2018 BENEFIT UPDATE
AGENDA

- Welcome
- Prayer
- What’s Changing for 2018
  - Health cost trends
  - Teladoc
  - Medtrak Rx
  - Voluntary Benefits
  - 401k/403b
- Open Enrollment
- Closing
A PRAYER BEFORE WORK

My heavenly Father, as I enter this work place, I bring your presence with me. I speak your peace, your grace, your mercy and your perfect order into my work. I acknowledge your power over all that will be done, spoken, thought and decided within these walls.

Lord, I thank you for the gifts you have blessed me with. I commit to use them responsibly in your honor. Give me a fresh supply of strength to do my job. Anoint my projects, ideas, and energy, so that even my smallest accomplishment may bring you glory.

Lord, when I am confused, guide me. When I am weary, energize me. When I am burned out, infuse me with the light of the Holy Spirit. May the work that I do and the way I do it bring faith, joy and a smile to all that I come in contact with today.

And oh Lord, when I leave this place, give me traveling mercy. Bless my family and home to be in order as I left it. Lord, I thank you for everything you've done, everything you are doing, and everything, you are going to do.

In the name of Jesus I pray, with much love and thanksgiving. In the name of the Father, and of the Son, and of the Holy Spirit, Amen.
WHAT’S CHANGING FOR 2018

✓ Employee Premiums- Medical and Dental plan premiums will increase by 5%
## 2018 Medical & Dental Premium Costs

<table>
<thead>
<tr>
<th>Plan</th>
<th>Your Monthly Cost</th>
<th>Employer Monthly Cost</th>
<th>Total Monthly Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Plan (+5%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$290.72</td>
<td>$436.08</td>
<td>$726.80</td>
</tr>
<tr>
<td>Family</td>
<td>$613.36</td>
<td>$920.04</td>
<td>$1,533.40</td>
</tr>
<tr>
<td><strong>Dental Plan (+5%)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$17.84</td>
<td>$26.76</td>
<td>$44.60</td>
</tr>
<tr>
<td>Family</td>
<td>$42.08</td>
<td>$63.12</td>
<td>$105.20</td>
</tr>
</tbody>
</table>
Health plan premium increase history:
- 5% for 2017
- 5% for 2015
- 2% for 2014
- 5.5% for 2011

Dental plan premiums have not increased since before 2008 when Hays began working with the Archdiocese.

Dental plan benefits were enhanced in 2012 and again in 2014.
FACTORS IMPACTING HEALTH PLAN COSTS

- Federal medical cost data shows healthcare expenditures up 5.8% in 2017, the largest increase since 2007.
- Provider consolidation, particularly with large hospital groups:
  - Drives higher reimbursements from insurers.
- Archdiocese plan experienced a medical claims increase of 20.6% in 2016, based on BCBS data.
FACTORS IMPACTING HEALTH PLAN COSTS (CONTINUED)

- Archdiocese Stop Loss premiums have more than doubled since 2009. (Stop loss reimburses claims over $200,000)

- Plan design changes have either been improved benefits (such as preventive benefit enhancements made for 2017) or small incremental increases in member out of pocket expenses, due to grandfathered status of plan.
FACTORS IMPACTING HEALTH PLAN COSTS (CONTINUED)

- Pharmacy costs continue to increase with development of high cost specialty and other new drugs
- Archdiocese pharmacy claims up 5.4% in 2016 and close to 4% YTD 2017
HEALTHCARE REFORM AND
HEALTH PLAN COSTS

Direct costs from health care reform have added nearly $3 million in plan costs including:

- Estimated claim costs for:
  - Dependents to age 26
  - Removal of Lifetime Limits and Annual Maximums
  - Removal of Dollar Limits on Essential Health Benefits

- PCORI & Reinsurance Fees
  - Since inception close to $1.5 million

Additional IRS 1095 and 1094 annual reporting began in 2016
- Significant increase in administrative burden and expense
WHAT’S CHANGING FOR 2018

✓ Medical Plan - Teladoc will continue with a benefit called **Caregiver Program**.
  • Allows you to add your parent or other loved for whom you provide care but is not covered by our health plan.
WHAT’S CHANGING FOR 2018

✓ Prescription Plan Changes
MedTrak Rx
Lisa Davis, Account Manager
WHAT’S CHANGING FOR 2018

✓ Voluntary Benefits
  • Programs will terminate with Humana effective 12/31/17.
  • New comparable benefits offered through Colonial Life Insurance Company

Ryan Bowling
Public Sector Area Manager
ARCHDIOCESE RETIREMENT BENEFITS UPDATE

• Effective 7/1/17
  • 401k Voluntary Contribution Benefit now aligned with other Benefits – become effective first of month following date of hire.
  • Lay Voluntary 401k Contribution – Percentage amount only

• Effective 10/01/17
  • Voluntary Priest 403b – Flat amount
    • Email Patty pdickinson@archkck.org to change from percentage
• Effective 01/01/18 GOOD NEWS FOR EMPLOYEES!!!
  • 401k Discretionary/Base - contributions will be made on a semi-
    monthly basis - employee 100% vested (instead of annual
    contribution if active 12/31)
• Effective this past year
  • Frozen Lay Pension Plan now administered by CBIZ 866-715-1354
  • Frozen Lay Pension applies to eligible employees who worked
    full time before 2014 in an Archdiocese Retirement Location &
    have at least 3 years of service
  • Frozen Lay Pension employer contributions are 3% for all payroll
    employees
    • Who’s Where Lay Pension Frozen Invoice
OPEN ENROLLMENT

• Monday, October 16th through Tuesday, October 31st
• No change in open enrollment process this year—enrollment will be performed on the HBC benefit system
• Instructions on page 6 and 7 of Benefit Guide on how to log in
OPEN ENROLLMENT

• Employees will be passively enrolled as in the past—
but we encourage all employees to review all their
benefit elections each year, including beneficiaries.

• The exception to this is the FSA benefits, which must
be reelected each year.

• Due to transition to the Ceridian Dayforce system all
benefit elections must be finalized during open
enrollment by October 31.

• Employees hired on or after October 1st, please
contact Art Walsh to enroll in benefits for 2017 and
2018.
CLOSING THOUGHTS

• We are sending you draft copy of the benefit guide for your review. This is not ready for distribution as all legal notices are not included at this time. It will be ready prior to open enrollment.
• We will not be printing benefit guides this year. We will provide the link to you electronically in final form for you to distribute.
• Your role is to assist your employees with open enrollment.
• Questions- we are sending a survey and will reply to all of you with the answers.