

2024 City of Roanoke Health Plan Options

	Aetna PPO 750		Aetna PPO/HRA 1500		Aetna PPO/HDHP-HSA	
	In-Network Benefits	Out-of-Network Benefits	In-Network Benefits	Out-of-Network Benefits	In-Network Benefits	Out-of-Network Benefits
Renewal Date – 1/1/2024						
Annual Deductible – (Note: **All copayment & coinsurance costs shown in this chart are after your deductible has been met, if a deductible applies.)						
Individual	\$750	\$1,500	\$1,500	\$3,000	\$3,200	\$3,400
Family	\$1,500	\$3,000	\$3,000	\$6,000	\$6,400	\$6,800
Coinsurance	20%	30%	20%	30%	20%	30%
Maximum Out-of-Pocket						
Individual	\$4,000	\$5,000	\$4,500	\$5,500	\$5,000	\$6,000
Family	\$8,000	\$10,000	\$9,000	\$11,000	\$10,000	\$12,000
Physician Office Visit						
Primary Care Physician Visit	\$30 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Specialist Visit	\$50 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Preventive Care						
Adult Periodic Exams	100%	30% after deductible	100%	30% after deductible	100%	30% after deductible
Well-Child Care	100%	30% after deductible	100%	30% after deductible	100%	30% after deductible
Diagnostic Services						
X-ray and Lab Tests	20% coinsurance	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Complex Radiology	20% coinsurance	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Urgent Care Facility	\$50 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Emergency Room Facility Charges	20% after \$100 copay	20% after \$100 copay	20% after deductible	20% after deductible	20% after deductible	20% after deductible
Inpatient Facility Charges	20% after \$400 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Outpatient Facility and Surgical Charges	20% after \$100 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Mental Health						
Inpatient	20% after \$400 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Outpatient	\$30 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Substance Abuse						
Inpatient	20% after \$400 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Outpatient	\$30 copay	30% after deductible	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Other Services						
Chiropractic	\$50 copay; limited 30 visits per year	30% after deductible; limited 30 visits per year	20% after deductible; limited 30 visits per year	30% after deductible; limited 30 visits per year	20% after deductible; limited 30 visits per year	30% after deductible; limited 30 visits per year

	Aetna PPO 750	Aetna PPO/HRA 1500	Aetna PPO/HDHP-HSA
	In-Network Benefits	In-Network Benefits	In-Network Benefits
OptumRx (Pharmacy Benefits Manager)			
Generic Drugs	\$15 (retail)	\$15 (retail)	\$15 (retail)
	\$45 (90-day retail)	\$45 (90-day retail)	\$45 (90-day retail)
	\$30 (90-day mail order)	\$30 (90-day mail order)	\$30 (90-day mail order)
	(Copays apply before deductible is met)	(Copays apply before deductible is met)	(Copays apply after deductible is met)
Specialty Drugs	20% up to \$200 (retail)	20% up to \$200 (retail)	20% up to \$200 (retail)
	20% up to \$400 (90-day mail order)	20% up to \$400 (90-day mail order)	20% up to \$400 (90-day mail order)

2024 Benefit Changes & Highlights (effective 01/01/2024)

Adjustments to the PPO Plan Deductible & Out-of-pocket Maximum

- In-Network Deductible: \$750 Individual/\$1,500 Family Plan (up from \$300/\$600)
- In-Network Out-of-pocket maximum: \$4,000 Individual/\$8,000 Family Plan (up from \$3,500/\$7,000)
- Out-of-Network Deductible: \$1,500 Individual/\$3,000 Family Plan
- Out-of-Network Out-of-pocket maximum: \$5,000 Individual/\$10,000 Family Plan

Adjustments to the HRA Plan Deductible & Out-of-pocket Maximum

- In-Network Deductible: \$1,500 Individual/\$3,000 Family Plan (up from \$1,000/\$2,000)
- In-Network Out-of-pocket maximum: \$4,500 Individual/\$9,000 Family Plan (up from \$4,000/\$8,000)
- Out-of-Network Deductible: \$3,000 Individual/\$6,000 Family Plan
- Out-of-Network Out-of-pocket maximum: \$5,500 Individual/\$11,000 Family Plan

Increase to HDHP Health Savings Account (HSA) Annual Maximum Limit

- The annual inflation-adjusted limit on HSA contributions for self-only coverage for 2024 will be \$4,150.00, up from \$3,850.00 in 2023.
- The HSA contribution limit for family coverage will be \$8,300.00, up from \$7,750.00.

Annual Wellness Incentive Program (WIP)

- There are no changes to this year's Wellness Incentive Program (WIP). Annually, employees need to complete a Biometric Health Screening and a Health Risk Assessment to qualify.
- In 2025, the wellness differential will increase from \$50 per month to \$100 per month, a premium reduction of \$1,200 annually for those who complete the WIP requirements.

Teladoc Consultant Fee Changes

- General Medical & Caregiver Consultant Fees: \$56 for HRA & HDHP Plans (an increase of \$7.00)
- Behavioral Health Therapist: \$90 for HRA & HDHP Plans (an increase of \$5.00)

Weigh Your Plan Choice Options

The right health plan depends on your medical needs, financial situation and long-term goals. To choose the best health coverage that meets your needs, understand the difference between the three (3) Aetna health plans.



PPO

- Copay & coinsurance based plan
- Copays & pharmacy benefits not subject to the deductible
- Lower deductibles
- Higher out-of-pocket maximums
- Higher monthly premiums
- Not qualified for an HSA Account



PPO/HRA

- Coinsurance based plan after deductible is met
- Copays & pharmacy benefits not subject to the deductible
- Lower deductibles
- Employer owned and funded account
- Employer contributions to employee Health Fund Account
- No portability of employer contributions
- No investment options

PPO/HDHP-HSA

- Coinsurance based plan after deductible is met
- Higher deductibles
- Highest out-of-pocket maximum
- Lower premiums
- Employer and Employee funded HSA account
- HSA Investment options
- Portability of HSA Account
- City provides a \$1,500 contribution for Individuals & \$3,000 for Family plans

For a quick comparison of the Health Accounts associated with the plans, refer to the information below.

FSA

Flexible Spending Account

- Employee contributes funds pre-tax
- Employee can choose when to use funds to pay for eligible expenses
- Eligible expenses determined by IRS and include medical, pharmacy, dental and vision
- When paired with an HRA, FSA funds can be used once the HRA has been exhausted for medical expenses
- Can not be combined with an HSA
- Funds do not roll over and are not portable
- FSA Accounts may be paired with the PPO and/or the HRA Health Plan.

HRA

Health Reimbursement Arrangement

- Employer contributes funds, available January 1
- Aetna manages account
- Account pays before any member responsibility for eligible expenses
- HRA eligible expenses include medical (not pharmacy, dental or vision)
- Funds can roll over, are owned by the employer and are not portable



HSA

Health Savings Account

- Must be enrolled in an HDHP
- Employer contributes funds and employee can elect to contribute funds pre-tax
- Funds available once they are in the account
- PayFlex manages account
- Employee can choose when to use funds to pay for eligible expenses
- Eligible expenses determined by IRS and include medical, pharmacy, dental and vision
- Funds can roll over, are owned by the employee and are portable

High Deductible Health Plans (HDHP)

What is a High Deductible Health Plan?

A High Deductible Health Plan (HDHP) is a health plan that combines a Health Savings Account (HSA) with traditional medical coverage. It provides insurance coverage and a tax-advantaged way to help save for future medical expenses. The HDHP/HSA gives you greater flexibility and discretion over how you use your health care dollars, because the funds can be used to cover qualified medical expenses that are not covered by your health plan.



What are the general features of an HDHP?

HDHPs may have a higher annual deductible than traditional health plans. In the case of the City, the deductible for the employee only plan is \$3,200 and \$6,400 for all other coverage. The health plan is also eligible for a Health Savings Account (HSA), which the City provides an employer contribution to the Health Savings Account of \$1,500 for individuals and \$3,000 for all family plan tiers.

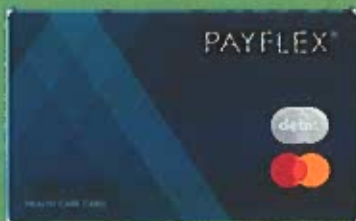
How to save money on healthcare with an HSA:

1. Savings

If you have an HDHP, you're likely saving money on a lower premium. Consider depositing some of those savings in your HSA to help offset healthcare costs down the road. **For 2024, the limit for individuals is \$4,150, and for families it is \$8,300.**



2. Employer Contribution



The City provides an employer contribution to your Health Savings Account. The City contributes \$1,500 to your HSA for employee only or \$3,000 for all family tiers. Half of the contribution is distributed in January and the other half is distributed in July. Employees may also contribute up to the maximum contribution limits established by the IRS (minus the employer contribution). The PayFlex Card gives employees instant access to your HSA to pay for eligible expenses at qualified merchants.

3. Payment for Eligible Medical Expenses

An HSA lets employees use their account for eligible health care expenses, such as doctor visits, labs, glasses, dental, physical therapy, etc. – without paying taxes at withdrawal. If an accident happens or you needed to seek care, you can use your HSA to pay for these expenses. **For a full list, refer to IRS Publication 502 @ <https://www.irs.gov/forms-pubs/about-publication-502>**



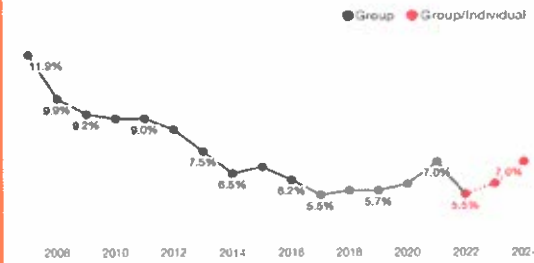
4. HSAs Offer a Triple-Tax Advantage



1) Deposits are tax-deductible so the funds are not taxed when put into a HSA; 2) growth is tax-deferred so any earnings through interest and potentially through investing are not taxed; and 3) spending is tax-free as long as the funds are used for qualified medical expenses. All contributions to your HSA are made through payroll deductions, which are pre-tax and lower your overall taxable income.

The Cost of Healthcare: What's Behind the Numbers?

HRI projects medical cost trend to be 7.0% in 2024, up from 6.0% in 2023



Source: PwC Health Research Institute medical cost trends, 2009-2024

National Medical Cost Trend

The cost of healthcare is on the rise. The healthcare industry is under pressure from high inflation, rising wages for providers, and increased high cost claimants, which is compounded by clinical workforce shortages. Medical carriers are negotiating pricing with hospitals while provider profit margins continue to erode. Health plans are also feeling the squeeze of higher median prices for new drugs (i.e. diabetes and weight loss drugs, new FDA approved gene therapies, etc.), as well as increasing prices on existing drugs.

City of Roanoke's Medical Cost Trend

In 2024, the City is projected to spend more than \$20 Million on employee health claims. We also will spend more than \$8,868 per employee (or \$14 Million – over 90%) in premiums via employer contributions. Based on the current spending level, we anticipate a projected 14.7% cost increase in healthcare for plan year 2024 which equates to an approximate \$3 million increase. To put the cost in perspective, this is roughly equivalent to a 3 percent increase in salaries and associated costs.



What's on the Horizon for 2025?

The City strives to provide the best healthcare benefits to employees and their families, and this will continue to be our endeavor. However, due to the significant rise in medical costs and the City's responsibility as a self-insured employer, it may become necessary to increase the employee costs for health insurance in the future. Doing so will allow our healthcare plan to remain viable and for us to continue offering competitive health insurance benefits while funding other strategic priorities, such as employee compensation.

As we move forward taking action to control our costs and manage the increase in the City's claims experience, we will develop and implement cost containment strategies which may include, but are not limited to, the considerations listed below.

Employee premium increases for the 2025 Health Plan Year

Increase to the "Wellness Rate" differential from \$50 per month to \$100 per month for non-participants

Elimination of the Health Reimbursement Plan (HRA)

Implementation of a "Spousal Surcharge" or "Spousal Carve-Out" Program for spouses and dependents over 26 who have access to creditable coverage via another employer.

Retirement Benefits

City of Roanoke Pension Plan (Retirement)	<ul style="list-style-type: none"> • A robust pension benefit with an election between a traditional defined benefit formula or a hybrid formula that includes both a defined benefit component as well as a defined contribution component (city-owned plan) • Employee pays a 5% contribution of compensation into the plan; City contributes 16.08% towards the remainder of the retirement benefit • Maximum percentage of average final compensation is 63% • Employee starts earning a pension benefit the day he/she becomes an eligible employee
401(h) Retirement Health Savings Plan	<ul style="list-style-type: none"> • Health savings program designed to offset the cost of the employee's medical expenses upon separation of employment. • Requires a 1% Employee contribution, matched by a 1% Employer contribution.
457 Deferred Compensation Plan	<ul style="list-style-type: none"> • A defined contribution plan that allows employees to supplement retirement savings on a pre-tax basis • A voluntary benefit that operates similarly to a private-sector 401(K) savings

Other Benefits

Employee Assistance Program (EAP)	<ul style="list-style-type: none"> • Available to assist employees with alcohol, drug abuse and/or problems related to emotional, marital or financial stress • ENHANCED BENEFIT: Provides up to six (6) free one-hour counseling sessions per year with a certified counselor for the employee, spouse, and any dependent living at the home. (*Services are confidential)
Employee Health Clinic	<ul style="list-style-type: none"> • Operated by Marathon Health, a third-party administrator, to provide healthcare services to employees, including occupational health, acute and preventive care, coaching for chronic conditions, lab draws, etc.; • Preventive Visits, Health Coaching & In-Body Assessments are FREE
Flexible Spending Accounts	<ul style="list-style-type: none"> • Established by employees for qualifying medical expenses, dependent care and/or transportation / parking expenses • Employee funded via pre-tax payroll deductions each pay period
Paid Leave & Holiday Leave	<ul style="list-style-type: none"> • 3 weeks of Vacation (12 hours per month or 18 days per year; increases based on years of service) or 19.75 hours per month for Fire Suppression personnel); • 2 weeks of Sick Leave (6 hours per month; 9 days per year); • 88 hours of Holiday
Mental Health Leave	<ul style="list-style-type: none"> • Three (3) days (24 hours or 34 hours for Fire Suppression Personnel) of Mental Health and Well-being Leave (MHWL) at the beginning of each fiscal year (July 1)
Voluntary Benefits Offered	<ul style="list-style-type: none"> • Special group discounts on auto/home/renters' insurance, Accident, Hospital Confinement Insurance, Critical Illness & Cancer Insurance, Kashable Personal Loans, Purchasing Power (buy now, pay later), LegalShield/Identity Protection, Pet Insurance, Community Eye Care (CEC) Vision Plan & Employee Discount Programs • Virginia College Savings Plan, Tuition Assistance and Wellness Programs & Incentives



BENEFIT STATEMENTS

Statements were mailed to the employee's home address and will be arriving by October 20. Be on the lookout for a statement to include your benefit elections, coverage and compensation. Review it carefully and use it as a guide as you determine your benefit elections for 2024.