

MORAVIAN COLLEGE AND MORAVIAN THEOLOGICAL SEMINARY  
*BENEFITS OPEN ENROLLMENT NOTICE*  
**2010 Plan Year**

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**A. Explanation of the Health Insurance Plans for Year 2010**

Last week you received some information from me indicating that we had been notified by Highmark Blue Shield (HBS) that our rates would increase substantially for 2010. As of that writing, those rates were not finalized, and though we have made progress, albeit limited, rates will still increase substantially for 2010.

2009 has truly been a complicated year from a health care insurance perspective. As early as the first calendar quarter of this year, the health care industry was predicting 10-12% inflationary increases beginning in 2010. The sizeable increase in the cost of health care coupled with significant use of our plan to meet the health needs of our employees resulted in initial quotes from HBS consisting of a 33% rate increase. Working with our brokers and HBS, we have managed to reduce that number to 27.1%

Our challenge has always been, and remains, to preserve quality health care plans that Moravian employees have come to expect at the most reasonable costs possible. Last year, you may recall, we suggested the following as a means of controlling possible cost increases beyond 2009 looking toward 2010. We said:

*Though we cannot predict utilization of our health care plan, we remain hopeful that the negative claims experienced in 2008 will not reoccur next year. With that in mind, these are some of the steps we will continue to consider for health care for 2010:*

- 1. The move to one plan design or the current PPO select plan is likely. Full participation should help to mitigate the adverse effects of negative claims experience.*
- 2. Modifications to plan design that might include higher co-pays for physician visits or deductibles on the prescription plan.*
- 3. Continue towards a cost sharing model in which individuals contribute 20% of the premium cost.*

In order to mitigate the impact increase, we will incorporate two of the three suggestions above for the next plan year in addition to some others.

Beginning in January, the quality of our PPO plans will remain intact but both plans will have in-network deductibles (though different by plan), increases in office visit copays that are more consistent with the market, and an increase in cost sharing for employees enrolled in individual plans toward the eventual goal of individual plan cost sharing at 20% of the premium cost.

Additionally, per the recommendation of the Planning and Budget Committee we will be incorporating changes to our deductible reimbursement strategy to help those employees that earn less than \$50k per year. The reimbursement will be stepped to provide more reimbursement to those lower income employees and less to those with higher incomes. We believe the use of deductibles can help curb the effects of health care inflation and creates an environment where you as the consumer, make the best choices for you and your family. All plan modifications and cost sharing were reviewed and endorsed by both President's Staff and the Planning and Budget Committee. We expect that the College contribution to Moravian's total health care plan costs in 2010 will be 80% or above relative to mix and plan participation.

In regard to prescription drugs, Rx inflation, as part of the overall medical insurance picture, persists due to our employee use of prescription drugs as well as the rising cost of those drugs. The existing co-pay set-up provides more incentive to use generic drugs and that will not change. However, we will be introducing a \$100 deductible to the prescription benefit which will be applicable to both plans. Remember, you influence costs by asking your physician when he/she is prescribing a drug, if there is a generic equivalent. The use of generics, when available, reduces overall plan costs for all Moravian employees. The Rx plan continues to limit pharmacy utilization to the initial fill and one refill; after which mail order must be used.

Please keep in mind that in the face of these changes, Moravian continues to maintain a quality health care program; one that at some point helps all of us when we really need it.

## **B. Employer Health Insurance Deductible Subsidy**

As indicated above, we will continue to offer a deductible subsidy, but it will be tiered and limited to those employees with earnings up to 50k. Details concerning the subsidy can be found by following open enrollment link below.

## **C. Voluntary Dental Plan for Year 2010**

The College will maintain its affiliation with United Concordia – the Preferred Plan for dental insurance in 2010. Details are available on the HR Internet Website. ‘Click’ on **Dental Insurance** under the BENEFITS Link. There is a slight increase in these rates for 2010. A representative will be on campus at open enrollment on Tuesday, November 10<sup>th</sup> in the UBC Room.

## **D. Voluntary Vision Plan for Year 2010**

National Vision Administrators remains our vision plan provider for 2010. Details are available on the HR Internet Website. ‘Click’ on **Vision Insurance** under the BENEFITS Link. There is no change in premium for 2010. A representative from NVA will be on campus at open enrollment on Wednesday, November 11<sup>th</sup> in the UBC Room.

## **E. Flexible Spending Account Participants**

New enrollment forms must be completed for new as well as continuing Medical and/or Dependent Care Flexible Spending Account enrollments. Enrollment forms and instructions are available on the HR Internet Website. ‘Click’ on **Flexible Spending Plans** under the BENEFITS Link. A representative from HFS will be on campus Tuesday, November 10<sup>th</sup> in the UBC room at the HUB to answer any enrollment questions. The medical flexible spending maximum has been increased to \$3500.00 for 2010.

## **2010 Open Enrollment Instructions**

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The majority of the information concerning OPEN ENROLLMENT will continue to be available via the HR web site. Click’ on [Open Enrollment](#) under the BENEFITS Link. Employee meetings will be conducted in the UBC Room, HUB on Tuesday, November 10<sup>th</sup> and Wednesday, November 11<sup>th</sup> to help your enrollment decisions. Please check the Schedule on our Website for times.

***NO RESPONSE IS REQUIRED BY YOU IF YOU WISH TO MAINTAIN YOUR CURRENT HEALTH, DENTAL OR VISION COVERAGE AS YOU HAD IT FOR 2009.***

The **2010 Benefit Election Form for Active Employees needs to be completed for any change in your current health, dental and/or vision insurance enrollments.** Be certain to check “yes” in section B to take advantage of any pre-tax benefits for your contribution to your health, dental and vision insurance. *Benefits for domestic partners will be taxed in accordance with Federal Tax guidelines.*

Changes requiring a new Benefit Election Form include:

1. Changing to a different health plan (PPO CHOICE vs. PPO SELECT );
2. Adding or deleting dependents;
3. Changing voluntary dental or vision selections;
4. Waiving coverage

Your change may require the completion of the insurance carrier’s enrollment / change form. Forms will be available at the scheduled Benefits Open Enrollment sessions. **Please remember that once your enrollment change is processed, it is made for the entire calendar year of 2010. ALL BENEFIT CHANGES MUST BE PROCESSED DURING ONE OF THE OPEN ENROLLMENT SESSIONS ON NOVEMBER 10<sup>TH</sup> OR 11<sup>TH</sup>. Changes will become effective January 1, 2010.**