

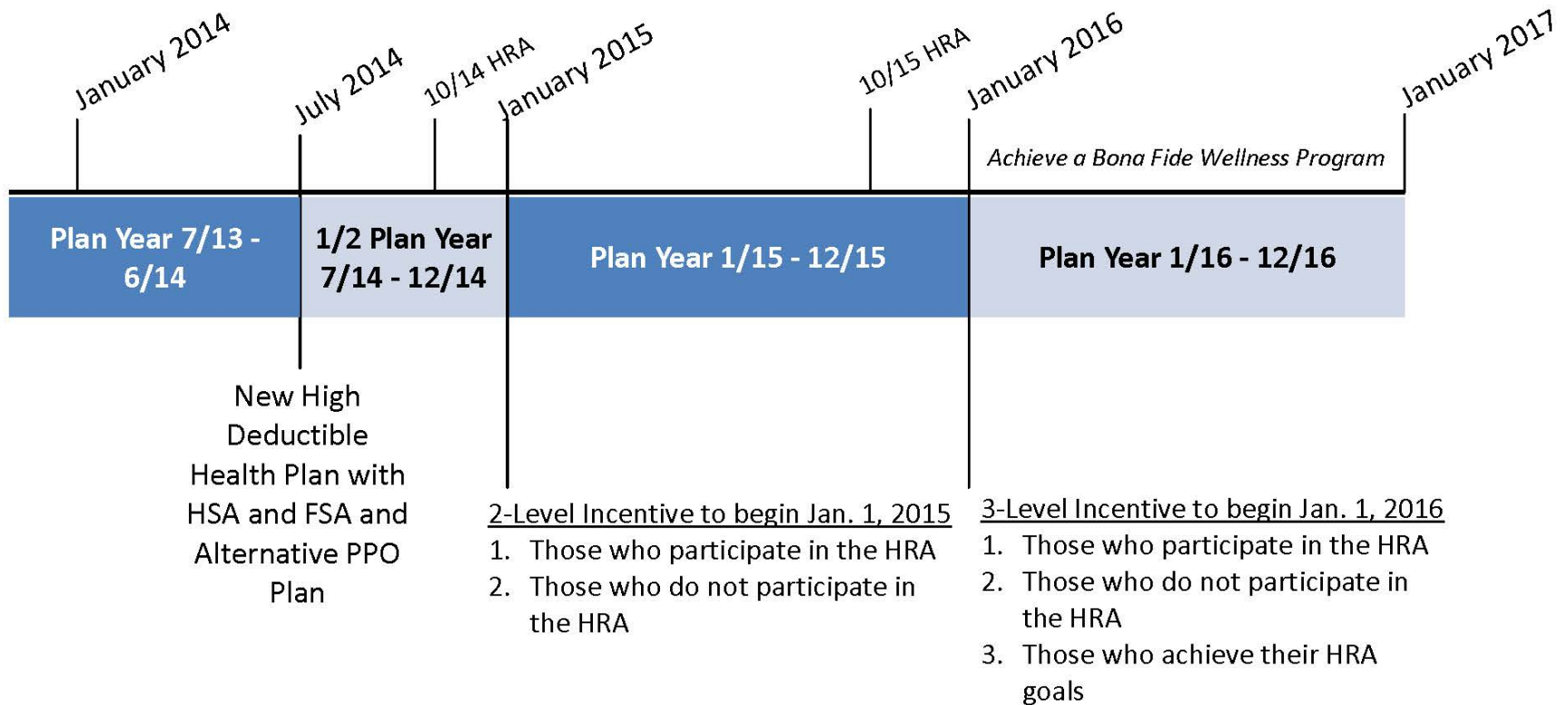
McHenry County Wellness Strategic Plan

February 4, 2014

Proposed Wellness Strategic Plan

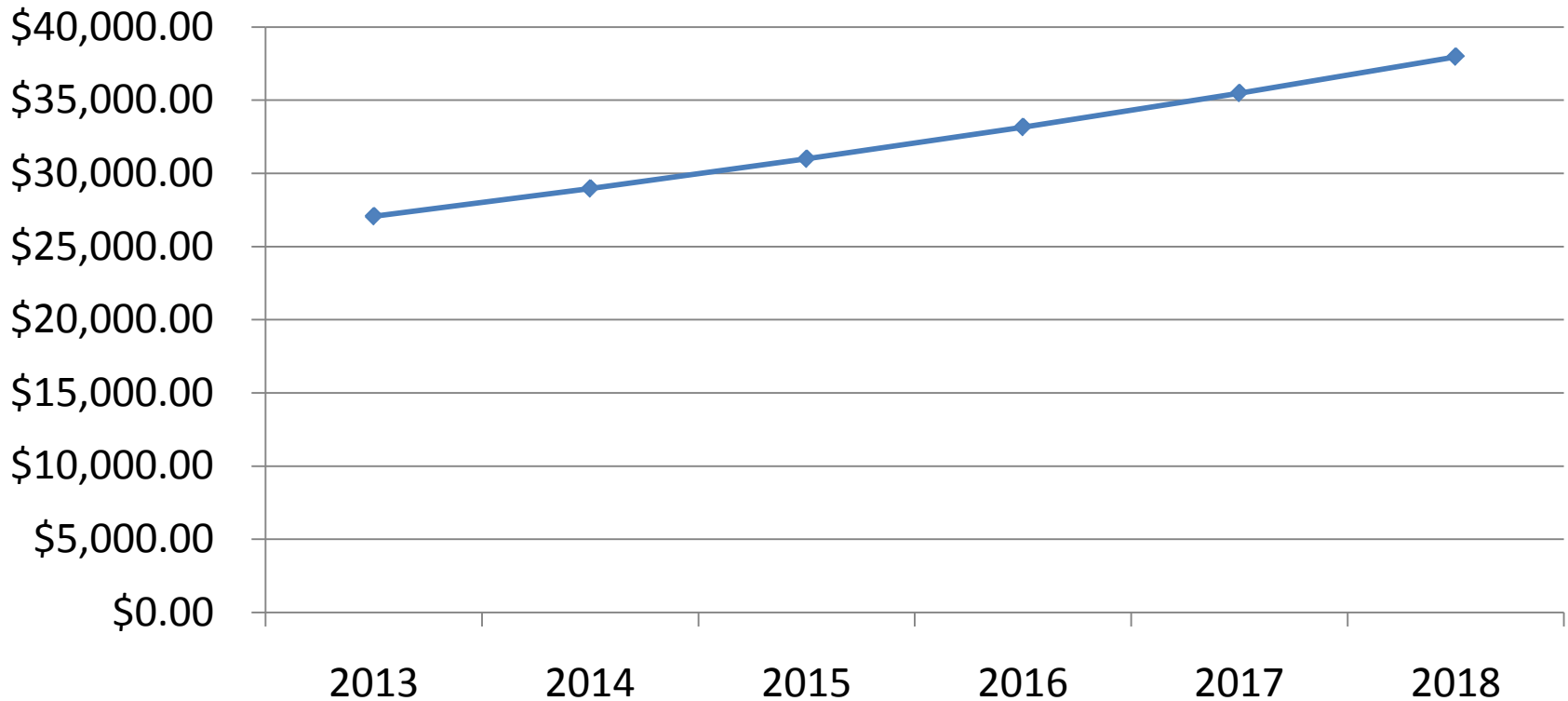
1. Expanded Wellness Activities – move toward plan with incentives
2. Selection of a new Wellness vendor
3. Change timing on Health Risk Assessment
4. New Insurance Options
5. Addition of Health Savings Account
6. Addition of Flexible Spending Account

Wellness Program Timeline - Proposed



Why consider wellness?

Total Estimated Premiums
(PPO, Family Rates Increasing at 7% Annually)



What do we want to avoid?



Cadillac

“Cadillac Tax”

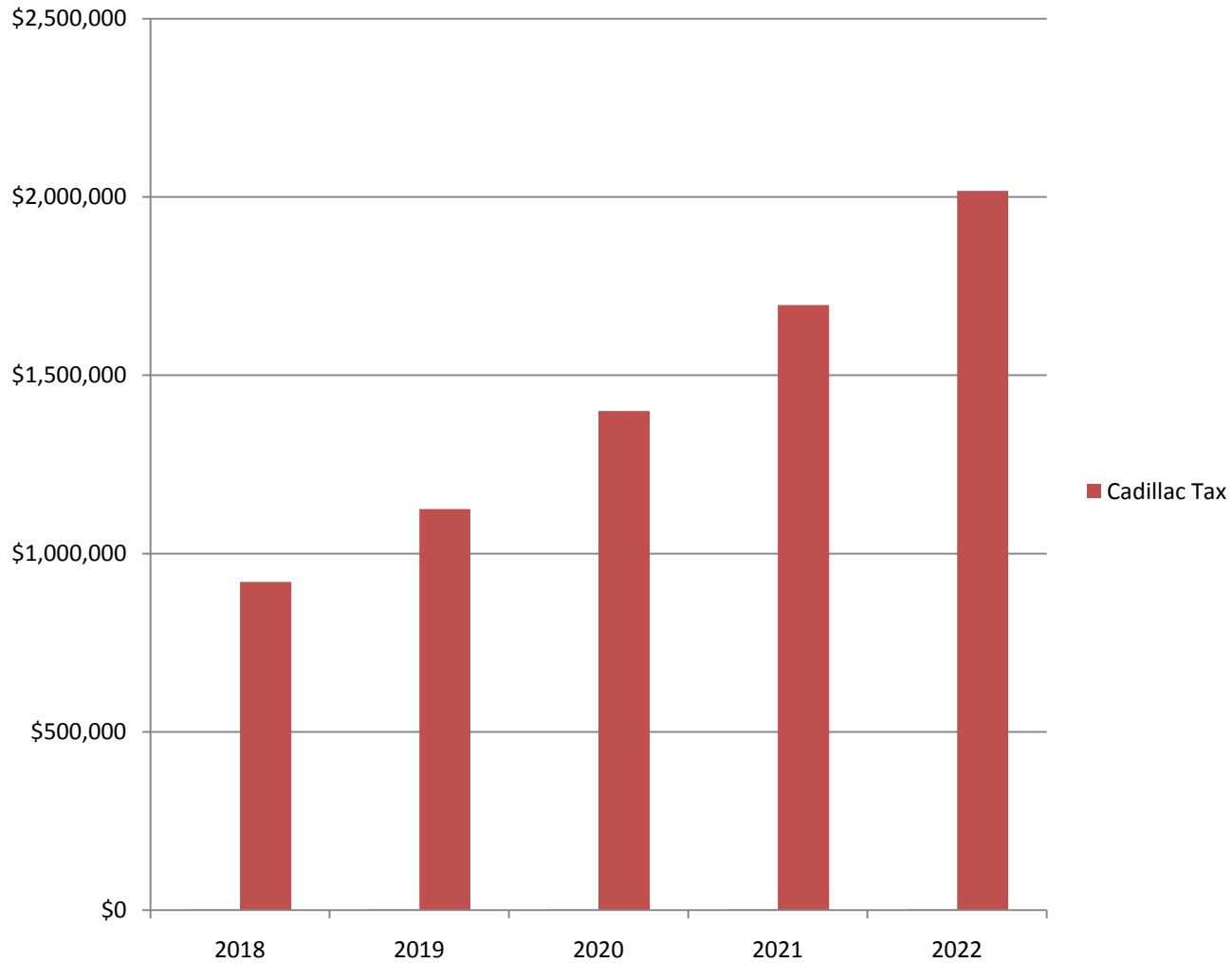
Affordable Care Act Imposes an Annual Excise Tax Starting in 2018

- 40% Excise Tax on Plans with Annual Premiums Exceeding:
 - \$10,200 for Individual
 - \$27,500 for Family

Current PPO Plan Annual Premiums

- Individual: \$10,918
- Family: \$27,069

Cadillac Tax



The Cadillac tax was calculated using a projected 7% annual increase in health insurance premiums.

What Makes Up A HDHP?

- Annual deductible of at least \$1,250 for Single / \$2,500 Family
- 80/20 PPO Plan
- Per ACA, first dollar preventive care is covered at 100%
- Maximum OOP cannot exceed \$6,350 Single / \$12,700 Family

2014 Deductibles & Contributions

	HDHP Deductible	Maximum HSA Deposit
Single Coverage	\$1,250	\$3,300
Single Maximum OOP Limit =	\$6,350	
Family Coverage	\$2,500	\$6,550
Family Maximum OOP Limit =	\$12,700	

An individual age 55 and older can make catch up contributions:
(2013 - \$1,000) (2014 and after \$1,000)

Health Savings Accounts

The Health Savings Account Consists of Two Parts:

1. Qualified High Deductible Health Plan (HDHP)
2. The Health Savings Account

What is a Health Savings Account?

It is an alternative to traditional health insurance; it is a savings product that offers a different way for employees to pay for their health care. HSA's enable one to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax-free basis.

Flexible Spending Accounts

Consists of two parts: Healthcare & Dependent Care

➤ FSAs allows employees to set aside pre-tax dollars to pay for out-of-pocket health and dependent care expenses

- 2014 Health FSA limit: up to \$2500 per year
- 2014 Dependent Care FSA limit: up to \$5000 per year

➤ Employees can chose to elect one or both

What is a “Bonafide” Healthcare Plan?

“Health Contingent” Wellness Program

- Be reasonably designed to promote health or prevent disease (not punitive)
- Provide employees a chance to qualify for the incentive at least once per year
- Cap the incentive at a certain percentage of the total cost of coverage (30% max.)

Bonafide Wellness Program

Reasonable Alternative Requirements

- Provide a reasonable alternative way to qualify for the incentive for some individuals
- Describe the availability of the alternative method of qualifying for the incentive in written program material

Questions?