

NEWSLETTER
September 18, 2020

**Summary of Changes to University of Toledo Health
Insurance Program for 2021**

Dear UT-AAUP Faculty:

Last week, the University of Toledo (“UT”) held an informational meeting with the campus Unions to present the changes to the Health Insurance Program for the 2021 calendar year. **Importantly, your health insurance premiums will not increase. The rates will remain the same for 2021.**

Note: Charges at Mercy Facilities – Beginning in 2021, only the Bronze Plan (i.e., FrontPath Health Coalition) will recognize Mercy Facilities, including Mercy doctors, as an in-network provider. The remaining Paramount plans (i.e., Blue and Silver) will consider charges at Mercy facilities to be out-of-network.

There are two other significant changes on the horizon for 2021; one to the prescription drug program and another to the wellness program. Both changes are described in greater detail below. In addition to addressing these modifications, the summary below will also highlight other changes discussed by UT at the recent workshop.

Prescription Drug (Rx) Benefit – Beginning in 2021, UT will make three (3) important changes to the Prescription Drug Benefit. These changes will impact all participants.

- (1) Co-Insurance Co-Payment Structure - First, UT will be switching from a co-payment model to a co-insurance model. These changes will have the greatest impact on Tier 2 and Tier 3 drugs. The chart below details how these changes impact you and your dependents.

	<u>2020 Rx Program</u> <u>(Old Model)</u>	<u>2021 Rx Program</u> <u>(New Model)</u>
	<u>30-day Supply</u>	
Tier 1 UTMC Pharmacies	\$7.26	\$10
Tier 2 UTMC Pharmacies	\$18.15	20% Co-insurance (\$60 Max)
Tier 3 UTMC Pharmacies	\$36.30	30% Co-insurance (\$120 Max)
	<u>90-day Supply</u>	
Tier 1 UTMC Pharmacies	\$18.15	\$25

Tier 2 UTMC Pharmacies	\$33.88	20% Co-insurance (\$150 Max)
Tier 3 UTMC Pharmacies	\$67.21	30% Co-insurance

- (2) Restricted Formulary – The second important change UT is adopting to the Rx Program is the shift to a “restricted formulary.” As the name implies, this structure reduces the number of covered drugs to stabilize premiums and reduce costs. While this formulary is not finalized, UT has indicated that it conducted a projected disruption analysis, meaning they are reviewing participants currently taking medications which may no longer be covered.

Once the formulary is finalized, these participants and their providers will be notified and other medications available to treat the underlying medical condition (and which are covered under the new formulary) will be suggested. UT will not be “grandfathering” any participants, which means that all participants will be subject to the new rules. However, there is an appeal process for participants whose medication is excluded from the new formulary if they are unable to take one of the alternative medications.

- (3) Retail Pharmacy Limits – Beginning in 2021, the supply limit for prescriptions filled at Retail Pharmacies (i.e., non-UTMC Pharmacies) will be reduced from thirty (30) days to fourteen (14) days. The cost sharing structure will also be changed to a co-insurance model. However, the impact on participants should be minimal since the previous structure was based on “average wholesale price” (referred to as “AWP”). The chart below illustrates the changes. Keep in mind that 90-day supplies were not permitted under the 2020 benefit structure.

	<u>2020 Rx Program (Old Model)</u>	<u>2021 Rx Program (New Model)</u>
	<u>(30-day Supply)</u>	<u>(14-day Supply)</u>
Tier 1 Retail Pharmacies	\$11.00	\$10
Tier 2 Retail Pharmacies	20% AWP	30% Co-insurance (\$100 Max)
Tier 3 Retail Pharmacies	40% AWP	45% Co-insurance

Wellness Programs – UT has also announced that it is changing and expanding its wellness programs. A “wellness program” is an initiative that is designed to encourage healthy behaviors to reduce, or mitigate, both health ailments and underlying costs. They include, for example, receiving annual physicals, joining and visiting area gyms, and obtaining health screenings based

on age or risk assessments. Previously, the UT Wellness Programs were limited to Blue Plan members because the rewards solely consisted of additional HSA contributions.

Beginning in 2021, UT will expand the wellness programs to all participants and the rewards will include items such as gift cards and Fitbits.

Emergency Room Co-Payment – UT will increase the co-payment for emergency room services from \$75 to \$200. However, this charge is waived if you are admitted to the Hospital. Like many health insurance plans, UT is adopting this change to discourage participants from using emergency room services for minor ailments. Emergency rooms are not cost efficient for routine services and such ailments are better handled by a primary care physician who can conduct a follow-up exam and monitor progress.

Dependent Care FSA Changes – In response to the challenges to childcare presented by the COVID-19 pandemic, UT has decided to allow participants to alter their 2020 Dependent Care Flexible Spending Account elections. That means participants can either increase or decrease their Dependent Care FSA elections, depending on their underlying circumstances. If you would like to modify your Dependent Care FSA election for the 2020 calendar year, please contact the UT Benefits Office.

This Summary has been prepared by a health insurance expert and attorney in the UT-AAUP's law firm of Allotta & Farley at the request of the UT-AAUP Executive Board. If a UT-AAUP faculty has any questions concerning the UT health insurance program for 2021, please contact the UT-AAUP at staff.utaaup@gmail.com

UT-AAUP Executive Board