

*After 20 years of successfully providing quality benefits, your self-funded medical plans are getting an upgrade to be more current for Montana cities and towns and your employees. While change can seem scary, these are not big changes and result in overall positive improvements to the benefit offerings.*

## **Changes to the plan**



1. Simplify plan options to three standard plans. This helps employers make benefit administration more efficient and helps employees narrow down benefit decisions.
2. Incrementally raise deductible and out of pocket levels. Current deductibles and out of pocket maximum amounts have not been changed since 2004, which has not kept up with medical costs increase and causes higher monthly premium charges. The changes are more in line with what other employers in Montana are offering which helps cities and towns offer competitive compensation.
3. These changes will be reflected in the rates by helping to mitigate annual rate adjustments. With small benefit adjustments, the rate impact is also minor, but overall helpful in managing costs.

## **Goals accomplished with change**

1. Stay compliant on HDHP with IRS requirements to remain HSA qualified.
2. Provide a greater spread between plan options. Current plan options are very similar and close in premium, benefit percentage, deductible and out of pocket.
3. Remain competitive with other local employers and the marketplace to help support cities and towns in retaining employees and providing them with the highest quality benefits at a fair cost.



## **Important Takeaways**

- No changes will be made to benefits for services currently covered. The only changes will be to the deductible and out of pocket amounts.
- Overall, these changes positively impact monthly premiums to mitigate annual increases for the cities and towns and align with what is being seen in the rest of the market.
- The High Deductible Health Plan (HDHP) increases are a federally required change that must be made to remain in compliance for Health Savings Accounts (HSAs).
- Most people on the MMIA medical plans currently do not hit their annual deductible or OOP Max amounts. This means that while everyone will benefit from the rate impact, most people will not be impacted by the benefit adjustment.
  - 82% of participants do not hit their deductible at the current levels.
  - 90% of participants do not hit their OOP Max at their current levels.