

MEMO

grouphealthmemo2021

To: All Employees

From: Mike Ratkiewicz

Subj: **Group Health, Life, & Dental Renewal - Effective January 1, 2021**
 Aetna Insurance Company Medical, Dental, and Life Policy # 284011

Date: October 1, 2020

This year we started 2021 health renewal discussions in July and finished up mid-August. Our claims are presently right at 76% thru seven months which likely means by the time we get all the claims tallied thru year end including the "runout" of 2020 claims paid in 2021, the loss ratio will be in the 80's. **Please remember that insurance is "claims driven"; the more the claims, the higher the premiums.** This year, because of lower claims/losses, we saw only a 4.99% overall increase in premiums for the 2021 renewal which is significantly less than national averages, given the uncertainty of healthcare. This comes as a result of our group doing better than the claims-blistering ratios we had over the years previous to 2019. Your administrator for the program is Tammy Kratky at 402-404-2912; she will handle the day to day administration and routine questions/forms. Aetna does have a "Teladoc" program that will give you 24/7/365 access to a doctor through the convenience of phone or video consults. **I strongly urge each subscriber to use this program to its fullest extent - live healthy, use Teledoc, (855-835-2362).** Because the group is doing better on claims, I finally have some good news on health coverage. During open enrollment from 11/1/20 thru 11/30/20 you can enroll, add dependents, or switch plans at your option.

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Single	368.21	394.99	410.38	418.38	418.08	409.92	410.28	410.28	410.28	418.55	435.83	512.91	569.35	639.56	715.97	749.98	797.13	836.05
Family	970.60	1016.44	1055.92	1076.43	1076.43	1055.21	1056.45	1056.45	1056.45	1077.64	1121.82	1318.82	1464.66	1646.07	1848.45	1931.48	2051.20	2151.54
										Plan B single		300.74	380.22	381.73	428.58	445.57	475.18	498.99
										Plan B family		755.92	979.73	984.73	1106.15	1152.47	1227.00	1286.95

Employee contribution levels for our group for the year 1/1/21 to 12/31/21

	Plan A After Tax Wage		Plan B After Tax Wage	
	Gross Deduction	Net HR 125 Plan Effect	Gross Deduction	Net HR 125 Plan Effect
Individual Medical, Life & Dental	\$ 84.50 per week	\$ 63.50 per week	\$ 57 per week	\$ 43 per week
Family Medical, Life & Dental	\$179.00 per week	\$135.00 per week	\$146 per week	\$110 per week

Here's how the Section 125 HR works: (contribution is deducted before taxes are taken out, reducing your taxable income)

Comparison Item	Plan A				Plan B			
	Without HR 125		With HR 125		Without HR 125		With HR 125	
	Individual	Family	Individual	Family	Individual	Family	Individual	Family
Gross Weekly Income	\$1000	\$1000	\$1000	\$1000	\$1000	\$1000	\$1000	\$1000
Less Premium Charge			(\$84.50)	(\$179)			(\$57)	(\$146)
Taxable Income	\$1000	\$1000	\$915.50	\$821	\$1000	\$1000	\$943	\$854
Est. State, Federal & FICA	(\$250)	(\$250)	(\$229)	(\$206)	(\$250)	(\$250)	(\$236)	(\$214)
Income After Taxes	\$750	\$750			\$750	\$750		
Less Premium Charge	(\$84.50)	(\$179)			(\$57)	(\$146)		
Net Take Home Pay	\$665.50	\$571.00	\$686.50	\$615.00	\$693	\$604	\$707	\$640

Plan A - Standard Deductible

Plan B - High Deductible

MEDICAL	In Network	Out of Network	In Network	Out of Network
Deductible per year	\$1000 Individual \$2000 Family	\$1000 Individual \$2000 Family	\$ 5,000 Individual \$10,000 Family	\$10,000 Individual \$20,000 Family
Co-Insurance Levels	90%	80%	50%	50%
Out of Pocket Including Deductible per Year	\$1500 Individual \$3000 Family	\$2000 Individual \$4000 Family	\$ 6,350 Individual \$12,700 Family	\$12,700 Individual \$25,400 Family
Office Visit Co-Pay	\$ 30	\$ 30	Deductible and Co-Insurance	Deductible and Co-Insurance
Emergency Room Co-Pay	\$225	\$225	Deductible and Co-Insurance	Deductible and Co-Insurance
Urgent Care Co-Pay	\$ 50	\$ 50	Deductible and Co-Insurance	Deductible and Co-Insurance
Lifetime Benefit	\$Unlimited	\$Unlimited	\$Unlimited	\$Unlimited
RX PLAN	In Network	Out of Network	In Network	Out of Network
Generic	\$15 Copay	\$15 Copay +20% of submitted cost after copay	Deductible and Co-Insurance	Deductible and Co-Insurance
Formulary	\$45 Copay	\$45 Copay +20% of submitted cost after copay	Deductible and Co-Insurance	Deductible and Co-Insurance
Non Formulary	\$75 Copay	\$75 Copay +20% of submitted cost after copay	Deductible and Co-Insurance	Deductible and Co-Insurance
Specialty Drugs	\$90 Copay	Not Covered	Deductible and Co-Insurance	Deductible and Co-Insurance in network only
DENTAL				
Deductible	\$ 50		\$ 50	
Co-Insurance Levels	80%		80%	
Benefit per Person	\$500 Year		\$500 Year	
LIFE INSURANCE				
	\$10K Employee		\$10K Employee	
	\$ 5K Spouse		\$ 5K Spouse	
	\$ 2K Children 1 month – 18 years, unless full time student		\$ 2K Children 1 month – 18 years, unless full time student	

K&B continues with a plan which, compared to other employers, has significantly lower deductibles and out of pocket totals, plus better co-insurance levels. Once again remember, it's all claims-driven and the healthy pay for the sick; that's what insurance is, a pooling of premium dollars and likewise a pooling of claims. **Kory and Brock took a hard look at overall healthcare cost to our employees and opted to pass on only a portion of the rate increase instead of the full 4.99%.** Let's all do our part and live the healthiest lifestyle we can, and use all available Aetna features to assist in controlling our group health claims. Unless we hear from you on any changes, we will presume you are opting to retain your current insurance options and programs.