

***Emailed to State Employees on June 29, 2018***

**Subject: Upcoming Changes to 2019 Benefits Package**

Dear State Employee,

As we are preparing our benefit offerings for the 2019 plan year, we continue to seek ways to offer a benefit package that remains among the most competitive and attractive in both the private and public sectors. As medical costs continue to rise nationwide, we are offering this important information so you can plan ahead.

**Changes for 2019**

- **Contribution Rate**
  - For the Exclusive Provider Organization (EPO) and Preferred Provider Organization (PPO) plans, your portion of the medical premium will rise by 3%. The average cost increase will be \$3 per paycheck.
  - The High Deductible Health Plan (HDHP) and Health Savings Account (HSA) contribution will remain the same.
  
- **New EPO Deductible**
  - The EPO medical plan will have a deductible of \$100 for individuals and \$200 for families. This means you will have to pay \$100 or \$200 in qualified out-of-pocket expenses before the plan begins to pay. To offset this cost, be sure to read the Flexible Spending Account (FSA) information below.

**Staying the Same**

- All other health plan coverage and carriers will remain the same for 2019.

**Why are the changes necessary?**

- The state is self-insured, which means that employees, retirees and the State pay into the plan to cover the claims. As medical costs increase year over year, we must ask our employees and retirees to share more of the costs to meet our plan expenses.

**How much does the State pay for my benefits?**

- The state will continue to pay approximately 88% of the cost of your benefits.

**How to save money on your benefits**

Here's three simple ways you can offset the costs of your benefits:

1. **Flexible Spending Accounts (FSA) debit card:** Save by paying with pre-tax dollars. During open enrollment, you decide how much you want to set aside for medical expenses on a pre-tax basis per pay period. In December, request a debit card from ASI, our FSA vendor. In

January, your debit card is pre-loaded with the entire annual amount you want to set aside. You swipe the card at the doctor's office or pharmacy to pay for qualified medical expenses. Most people save at least 25% on each dollar that is set aside in the program. [Learn more](#) and plan to sign up during Open Enrollment for 2019.

2. **Doctor on Demand Telemedicine:** Save up to \$180 over an ER visit. See a doctor in 10 minutes -- day or night -- right from your smartphone with Doctor on Demand. Your copay is the same as office visit of \$20 (EPO/PPO) or \$49 (HDHP). That's a significant savings compared to \$75 for Urgent Care or \$200 for an ER visit. [Learn more and sign up today.](#)
3. **HIP - Health Impact Program:** Earn up to a \$200 incentive. HIP is a comprehensive wellbeing program to help you achieve your physical, financial, personal and professional wellbeing goals all while having fun and meeting milestones along the way. Reach 500 points in 2018 and be paid the incentive in the first quarter of 2019! [Learn more and sign up today.](#)

#### **Next steps:**

- **August: Money-Saving Information** - watch for more ways to maximize your state benefits to save money.
- **End of September: Benefits Enrollment Packet for 2019** will be mailed to all state employee homes to help you determine which plan is best for your family.
- **October/November: Benefit Expos** will be held at locations throughout the state. Speak to our representatives and get answers to your benefit questions. You will find dates and times in your enrollment packet, on posters and on [benefitoptions.az.gov](http://benefitoptions.az.gov).
- **October 22 - November 9: Open Enrollment for 2019**
  - **To keep your current benefits, no action is needed.** Your current plan elections will continue at the new premium rates starting January 1, 2019.
  - **To change your benefits**, visit [yes.az.gov](http://yes.az.gov) and make new elections for coverage, sign up for an FSA, life insurance or other programs. Your new benefits and premium rates will take effect January 1, 2019.
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- **January 1, 2019: New benefits and premiums take effect**
  - The new benefits and the new premiums will be deducted through payroll starting with the first paycheck of 2019.

**Questions?** Please contact your agency's benefits liaison, or contact a Benefit Options representative by phone 602-542-5008, toll-free 1-800-304-3687, by email [benefitsissues@azdoa.gov](mailto:benefitsissues@azdoa.gov) or visit [benefitoptions.az.gov](http://benefitoptions.az.gov).