan

- Our plan is self-insured and administered by Blue Cross and Blue Shield of Alabama.
- We have a rich plan that includes:
 - 100% co-insurance
 - Low provider/facility co-pays
 - Direct access to specialty care



Sustainability Challenges

We continue to experience cost increases due to the following:

- Delayed care from COVID-19
- An aging population
- Health care reform
- Medical technology and services
- Specialty prescription drugs



Increasing Claims

- High-cost claimants (\$100,000) have increased by 32% from 2021.
- Several of these claims are approaching \$1 million.
- In the 2023 plan year, AU Health Plan claims and expenses are projected to approach \$69 million -- a \$7 million increase.



No Longer Sustainable

- We have had minimum premium contribution increases.
- We have gathered all of the “low-hanging fruit” with our plan design changes.
- We knew we would get to a place where we would hit our budget ceiling, and our plan would no longer be sustainable as it is solely funded by employer contributions and employee premiums.

Health Plan Costs 2016-23

AU Health Plan Costs (in Millions)





Premium Increases

- Cost measures are required to ensure our plan remains sustainable and that we can continue to offer our rich benefits to plan holders.
- We worked with our consultants (Blue Cross and Blue Shield of Alabama, along with Lockton) to determine how much extra funding is needed just to sustain our plan.
- A 13% rate increase is recommended. However, we need to place the rate increase where the greatest costs have been incurred.

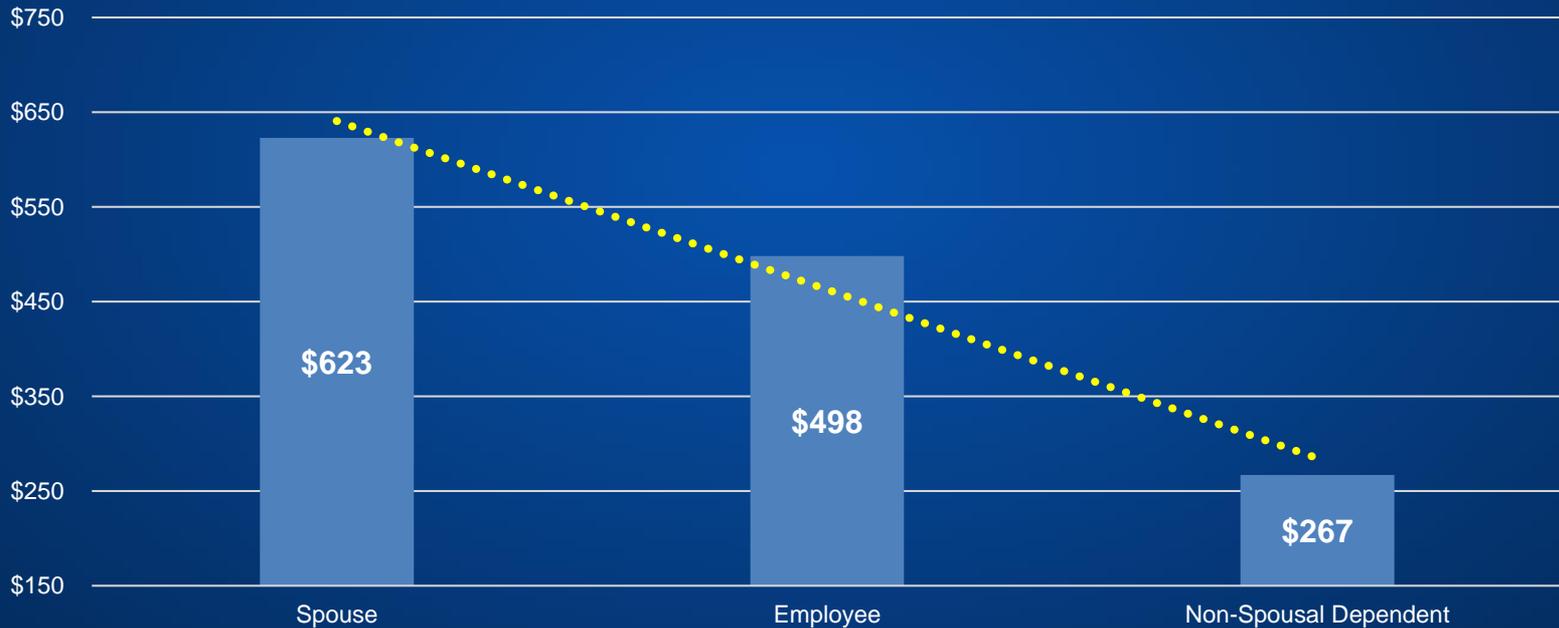


Spousal Category Concerns

- 23% of our plan members are the spouses of AU employees.
- However, spouses make up nearly 40% of our health plan's costs.
- Approximately 38% of our high cost claimants are spouses.

Spousal Costs

Average Monthly Cost for Our Plan (March 2021-February 2022)





Our Options

- We could have considered spousal surcharges, spousal carve-outs or paid for employees to take their spouse's or another plan.
- We could have increased our Tier 2 rates by up to 50% and our Tier 3 rates by up to 15% across all categories.
- However, we have chosen to pass on the largest increases to categories with spouses, where the greatest costs have been incurred.



New Factor Ratios

Category	Current Ratio	*New Ratio
Employee	1.00	1.00
Employee + Spouse	2.16	2.80
Employee + Child(ren)	1.90	1.90
Family	2.47	3.00

** Effective Jan. 1, 2023*

Tier 2 Rates

\$40,799 Annual Salary or Below

Employee Type	Individual Coverage	Employee + Spouse	Employee + Child(ren)	Family Coverage
Biweekly	81.84	229.15	155.49	245.52
Monthly	177.32	496.49	336.90	531.95
18-Pay	115.97	261.67	220.36	303.47
Monthly Increase	3.36	103.98	6.38	76.74

Tier 3 Rates

\$40,800 Annual Salary or Greater

Employee Type	Individual Coverage	Employee + Spouse	Employee + Child(ren)	Family Coverage
Biweekly	107.82	301.89	204.86	323.46
Monthly	233.61	654.10	443.86	700.83
18-Pay	155.74	436.07	295.90	467.22
Monthly Increase	1.65	130.76	3.15	93.91



Your Options

- Consider the health insurance plan of your spouse's employer.
- Review the Health Insurance Marketplace.
- If you and your spouse both work at Auburn:
 - You and your spouse could both select “Employee-only” coverage.
 - If you have children, you could select “Employee-only” coverage and your spouse could select “Employee + Child(ren)”, or vice versa.



Future Strategies

- Elimination of salary Tier 2
- Level funding rate of our PPO plan
- The addition of another health plan option – a High Deductible Health Plan



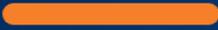
Plan Design Change

- Our only plan design change is an increase in the annual out-of-pocket maximum:
 - Single \$9,100
 - Family \$18,200



Prescription Drugs

- Prescription drug co-payment tiers/coverage will remain the same in 2023.
- Participation in the TigerMeds program (AU Employee Pharmacy) will eliminate your co-pay for certain Tier 1 generic prescriptions, and will reduce your co-pay for certain Tier 2 generic prescriptions.
- Smart Rx-Patient Savings Program
- Learn more at auburn.edu/tigermeds.



Healthy Tigers

- Healthy Tigers is Auburn University's employee wellness program.
- Eligible employees can receive a discount of up to \$600 annually if they and their spouse/sponsored adult dependent (SAD) both participate in the program and complete all program requirements (\$300 for the employee and \$300 for the spouse/SAD).
- More info: aub.ie/healthytigers



Dental and Vision Plans

- For the fifth year in a row there will be no premium/cost increases for the dental and vision insurance plans.
- Annual full-time student certification is no longer required for dependents ages 19-24 covered on dental and/or vision plans.



Flexible Spending Account



Flexible Spending Account

- Auburn University offers a Flexible Spending Account, or FSA.
- This is an IRS-approved account that allows elections on a pre-tax basis to pay for eligible out-of-pocket health care and/or dependent care costs.
- You do not pay taxes on this money.



Flexible Spending Account

- The annual limit that can be deferred into an FSA Medical Spending Account for 2023 is \$2,850.
- The Dependent Care Spending Account annual limit is \$5,000.
- Employees must enroll online by Nov. 30, at 4:45 p.m.
- **You must reenroll in this plan annually.**
- **UPDATE:** Medical spending accounts will allow a carryover of \$570 into the next plan year. (Up from \$550)



Voluntary Insurance Plans



Whole Life Insurance

- Whole life insurance is changing providers, from Colonial Life to Mass Mutual with guaranteed issue.
- Colonial Life policies can be continued on a bank draft.



Additional Insurance Products

- Group Cancer Insurance through Colonial Life, with guaranteed issue
- Group Critical Illness Insurance through Colonial Life, with guaranteed issue
- Term Life Insurance through The Standard
- Long-Term Disability Insurance through The Standard



Virtual Benefits Fair



Virtual Benefits Fair

- The Virtual Benefits Fair website will launch by Nov. 1.
- The website will feature information about insurance plans, retirement plans, wellness opportunities and other campus resources.
- Webinars will take place Nov. 7-9.
- “Door prize” drawings will also be offered.
- More information: aub.ie/benefitsfair



In Closing

- Additional information will be shared on aub.ie/oe2023. (The website will launch by Oct. 24.)
- Benefits enrollers are available to assist employees. (More information is available at aub.ie/benefits.)
- Open Enrollment ends on Nov. 30, 2022, at 4:45 p.m. **No applications or changes will be allowed after this time!**



Questions?

- Visit aub.ie/oe2023.
- Contact Auburn University Human Resources at 334-844-4145 or email benefit@auburn.edu.