

To: Congregation President, Treasurer, Board Members, and Administrator
From: UUA Health Plan Office
Date: November 1, 2008
Re: 2009 Health Plan Open Enrollment, Plan Changes, and Rates

The UUA Health Plan is now conducting an Open Enrollment Period. For the month of November, all eligible staff – everyone working 750 or more hours per year – is eligible to join the plan effective January 1, 2009, even if they have not taken advantage of past enrollment opportunities.

If your congregation is not currently participating in the UUA Health Plan, this is the time to study the possibility. Health insurance is a complex business, and we are here to help you work through your questions, concerns, and strategies for 2009 and beyond.

HIGHLIGHTS

- The average rate increase for 2009 will be **zero**. Plan experience has been excellent, and Plan Trustees have voted to pass the results on to members. The actual rate adjustment for 2009 will vary by member, from a 5% *decrease* to a 5% increase.
- From 2007 to 2009, we have raised our rates a **total** of 4% compared to the roughly 25% increase from commercial insurers over the same period.
- We are moving away from 5-year age bands, which produced some unpleasant rate jumps for people changing age bands last year. We will instead use one-year bands. The changeover produces the -5% to +5% swing this year only. Going forward, everyone will get a small age adjustment, plus whatever change is produced by plan experience and benefit enhancements.
- We have again improved plan benefits, moving to true “mental health parity” and making it easier for parents to keep dependent children on the plan, in many cases to age 26. We have also lowered the deductible on our High Deductible plans without any additional charge.
- **An important note on what we are *not* doing.** There has been a lot in the financial news about how companies are struggling with the cost of health benefits, and how a frequently-used strategy is to put more of the burden on employees, especially by increasing deductibles and co-pays and raising out-of-pocket limits. The UUA Health Plan has been able to hold deductibles, co-pays and out-of-pocket limits steady, expand benefits, and still limit overall rate increases to 4% from 2007 to 2009.
- **For currently participating employees, there is nothing special to do to continue coverage for 2009. Current participants will be carried over to 2009 with the same benefits and 2009 rates. Participants are free to change plans (from High Deductible to Standard PPO for example) by notifying the Health Plan office at healthplan@uua.org. Current participants may add dependents using the online Enrollment Application.**



THE DETAIL

We are very excited about the plans we can offer for 2009. Our ability to offer an open enrollment – allowing all previously eligible employees who did not elect the UUA plan to enroll or change plans without evidence of insurability and with no limitation on pre-existing conditions – is a direct result of plan performance over the nearly two years since its introduction. The plan has grown almost 20% since it was introduced on January 1, 2007. Plan finances are strong, and Plan Trustees are committed to long-term viability.

For 2009, the Plan Trustees have decided that there will be **no increase to the Plan's base rates** (there will still be age-related adjustments, explained in the next section). Combined with last year's 4% base rate increase, the UUA Health Plan has held rates to a 4% overall increase over a two-year period. Most commercial health plans have increased 10% - 15% **each year** over the same period, a compounded 21% to 32% increase, and many individual plans have gone up much more. One of our promises when we launched this plan was to do our best to offer long term rate stability, and we have delivered on that promise.

At the same time that we have been offering stable rates, we have improved benefits. Last year we added an annual vision exam, improved outpatient mental health and substance abuse benefits, made adult immunizations more affordable, and lowered eligibility requirements to make the plan more broadly available to part-time staff. This year we are making further benefit improvements.

Here are the details:

What Health Plan changes are we introducing for 2009?

1. We have used 5-year age bands since the plan's inception. During the 2008 renewal, we heard from a number of those who were changing age bands that the large age jump on top of the 4% base rate change was a real burden. The Health Plan Trustees considered carefully how to soften the age-related increase, given that the plan will be age-rated for the foreseeable future.

For 2009, we will transition to 1-year age bands, so that everyone gets a small age adjustment each year, rather than seeing a significant spike every 5th year. In the first year of the transition, there will be a little unevenness, but the Plan's excellent experience has allowed us to do some "smoothing" in the transition year. People may see a rate *decrease* of up to 5%, or a rate increase of up to 5%; nearly everyone will see less change than that. By recognizing a one-year change each year, we can create better rate (and budgeting) predictability moving forward.

2. Each year we look carefully at how we can improve the benefits we offer. We are making four changes for 2009:
 - We are adopting a "mental health parity" approach to our inpatient and outpatient mental health/substance abuse benefits. This means that mental health claims will be paid the same as any other medical claim. This change makes us a leader in mental health coverage well ahead of the 2010 mandate in the economic bail-out bill (which also exempts employers with 50 or fewer employees).
 - We are amending coverage for dependents who have reached the age 19 limit to make it easier for parents to keep them on the plan. Dependents who are *not* students can stay on the plan until the earlier of age 26 or the end of the second calendar year after they are last claimed as a dependent on their parents' Federal income tax return. We are also increasing the age limit for dependent students to 26 (from the current age 25). This change will make it easier to provide coverage for children who graduate from high school and do not continue

their education and for children who graduate from college but are not ready to leave home just yet.

- We are amending the High Deductible Plans, lowering the deductible from \$2,500 individual / \$5,000 family to \$2,000 individual / \$4,000 family. We are doing this at no additional charge.
- Under the Plan's birth control provisions, we will remove the deductible on injectables, implantables, and devices. This will have the effect of making injectable birth control drugs and IUD's available at 90%.

This mailing is one of several ways we will let everyone know about the 2009 open enrollment opportunity, including other congregational mailings and emails, notices direct to plan members, notices on the websites of UUA professional organizations, and information on the Health Plan website at <http://www.uua.org/leaders/healthplan>.

We want to be the health plan of choice for UU congregations -- nearly three hundred UU congregations trust us with their health insurance protection now. There is still time to join us for 2009. Please call me if you have any questions about the open enrollment, your current health insurance, or anything else to do with the UUA Health Plan.

Yours in health and community,

A handwritten signature in black ink that reads "Jim Sargent". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Jim Sargent
UUA Health Plan Director