

# Health Benefits Changes & Updates - Employee Connect

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## Annual Enrollment

- May 9, 2016 – May 20, 2016
- Soft roll-out of eBenefits
  - Employees can make updates to their benefits online or on paper

## Coverage/Deduction Schedule

- The delivered coverage and deduction effective date configuration options in Benefits Administration, do not support the City’s current practice of taking deductions approximately 1 month in advance.
- The Health Benefits Office and the Benefits Upgrade Team completed a scenario mapping exercise to identify the optimal coverage/deduction schedule with the following goals in mind:
  - Minimize financial risk
  - Minimize retroactive adjustments
  - Easy to understand
- Employees will shift to a “pay as you go” model. Payroll deductions will start/end when coverage starts/ends. See below for a summary of changes as a result of the modified coverage/deduction schedule:

| Transaction Type         | Current   | New   |
|--------------------------|---|---|
| New Hire                 | 60 days to enroll   | 30 days to enroll   |
|                          | Coverage begins 1-2 months after the application is received by Health Benefits | Coverage begins 1 <sup>st</sup> of the month following hire date  |
|                          | No email notification or confirmation is sent to the employee                   | Email notification, reminders and confirmation of enrollment will be sent to the employee   |
| Qualifying (Life) Events | 30 days after qualifying event  | 30 days after qualifying event  |
|                          | Coverage effective date equals event date                                       | Coverage effective date equals event date   |
|                          | Arrears/Refund must be manually calculated and applied by Health Benefits       | Payroll deduction will be updated immediately. Retroben module will calculate any arrears/refund - no manual calculation required |
|                          | No email notification or confirmation is sent to the employee                   | Confirmation of enrollment will be sent to the employee   |
| Termination              | Coverage ends approximately 1 month after termination date                      | Coverage ends effective last pay period end date  |
|                          | Termination/COBRA notice is mailed to the employee                              | Termination/COBRA notice is mailed to the employee  |

## Deduction Holiday

- In order to transition existing employees from the current coverage/deduction schedule to the pay as you go model, a 1 month deduction holiday or deduction refund will be issued.
- The exact date of the deduction refund remains to TBD, but will likely take place in April or May.

## Other Considerations

- **Rate Setting / Deduction Schedule** – There will never be a pay period with “no deduction” as exists today. Every weekly and bi-weekly pay period will have a deduction. Rate setting methodology will have to change from annual rate/12 months to annual rate/# of pay periods.
- **Employees paid over 10 months** – BPS employees paid across 10 months will continue to have double deductions withheld from their checks during the last 2 months of the school year. If an employee experiences a qualifying event during the ‘double deduction’ period, analysis will be conducted to ensure there is no adverse impact, and manual refunds or arrears may be required.

## Opt-Out

- Opt-out eligibility and benefit amount vary by union.
- Currently, employees can apply to opt-out for the first time or renew their opt-out application during Annual Enrollment.
- The opt-out benefit is administered manually, and many employees are not aware of the benefit or forget to complete the application.
- Benefits Administration will be configured with an opt-out event that will automate the identification of eligible employees and send them an email notification with instructions for opting out via eBenefits.
- Rather than a lump-sum payment for opt-out, which must be repaid by the employee should they re-enroll during the year, a weekly/bi-weekly payroll credit will be applied. If an employee re-enrolls during the year, the credit will end and deductions will begin.

## Opt-Out – 2015 Enrollment Stats

- 298 Employees completed the opt-out process, for a total of \$656,500

| Union Code | Description                    | Group          | Count |  |                |       |
|------------|--------------------------------|----------------|-------|--|----------------|-------|
| ACW        | AFSCME C93 Local 230           | AFSCME         | 2     |  |                |       |
| AFE        | AFSCME C93 Local 296 Parks     | AFSCME         | 3     |  | Group          | Count |
| AFF        | AFSCME C93 Local 703           | AFSCME         | 3     |  | AFSCME         | 33    |
| AFG        | AFSC Local 804 PW&PR,Tr,Pol,Fi | AFSCME         | 6     |  | BPPA           | 43    |
| AFI        | AFSCME C93 Local 944           | AFSCME         | 1     |  | BPS Custodians | 7     |
| AFK        | AFSCME C93 Local 1892          | AFSCME         | 5     |  | BPSOF          | 10    |
| AFL        | AFSCME C93 Local 1631          | AFSCME         | 2     |  | BTU            | 63    |
| AFM        | AFSCME C93 Local 783           | AFSCME         | 3     |  | EXEMPT         | 20    |
| AFP        | AFSCME C93 Local 1526          | AFSCME         | 4     |  | IAFF           | 49    |
| AFT        | AFSCME C93 Local 445           | AFSCME         | 4     |  | OTHER          | 8     |
| AGU        | SEIU L888 BPS ADM GUILD UN13   | SEIU           | 9     |  | Police Det     | 10    |
| BAS        | BASAS (BPS)                    | OTHER          | 1     |  | SEIU           | 35    |
| BPP        | Police Patrolmen's Assoc (BPD) | BPPA           | 43    |  | SENA           | 20    |
| BPS        | Managerial (BPS)               | EXEMPT         | 6     |  |                |       |
| BT1        | Boston Teachers Union Paras    | BTU            | 12    |  |                |       |
| BT2        | Boston Teachers Union Subs     | BTU            | 2     |  |                |       |
| BT3        | Boston Teachers Union Teachers | BTU            | 49    |  |                |       |
| CCS        | City Council Staff             | EXEMPT         | 2     |  |                |       |
| EXM        | Executive Managers (BCH)       | EXEMPT         | 6     |  |                |       |
| HMP        | Head Masters & Principal (BPS) | EXEMPT         | 4     |  |                |       |
| IFF        | Intl Assn Fire Fighters L718ab | IAFF           | 49    |  |                |       |
| MPS        | Municipal Police Sup Ofc Asoc  | OTHER          | 1     |  |                |       |
| MYG        | Mayor's Office Clerical Empl   | EXEMPT         | 1     |  |                |       |
| MYO        | Mayor's Office Employees       | EXEMPT         | 1     |  |                |       |
| OPE        | OPEIU AFL-CIO LI6 (Hsg Inspt)  | OTHER          | 2     |  |                |       |
| PDB        | Boston Police Detectives       | Police Det     | 7     |  |                |       |
| PDS        | Supr Det. Ben. Society (BPD)   | Police Det     | 3     |  |                |       |
| PSA        | Professional Staff Assn (BPL)  | OTHER          | 3     |  |                |       |
| PSO        | Boston Police Superior Officer | BPSOF          | 10    |  |                |       |
| SCA        | Custodian Assn (BPS)           | BPS Custodians | 7     |  |                |       |
| SE1        | SENA L 9158 (Citywide)         | SENA           | 20    |  |                |       |
| SPS        | Sch Police Supr Ofc Assn (BPS) | OTHER          | 1     |  |                |       |
| SU2        | SEIU L888 DND UN01B            | SEIU           | 9     |  |                |       |
| SU4        | SEIU L888 CWD UN01D            | SEIU           | 14    |  |                |       |
| SU5        | SEIU L888 BCYF UN01E           | SEIU           | 1     |  |                |       |
| SU6        | SEIU L888 ELD UN01F            | SEIU           | 1     |  |                |       |
| SU7        | SEIU L888 BPS P & E UN01G      | SEIU           | 1     |  |                |       |



CITY OF BOSTON

## HEALTH INSURANCE OPT-OUT PROGRAM POLICY

- The annual payment amount is either:
  - \$1,000.00 for waiving Individual coverage or \$1,500.00 for waiving Family coverage.

**Or, if stated in your collective bargaining agreement**

  - \$1,500.00 for waiving Individual coverage or \$2,500.00 for waiving Family coverage.
- To participate, employees must either be:
  - Currently enrolled in City medical coverage and drop the coverage during the Open Enrollment period for at least one year.

**Or if stated in your collective bargaining agreement**

  - You qualify if you were enrolled in a City of Boston health plan for at least one year at some point during your employment with the City and had previously dropped that coverage.
- Employees must provide written documentation of alternate medical coverage outside of the City's group plans on employer letterhead. This letter must include the dates of coverage and the names of all those covered by the plan. This documentation will be required on an annual basis to qualify for the opt-out benefit.
- The Health Insurance Waiver Form must be signed on an annual basis during the Open Enrollment period for plan year beginning July 1<sup>st</sup>.
- The level of opt-out benefit available to employees will be determined based on **current** eligibility. Therefore, all employees seeking to receive the family plan opt-out benefit **for the first time** must provide current proof of their dependents status, consistent with enrolling in a family plan (copy of your marriage certificate or birth certificate for **one** of your health insurance eligible dependents).
- If an employee who opts out of the City's coverage subsequently loses the alternate coverage, that employee may re-enroll in the City's coverage within 30 days of losing the alternative coverage.
- An employee rejoining the City's coverage within the year he/she receives an opt-out payment must refund the City a prorated amount of the opt-out payment.