

## MEMO

grouphealthmemo2020

To: All Employees

From: Mike Ratkiewicz

Subj: **Group Health, Life, & Dental Renewal - Effective January 1, 2020**  
 Aetna Insurance Company      Medical, Dental, and Life      Policy # 284011

Date: October 9, 2019

This year we started 2019 health renewal discussions in July and just finished up late August. Our claims are presently right at 80% thru nine months, which likely means by the time we get all the claims tallied thru year end including the "runout" of 2018 claims paid in 2019, the loss ratio will be in the mid-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 6.25% overall increase in premiums for the 2019 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 ext 4302; she will handle the day to day administration and routine questions/forms. Effective 1/1/2020, please be aware that there is a change in the RX formulary list, and some medications will no longer be covered. If you are on one of these medications impacted by the formulary change, **you** will receive info from Aetna regarding preferred options for excluded medications. Be sure to take appropriate steps to switch to a preferred medication. 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). This is first in several years that we've obtained a single digit increase, finally some good news on health coverage.**

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Single	265.88	320.12	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
Family	700.36	843.20	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
													Plan B single	300.74	380.22	381.73	428.58	445.57	475.18
													Plan B family	755.92	979.73	984.73	1106.15	1152.47	1227.00

### Employee contribution levels for our group for the year 1/1/20 to 12/31/20

	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	\$ 82.50 per week	\$ 61.50 per week	\$ 55 per week	\$ 39 per week
Family Medical, Life & Dental	\$174.75 per week	\$130.75 per week	\$142 per week	\$106 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		Plan A		Plan B	
	Without HR 125	With HR 125	Without HR 125	With HR 125	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			(\$82.50)	(\$174.75)			(\$55)	(\$142)
Taxable Income	\$1000	\$1000	\$920.50	\$825.25	\$1000	\$1000	\$948	\$858
Est. State, Federal & FICA	(\$250)	(\$250)	(\$230)	(\$206)	(\$250)	(\$250)	(\$237)	(\$214)
Income After Taxes	\$750	\$750			\$750	\$750		
Less Premium Charge	(\$82.50)	(\$174.75)			(\$55)	(\$142)		
<b>Net Take Home Pay</b>	<b>\$667.50</b>	<b>\$575.25</b>	<b>\$688.50</b>	<b>\$619.25</b>	<b>\$695</b>	<b>\$608</b>	<b>\$711</b>	<b>\$644</b>

Plan A - Standard Deductible

Plan B - High Deductible

<b>MEDICAL</b>	<b>In Network</b>	<b>Out of Network</b>	<b>In Network</b>	<b>Out of Network</b>
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
<b>RX PLAN</b>	<b>In Network</b>	<b>Out of Network</b>	<b>In Network</b>	<b>Out of Network</b>
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
<b>DENTAL</b>				
Deductible	\$ 50	\$ 50	\$ 50	\$ 50
Co-Insurance Levels	80%	80%	80%	80%
Benefit per Person	\$500 Year	\$500 Year	\$500 Year	\$500 Year
<b>LIFE INSURANCE</b>				
	\$10K Employee	\$10K Employee	\$10K Employee	\$10K Employee
	\$ 5K Spouse	\$ 5K Spouse	\$ 5K Spouse	\$ 5K Spouse
	\$ 2K Children over 6 Months	\$ 2K Children over 6 Months	\$ 2K Children over 6 Months	\$ 2K Children over 6 Months

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 6.25%.** 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.