

ARIZONA

DEPARTMENT OF ADMINISTRATION
BENEFITS

Dear State Employee,

Understanding how important benefits can be to our employees and their families, we continue to offer a benefits package that remains among the most competitive and attractive in both the private and public sectors. As we are preparing our benefits offerings for the 2020 plan year, we are sharing this important information so you can plan ahead.

STAYING THE SAME FOR 2020

- **Premiums** - The amount you pay per month is staying the same.
- **Copays** - The amounts you pay at the time of service are staying the same.
- **Coverage** - All other health plan coverage and carriers will remain the same for 2020.

CHANGES FOR 2020

New Deductibles and Out-of-Pocket Maximums for Medical Plans

These changes apply to all medical carriers.

- The deductible is an annual amount of out-of-pocket expenses that you must pay before the health plan will pay a portion of services. After you pay your deductible, you usually pay only a copayment or coinsurance for covered services.
- The out-of-pocket maximum is the most you'll pay for expenses in a plan year. After the out-of-pocket maximum is met, the plan pays for all expenses for the remainder of the plan year. Keep in mind that most members do not meet their out-of-pocket maximum in a given year.
- Remember, \$0 cost preventive services are not included in the deductible and do not require a copayment or coinsurance. For more information on preventive services, see "Five Ways to Save Money on Your Benefits" below.

Medical Plan	Deductible		Out-of-Pocket Maximum	
	2019	2020	2019	2020
Exclusive Provider Plan (EPO)				
In-Network Employee	\$100	\$200	\$7,350	\$7,350
In-Network Family*	\$200	\$400	\$14,700	\$14,700
Preferred Provider Plan (PPO)				
In-Network Employee	\$500	\$1,000	\$1,000	\$1,500
In-Network Family*	\$1,000	\$2,000	\$2,000	\$3,000
Out-of-Network Employee	\$1,000	\$2,000	\$4,000	\$7,000
Out-of-Network Family*	\$2,000	\$4,000	\$8,000	\$14,000
High Deductible Health Plan with Health Savings Account (HDHP w/HSA)				
In-Network Employee	\$1,350	\$1,400**	\$2,000	\$2,000
In-Network Family*	\$2,750	\$2,800**	\$4,000	\$4,000
Out-of-Network Employee	\$2,700	\$5,000	\$5,000	\$5,000
Out-of-Network Family*	\$5,400	\$10,000	\$10,000	\$10,000

* Family includes employee+spouse, employee+child. ** New IRS minimum for 2020. Shaded areas are changes for 2020

UNDERSTANDING THE CHANGES

Why did the EPO and PPO deductibles and the PPO out-of-pocket maximums increase?

- 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. To give an example of cost increases, in the 2017-2018 plan year, the State paid an average of 9.4% more for each prescription filled. That amounts to about \$5 million — and that is just one category of healthcare.
- Despite rising health care costs, the benefits package offered by the State remains among the most competitive when compared to both the private and public sectors as well as neighboring states. Deductibles for our broad network EPO is the lowest among area competitors. Additionally, premiums paid by ADOA members are significantly below the competition in many coverage tiers, with our single EPO tier at half the cost of the nearest competitor.
- In addition, when taking into account premium and deductible costs, benefits packages offered by the State remain more affordable than those offered by neighboring states including Nevada, Utah and Colorado.

Saving on your deductible and out-of-pocket expenses

- Be sure to read the Flexible Spending Account (FSA) information below for information on how to pay your deductible and out-of-pocket maximum with pre-tax dollars in 2020.

Why did the premiums stay the same?

- As medical costs continue to rise nationwide, the State's goal is to shield employees from higher premiums that would directly impact take-home pay.

How much does the State pay for my benefits?

- The State continues to pay approximately 88% of the cost of your benefits.

FIVE WAYS TO SAVE MONEY ON YOUR BENEFITS

Here are five simple things you can do to reduce the costs of your benefits now and in the future:

Things You Can Do Today

1) Preventive Care Services - Provided at \$0 cost.

- For the past three years, our plans have included preventive care to prevent illnesses or diseases. Providing these services at no cost is based on the idea that getting preventive care, such as screenings and immunizations, can help you and your family stay healthy. Preventive care may also help reduce your health care costs down the road if you catch a problem early, or if an immunization keeps you from getting a serious illness. A few examples of preventive care services:
 - Wellness visits and standard immunizations.
 - Screenings for blood pressure, cholesterol, and Type 2 diabetes.
 - Mammograms, prostate exams, and colonoscopies.
 - Pediatric screenings for hearing, vision, autism and developmental disorders.

2) Choose the Right Care For Your Needs - Save up to \$180 on an ER visit.

- When you have to visit a provider, how do you know which one best suits your situation? Matching the service to the need is key to stretching your healthcare dollar. You can start by speaking with a registered nurse 24 hours a day, 7 days a week when you call the Nurseline number on the back of your medical card. With this \$0 cost service, you'll get help to decide if you need to visit your doctor, urgent care or the ER. [Learn more](#) about choosing the right care.

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 2020 and be paid the incentive in the first quarter of 2021! [Learn more](#) and sign up today.

Things You Can Do During Open Enrollment For 2020

4) Make Sure You Have The Best Plan for Your Needs - Save on premiums.

- Oftentimes, our members carry coverage that is more than they need, resulting in higher costs. That's why we offer ALEX, the virtual benefits counselor. This easy-to-use program will help you explore your options, and determine the most appropriate and cost-effective plans for you. It just takes a few minutes and is completely confidential. Please note, after using ALEX, you must log into yes.az.gov to elect your benefits. Plan to visit ALEX during Open Enrollment for 2020.

5) 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 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. If you choose at least the amount of your deductible, you will be able to cover that cost with pre-tax dollars. In addition, most people save at least 25% on each

pre-tax dollar that is set aside in the program. [Learn more](#) and plan to sign up during Open Enrollment for 2020.

NEXT STEPS

- **Early October: Benefits Enrollment Mailing for 2020** will be mailed to your address on file to help you determine what 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 mailing and on benefitoptions.az.gov.
- **October 21 - November 8: Open Enrollment for 2020**
 - **To keep your current benefits, no action is needed.** Your current plan elections will continue at the current premium rates starting on January 1, 2020.
 - To change your benefits, visit yes.az.gov and make new elections for coverage. Your new benefits and premium rates will take effect on January 1, 2020.
- **January 1, 2020: Benefits become effective for 2020**
The new deductibles, out-of-pocket maximums and any other changes you made to your benefit elections will become effective.

QUESTIONS?

Please contact a Benefit Options representative by phone 602-542-5008, toll-free 1-800-304-3687, by email benefitsissues@azdoa.gov or visit benefitoptions.az.gov.

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ADOA | Benefit Services Division
100 N. 15th Ave., Suite 260, Phoenix, AZ 85007
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