



benefits *U*

A FLEXIBLE BENEFITS PROGRAM UNIQUE TO U

2022-2023

A Health Care Program for **You**

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A HEALTH CARE PROGRAM FOR YOU

Health care and other insurance benefits are a significant portion of your compensation, as well as a special benefit that acknowledges your contributions to the success of Davenport University. Davenport strives to provide employee benefits that are competitive in our industry and fit the needs of unique individuals.

As the name implies, the Benefits U program is just that – a program designed with each of you and your different needs in mind. We believe a health care plan should meet the individual needs of employees. The best way to achieve that goal is with a flexible program that allows you to make choices.

Each year, the University benchmarks the benefits offered by other higher education institutions, reviewing national and state data to ensure our benefits program is competitive. When comparing Davenport University's benefit package to other institutions, our Benefits U program has high quality benefits offered to employees at very reasonable rates.

The Davenport Benefits U program is a comprehensive package of benefits that goes beyond medical insurance to cover a range of concerns – dental, vision, life, disability, tuition and retirement.

Please carefully review the information in this guide to aid your enrollment decision-making.

Additional Resources:

- Davenport University Benefits U website
- Summary Plan Descriptions
- Plan Descriptions
- Summary Benefits of Coverage



In considering the cost of any program, we must take seriously our responsibility to be good stewards of our students' tuition dollars. We have taken the opportunity to create a competitive benefits package and at the same time stem the rate of cost increases without sacrificing quality.

Insurance is a benefit for each employee, and each of you can play a role in ensuring we continue to contain costs and provide the highest-quality benefits possible. You can play a significant role by caring for your health, maintaining timely preventive medical care, and being informed consumers. The choices you make have an impact on costs to the University and to you.

YOUR ROLE

This booklet provides you with the information and tools you need for enrollment. You play an important role to ensure a successful enrollment process. The main portion of the booklet covers each plan option in detail, as well as any cost-related information.

Review Benefits U Guide – After reviewing this booklet, enroll online on the Benefits U website during your initial 30 days from hire or during open enrollment.

Open Enrollment – This is the time to review your health plan choices and life insurance amounts as well as update your dependents for the medical, dental, vision and optional life insurance plans. This is also a good time to make sure your beneficiary information is up to date.



BENEFITS U – FLEXIBLE BENEFIT PLANS

The Davenport University Benefits U program allows you to have a role in decisions that affect your health and financial wellbeing.

Along with compensation and other related benefits, the Benefits U program helps in meeting your unique needs.

Benefit needs can vary depending on your age, your personal situation, marital status, or if you have dependents. Benefits U lets you customize your benefits to best suit the needs of you and your family.

The Benefits U program is designed to offer the types of benefits you need while giving you the opportunity to choose the level of coverage and combination of plans that you want. Benefits under these plans include the following:

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Preventive health benefits such as physicals, well child visits and immunizations are covered under this plan. When using a BCBS provider, a physician's office and medical center visits are covered with a simple co-payment without having to first satisfy your deductible. You do not have to choose a primary care physician, and there is no need for a referral prior to visiting a specialist. Other medical needs provided by BCBS providers (x-ray, lab, etc.) are covered at 80% after satisfying the annual deductible (see Comparison Chart on page 12).

Providers in the network are screened to ensure they meet strict quality guidelines.

Because your provider cannot bill you more than your deductible or co-insurance, your portion of the total charges and your out-of-pocket costs may be lower.

You have less paperwork because your provider submits your claims for you. You also maintain the freedom to receive care outside the BCBS network of providers. If you choose to visit a non-BCBS provider, expenses will be covered at 60% after satisfying the annual deductible (see Comparison Chart on page 12).

Preventive care, just as with the PPO plan, is covered at 100% with no deductibles or other cost to you or your dependents. Under this plan you will be required to first meet a deductible (see Comparison Chart on page 14). The deductible is the amount that you will pay before the plan begins to pay benefits.

After the deductible is met, an 80% co-insurance will apply to expenses such as office visits and lab work. Co-payments will apply for prescription drugs. The out-of-pocket maximum includes the deductible, co-insurance and prescription co-payments that you pay for covered services throughout the year. Once the total out-of-pocket maximum has been paid the plan will pay 100% for covered services and prescriptions. It is important to understand that if you have a family contract, the deductible you will need to reach before the plan begins to pay 80% is for any one family member or a combination of your family members. This is different than the PPO plan that has a per person deductible for family coverage.

Both the PPO plan and the HDHP utilize the BCBS Community Blue PPO network of providers.

- Have coverage under an HSA-qualified "high deductible health plan" (HDHP). This plan meets that qualification.
- Have no other first-dollar medical coverage (other types of insurance like specific injury insurance or accident, disability, dental care, vision care, or long-term care insurance are permitted)
- Are not enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return
- Cannot be enrolled in a General Purpose Healthcare Flexible Spending Account Plan.

Enrolling in the HDHP medical plan and meeting the other criteria above, allows you the opportunity to open a Health Savings Account. Contributions to your HSA can be made by you, your employer or both. Contributions you make from your pay will be pre-tax and any contributions from your employer are tax-free. If you make other after-tax contributions (e.g. a deposit from your current savings), you can deduct the amounts on your taxes.

If you enroll in the HDHP you are eligible to contribute, on a pretax basis to the HSA to help cover the deductible and any eligible medical expenses. For the current plan year, Davenport University will contribute \$400 for single coverage, \$600 for 2-person or \$800 for family coverage to the HSA on your behalf to assist in paying for your qualified expenses. (New enrollees to the plan after January 1, each year will receive \$200 for single coverage, \$300 for 2-person or \$400 for family coverage.) Employer contributions will be spread over 26 pays.

The HSA is a bank account, similar to an interest bearing checking account that will allow you a unique way to pay for your health care expenses. Contributions to the account are made on a pre-tax basis, they earn interest and payments you make from the account (including spending interest earned) are tax free as long as they are used for qualified health care expenses. Funds from the account can be used to pay for eligible medical, dental, and vision expense not covered by insurance. In addition, unused money rolls over each year; unlike the healthcare FSA where remaining account balances are forfeited at the end of the plan year.

The maximum calendar year contribution for 2022 (including the Davenport University contribution to the account) is \$3,650 for single coverage or \$7,300 for 2-person or family coverage. Individuals age 55 and older can also make additional "catch-up" contributions. The maximum annual catch-up contribution is \$1,000.

Contributions to the account must stop once you are enrolled in Medicare. However, you can keep the money in your account and use it to pay for medical expenses tax-free.

Your eligibility to contribute to an HSA for each month is generally determined by whether you have HDHP coverage on the first day of the month. Your maximum contribution for the year is the greater of: (1) the full contribution, or (2) the prorated amount. The full contribution is the maximum annual contribution for the type of coverage you have on December 1. The prorated amount is 1/12 of the maximum annual contribution for the type of HDHP coverage you have times the number of months you have that type of coverage. If your contribution is greater than the prorated amount, and you fail to remain covered by an HDHP for the entire following year, the extra contribution above the prorated amount is included in income and subject to an additional 20 percent tax.

Example: If you first have family HDHP coverage on July 1, 2022, and keep HDHP coverage through December 31, 2022, you are allowed the full \$7,300 family contribution to an HSA for 2022. If you fail to remain covered by a HDHP for all of 2023, \$3,650 would be included income and subject to an additional 20 percent tax.

You are not required to contribute your own money to the account, but you are eligible to receive the University contribution whether you contribute money to the account or not. An account will be opened on your behalf with Health Equity. If you are ineligible to contribute to an HSA, please email benefitsu@davenport.edu immediately.

Did you know the price of a medical procedure from one facility to another can vary by hundreds or even thousands of dollars? The BCBS Cost Estimation tool is offered to help employees understand the cost impact of various procedures and ratings of providers. This tool allows employees to have more control and influence in healthcare spending decisions to see these

Generic Drugs

Both plans provide prescription drug coverage and associated co-pays for the prescriptions. There is a five-tier cost structure for the prescription drugs. Below is an explanation of each tier.

Generic Drugs

Generic drugs are made with the same active ingredient(s), available in the same strength and dosage form, and administered in the same way as their equivalent brand name drugs. Generic drugs have a proven record of effectiveness. They also require the lowest co-payment, making them the most cost-effective option for treatment.

Formulary Drugs

Formulary drugs are brand name medications on a custom Blue Cross Blue Shield formulary listing. The formulary drugs represent the clinical judgment of physicians, pharmacists and other experts in the diagnosis and treatment of disease and promotion of health. Formulary drugs are often purchased at a discount. Formulary options are also safe and effective, but require a higher co-payment than generic drugs.

Non-Preferred Brand Name or Non-Preferred Drugs

Non-preferred Brand name or non-preferred drugs are the most expensive. You will have the highest co-payment for these drugs. However, generic equivalents and similar drugs with generic equivalents or formulary drugs are alternatives

Generic Specialty Drugs and Preferred Brand-Name Prescription Specialty Drugs

Generic specialty drugs and preferred brand-name prescription specialty drugs. Require the lowest copay for specialty drugs.

Non-Preferred Brand-Name Prescription Specialty Drugs

Nonpreferred brand-name prescription specialty drugs. May not have a proven record for safety or as high of a clinical value therefore these drugs will require the highest copay for specialty drugs.

If your physician does not specify a brand name drug, the pharmacy will automatically fill your prescription with a generic version if available. Your physician may request a brand name drug, however the prescription will be subject to the higher co-pay.

Brand name drugs simply cost more, thus the need for a higher co-payment. Generic drugs are a good alternative as they have the same active ingredients and dosage. Purchasing a generic drug can save you money.

Formulary information may be found on the BCBS website.

Mail Order Program

A mail order program is available for maintenance medication. The mail order plan allows you to receive a 90-day (three-month) supply of a prescription at a lesser cost, equal to two monthly co-pays that you would normally pay at the pharmacy for the PPO plan or after the deductible in the HDHP plan. The mail order program gives you the

COMPARISON OF DU BENEFITS U MEDICAL PLANS

This comparison chart is not a complete list of plan details and does not modify the plan as written. In any case of conflict, the Plan Document will govern. Eligible services and supplies are subject to the Usual and Customary or U&C charges.

