

# Welcome to your 2022 Benefits Open Enrollment

Open enrollment is your once-a-year opportunity to enroll in, or change, your benefits for the upcoming year.

After open enrollment, you can change your benefits only if you have a qualified status change, such as birth, marriage, or divorce.

**OPEN ENROLLMENT:**  
Monday, Nov. 15 to Friday, Dec. 10 (5 p.m.)

## What's New in Benefits for 2022

### New SaveOn Specialty Pharmacy Coupon Program

Specialty drugs are expensive prescription medications for chronic conditions that are debilitating without proper treatment. They are usually given by injection or infusion and typically require special handling such as refrigeration.

Nationwide, specialty drugs account for less than 2% of drugs prescribed while comprising 40% of the nation's drug costs. The District's experience reflects the national experience: a few specialty medications make up the lion's share of our prescription costs and are one of the primary drivers of our rising medical premiums.

The District's participation in the SaveOn Specialty Pharmacy Coupon Program is a way to reduce out-of-pocket costs for employees taking specialty medications while allowing the District to control costs for all employees.

**If you or a family member currently takes a specialty medication, or if one is prescribed in the future, you should know:**

- This program saves you and the District money and begins on Jan. 1, 2022.
- SaveOn will contact you or your covered family members currently taking a specialty medication and provide you with the choice to enroll in the coupon program. If opting in, the specialty medication co-payment/co-insurance will be \$0 for the next 12 months — even if you are in the CDHP (Consumer Directed Health Plan). (CDHP participants will not be required to first meet the deductible for this specialty medication).
- If you or your covered family member choose not to participate in the Program, the prescription will still be filled by the SaveOn Specialty Pharmacy, but **you will pay 30% of the monthly drug cost** until reaching what would have been the coupon value. After the coupon value has been met, the plan's usual co-payment/co-insurance applies for the remainder of the 12-month period. Opting out of this program will mean paying higher costs than you are accustomed to, so we strongly encourage anyone using eligible specialty drugs to **Opt-in**. If you initially choose not to enroll, you can change your mind later.

### New Centers of Excellence Program

Centers of Excellence (COEs) are hospitals throughout the state that have an expertise and in a particular area of medicine. COEs perform specialized procedures regularly at a reduced cost with better outcomes for the patient.

Although COEs are not new to our plan **and usage is voluntary**, the District is expanding this benefit as of Jan. 1, 2022. The plan covers the surgeries listed below at COEs in both eastern and western Washington:

- Cardiac
- Bariatric
- Spine
- Knee/Hip Replacements

**Your Cost.** You will continue to pay your deductible; however, starting Jan. 1, 2022, the plan will cover qualified services from COEs at 100%, and will provide travel and lodging benefits (up to IRS limits).

Plan	Regular Plan Costs	COE Cost as of Jan. 1, 2022
PPO	Deductible: \$300 + co-insurance: 80% in-network/60% out-of-network (up to \$1,000)	Deductible only: \$300
CDHP	Deductible: \$1,250 + co-insurance: 80% in-network/60% out-of-network (up to \$2,050)	Deductible only: \$1,250

**Using the COE Benefit.** If any of the covered surgeries are recommended, you (or your covered family member) must first call the customer service number on your Premera card to be connected to a Premera Personal Support Clinician and begin the coordination and pre-authorization process. Once the pre-authorization is received, Premera will connect you with the COE closest to your home and assist with travel arrangements.

## 2022 Healthcare Premiums and HRA VEBA Contributions

Chelan County PUD provides valuable benefits for you and your family while responsibly managing costs. As responsible healthcare consumers, we all work together to keep our costs low and once again this year, we are able to enjoy a minimal increase. Electing the Specialty Pharmacy Coupon Program has created a savings opportunity for employees and the District by keeping our 2022 rates low. We would have experienced a larger increase had we not elected to participate in this value-added program.

Here are the employer and employee premiums and employer HRA VEBA contributions for 2022.

Premiums	PPO Plan		CDHP	
	Employee	Employer	Employee	Employer
Per Month				
Medical (including Rx and vision)	\$147.03	\$1,813.43	\$0.00	\$1,658.01
Dental	\$8.93	\$110.14	\$0.00	\$119.07
Monthly total	\$155.96	\$1,923.57	\$0.00	\$1,777.08
<b>Annual total</b>	<b>\$1,871.52</b>	<b>\$23,082.84</b>	<b>\$0.00</b>	<b>\$21,324.96</b>

The PPO premium contribution is only increasing by \$4.14 a month — you continue to pay only 7.5% of the total premium and there continues to be no employee premium contribution for the CDHP.

**FYI:** The average family premium has increased by 22% over the last 5 years and 55% over the last 10 years. The PUD has been successful in keeping premium increases relatively low.\*

\*2020 Employer Health Benefits Survey, Kaiser Family Foundation (kff.org).

HRA VEBA	PPO Plan		CDHP	
	Employee	Employer	Employee	Employer
Monthly HRA VEBA contribution	\$0	\$100 (x 12)	\$0	\$100 (x 12)
CDHP participants: Additional annual HRA VEBA contribution	\$0	\$0	\$0	\$1,250
<b>Annual total</b>	<b>\$0</b>	<b>\$1,200</b>	<b>\$0</b>	<b>\$2,450</b>

You can use HRA VEBA funds to pay for IRS-approved out-of-pocket healthcare expenses, including your annual deductible, co-insurance and co-payments.

## 2021 Health Care FSA Carry Over

The District adopted provisions of the Consolidated Appropriations Act extending the grace period to use leftover 2020 and 2021 Health Care FSA funds for up to 12 months. This gives you until March 15, 2022 to spend contributions made in 2020 and until March 15, 2023 to use contributions made in 2021 and 2022.

**When electing your 2022 contribution amount, think about what expenses you may incur in 2022 as well as what carry over amounts you have from 2020 and 2021.**

- The maximum contribution for Health Care FSA accounts will increase to \$2,850 for 2022. Carried-over amounts do not count against your contribution limit for the next year. In other words, you can still contribute up to \$2,850 in 2022 whether or not you have a carry-over from 2021.
- If you have carry-over funds from 2020 and 2021, you can use those funds — even if you don't enroll and contribute to the Health Care FSA in 2022 (as long as you are a benefits-eligible employee).
- You will have until March 31, 2023 to submit claims. Any contributions from 2021 and 2022 still in your account after March 31, 2023 will be forfeited.

## Remote Doctor Visits

Our medical plans continue to offer three virtual offerings that are integrated into your health plan:

- **98point6** primary care
- **Doctor On Demand** primary care and mental healthcare
- **Talkspace** therapy services

These virtual health networks provide easy-to-access, board-certified, quality care that not only saves you time and money but can be accessed anytime and anywhere, from the safety of your home via private messaging or live video.

**Primary Care.** 98point6 and Doctor On Demand can help you get everything from a fast diagnosis and treatment of common ailments to routine checkups and ongoing monitoring of chronic conditions. You can also get most prescriptions filled without leaving the house!

**Mental Healthcare.** When you need a mental health appointment, you no longer must wait days or weeks. Doctor On Demand provides specialized psychiatric treatment from a licensed prescriber while Talkspace offers online counseling with a dedicated licensed therapist.

You can access 98point6 and Doctor On Demand through [www.premera.com](http://www.premera.com) or the Premera app.

To find out more about Talkspace visit: [www.redemption.talkspace.com/redemption/premera#how](http://www.redemption.talkspace.com/redemption/premera#how)

Please note: Telehealth providers can't diagnose COVID-19 or order COVID-19 testing.

## Comparing the PPO and CDHP

With a \$0 premium and an additional \$1,250 lump-sum deposit into your HRA VEBA, maybe it's time to take a closer look at the CDHP. The results may surprise you!

The following examples illustrate how the plans compare in different situations. To estimate out-of-pocket healthcare expenses, we used the Healthcare Cost Estimator posted on [www.mychelanpubbenefits.org](http://www.mychelanpubbenefits.org).

### Meet Jennifer

Jennifer covers only herself and is generally healthy. Over the course of the year, she gets her checkup and has no other healthcare expenses. If Jennifer enrolls in the CDHP she will have \$2,450 saved in her HRA VEBA for future healthcare expenses.

Jennifer	PPO	CDHP
Medical premiums	\$1,872	\$0
Out-of-pocket expenses	\$0	\$0
Chelan County PUD's 2022 HRA VEBA contribution	\$1,200	\$1,200 +\$1,250 \$2,450
<b>Jennifer's annual cost</b>	<b>\$1,872</b>	<b>\$0</b>
Money remaining in HRA VEBA	\$1,200	\$2,450

### Meet Mason

Mason covers himself and his family. Mason's two kids are both involved in sports. This spring, their youngest son had a leg injury, which required surgery and a two-day hospital stay — and physical therapy (\$12,000 total cost). Mason's wife has a medical condition that requires regular office visits and ongoing treatment (\$2,000 cost per year). Mason is slightly better off with the PPO; however, if his son hadn't been injured, Mason would have been much better off with the CDHP.

Mason (with Child Surgery)	PPO	CDHP
Medical premiums	\$1,872	\$0
<b>Wife's healthcare expenses: \$2,000</b>		
Annual deductible*	\$0	\$1,250
Out-of-pocket expenses:		
PPO copays* (6 visits x \$20) or	\$120	
CDHP coinsurance (20% x \$750 in expenses over deductible)		\$150
<b>Son's healthcare expenses: \$12,000</b>		
Annual deductible	\$300	\$1,250
Out-of-pocket expenses:		
Co-insurance (over deductible and under out-of-pocket maximum)	\$1,000	\$2,050
Chelan County PUD's 2022 HRA VEBA contribution used to pay expenses	– \$1,200	– \$2,450
<b>Mason's annual cost</b>	<b>\$2,092</b>	<b>\$2,250</b>
Money remaining in HRA VEBA	\$0	\$0

\* Covered without meeting deductible (PPO plan).

Continued in the next column, directly to the right.

## Using Your HRA VEBA as a Retirement Savings Vehicle

When planning for retirement, consider using your Health Care FSA to pay for out-of-pocket healthcare expenses (on a pre-tax basis) while building your HRA VEBA balance. Your HRA VEBA balance can roll over from year-to-year and you can use it after leaving District employment to pay for out-of-pocket medical expenses and Medicare premiums. This is illustrated in the following example.

### Meet Steve

Steve and his spouse are active empty nesters who are relatively healthy and have about \$2,000 in out-of-pocket expenses for medications and monthly chiropractic visits. Because they are 10 years away from retirement, they want to save their HRA VEBA funds to help pay for their Medicare premiums during retirement and use a tax-free Health Care FSA instead.

Steve's Annual Tax Savings	With FSA	No FSA
Annual pay	\$60,000	\$60,000
Annual Health Care FSA contribution	-2,000	0
W-2 income	58,000	60,000
Standard deduction	-12,400	-12,400
Taxable income	45,600	47,600
Federal income tax (Marginal rate 12%)	5,472	5,712
FICA tax (7.65% of W-2 income)	+ 4,437	+ 4,590
Total taxes	9,909	10,302
<b>Health Care FSA Tax savings (\$10,302 – \$9,909)</b>	<b>+ \$393</b>	

Steve has \$2,000 to spend on out-of-pocket medical expenses, while reducing his take home pay by only \$1,607 (\$2,000 – \$393). Steve also elected the CDHP medical plan. By saving the HRA VEBA contributions, when Steve is 65 and retires, he has \$27,391 to pay for his Medicare premiums and out-of-pocket medical expenses.

Steve's HRA VEBA Balance After 10 Years	
Annual HRA VEBA contribution	\$2,450
x 10 years	24,500
+ 2% annual compound interest	\$2,891
<b>Total after 10 years</b>	<b>\$27,391</b>

Mason (without Child Surgery)	PPO	CDHP
Medical premiums	\$1,872	\$0
<b>Wife's healthcare expenses: \$2,000</b>	\$120	\$1,400
Chelan County PUD's 2021 HRA VEBA contribution used to pay expenses	– \$1,200	– \$2,450
<b>Mason's annual cost</b>	<b>\$1,872</b>	<b>\$0</b>
Money remaining in HRA VEBA	\$1,080	\$1,050



CHELAN COUNTY

## Ready, Set, Enroll

Before you enroll, be sure you:

1. **Learn about your options** at [www.mychelanpudbenefits.org](http://www.mychelanpudbenefits.org)  
Use the online tools and watch the videos to help you choose the right medical plan for your situation.
2. **When you're ready to enroll**, go to the [PeopleSoft Employee Self Service](#) pages.  
(Works while logged in to a District computer only.)

As a Chelan County PUD employee, you make a difference in your community every day. In return, the District provides benefits to make a difference in your life by providing financial security for you and your family — now and in the future.

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If you have any questions about your 2022 benefits or how to enroll email: [benefits@chelanpud.org](mailto:benefits@chelanpud.org).