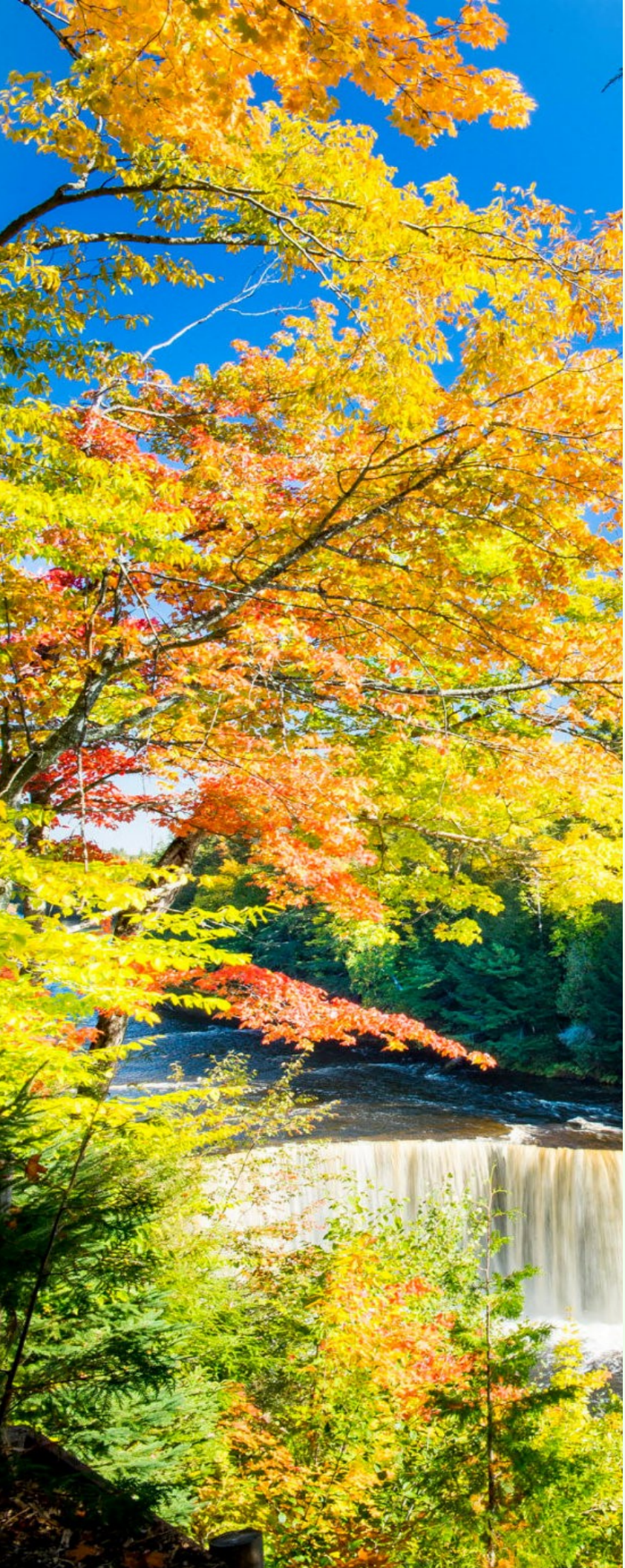
2023 State of Michigan Employee Benefits Open Enrollment

October 17, 2022 – November 4, 2022



Contents

BOE Information

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BOE Dates to Know

Benefits Open Enrollment Period:
October 17, 2022 – November 4, 2022

Documentation Deadline:
November 14, 2022

Coverage Effective Date, Deductible Reset Date, and Out-Of-Pocket Maximum (OOPM) Reset Date:
January 1, 2023

Coverage Period:
January 1, 2023 – December 31, 2023

How to Enroll in Benefits

Enrolling in benefits remains the same simple process, either online through HR Self-Service or by phone with the MI HR Service Center.

Online:

Visit the HR Gateway page at www.mi.gov/selfserv and log in to HR Self-Service. Click the "Menu" button in the top-left corner to expand the bookmarks tray on the left. Select "Benefits Open Enrollment" from the list to expand the options. From there, you can choose to start the process of adding new dependents to your benefits or begin the enrollment process.

Over the Phone:

Need help from an HR professional who is trained to help guide you through Benefits Open Enrollment? Call the MI HR Service Center, Monday through Friday, 8:00 a.m. to 5:00 p.m., at **877-766-6447.**

What's New for BOE

There are several plan changes to note for BOE this year. While it is important to review your benefits annually to ensure your elections will meet your needs for the coming plan year, it is particularly important to weigh your options when changes and plan enhancements are occurring.

In addition to the BOE Booklet, the Employee Benefits Division's website www.mi.gov/BOE is the home for all things benefits now and throughout the year.

Priority Health and Catastrophic Health Plan Elimination

Effective January 1, 2023, Priority Health and the Catastrophic Health Plan will no longer be offered to state employees. Enrollment and coverage in Priority Health and the Catastrophic Health Plan will end after December 31, 2022. **Current enrollees must elect new health plans during BOE to have state health coverage after December 31, 2022.**

Current plan enrollees will be contacted directly by both email and mail with additional details. Visit the Health Plan Elimination page for more information.

Benefit Plan Enhancements

State Health Plan (SHP) PPO (Blue Cross Blue Shield of Michigan)

- $0 telemedicine copays for medical and Behavioral Health/Substance Use Disorder (BH/SUD) services when using BCBSM's online vendor, AmWell
- Male sterilization covered 100% in-network

State Dental Plan (Delta Dental)

- Lifetime orthodontics maximum increased from $1,500 to $1,750
- Sealants for members under age 14 covered 100%

State Vision Plan (EyeMed)

- Coverage for non-medically necessary contact lenses increased from $130 to $150
- Copay for frames reduced to $0 ($7.50 copay for lenses remains)
- Glasses or contact lenses may be replaced every 12 months without a change in prescription (previously every 24 months)
- Computer glasses may be replaced every 12 months if the prescription differs from the regular pair; HR office authorization no longer required
- $1,000 lifetime Lasik reimbursement for spouses of active employees

What's New for BOE Continued...

Health Maintenance Organization (HMO) Insurance Premium Rate Increases

Employees are encouraged to review all aspects of their benefit elections every year, rates included. This year, the HMOs have an increase in biweekly premiums. Rates for the SHP PPO and State High Deductible Health Plan (HDHP) with Health Savings Account (HSA) remain the same.

It is important to take these changes into account when making your benefit elections. The Understanding HMO Insurance Premium Rates resource is available to show premium split (employee/employer share) calculations. Please visit the Insurance Rates page to review premiums as part of your BOE preparation review this year.

MPSTA-Represented (T01) Eligibility Changes

MSPTA-represented (T01) employees are eligible to enroll in the State HDHP with HSA during BOE. MSPTA-represented employees who enroll in the State HDHP with HSA will have an effective date of January 1, 2023, as with all other benefit changes and new enrollments during BOE.

Additionally, MSPTA-represented employees are eligible to add an Other Eligible Adult Individual (OEAI) and an OEAI's eligible dependent children to their health insurance coverage during BOE.

Limited Pay-Period Premium Holidays

In the spring of 2023, there will be pay-period premium holidays for enrollees in the State Dental Plan, Preventive Dental Plan, State Vision Plan, and Long Term Disability (LTD) Plan. During premium holidays, payroll deductions for insurance premiums are suspended so the state can adjust fund balances.

This means employees enrolled in these plans may see an increase to their paychecks during these pay periods. When the premium holidays conclude, payroll deductions will resume and employees' paychecks will return to their standard level of pay. No action is required to participate and enrollment in these plans is **not affected** by the premium holidays.

Comparing Health Plans

There are many important factors to review when selecting a health plan, especially if you have been enrolled in your current plan for many years. The information below highlights some differences between the plans offered to State of Michigan employees for 2023. A detailed comparison chart, health plan cost scenarios, plan summaries, insurance rates, and other information are also available by visiting www.mi.gov/BOE.

HMOs

- Generally higher premiums
- Lower deductibles
- No coinsurance
- 100% coverage for preventive services
- Provider networks may be limited to a geographic region
- Eligibility subject to residential zip code

SHP PPO

- Premiums higher than the State HDHP with HSA but lower than HMOs
- Deductibles lower than the State HDHP with HSA but higher than HMOs
- 10% coinsurance on many services
- 100% coverage for preventive services
- National Blue Cross provider network

State HDHP with HSA

- Lower premiums
- Generally higher deductibles
- 20% coinsurance on most services
- Includes HSA and employer contribution
- 100% coverage for preventive services
- National Blue Cross provider network

How Do Deductibles Work

A deductible is a specified amount you must pay each plan year for services before your insurance plan begins to pay. The deductible does not apply to all services. In-network preventive services under the SHP PPO, HMOs, and the State HDHP with HSA do not require any copay or deductible. Under the SHP PPO and HMOs, in-network office visits, consultations, and urgent care visits only require a copay. Refer to the 2023 Health Plan Comparison Chart, 2023 HMO Comparison Chart, or individual plan summaries at www.mi.gov/employeebenefits for lists of covered in-network services after the deductible.

Your deductible amount will vary based on your plan. For HMOs and the SHP PPO, the individual in-network deductible ($125 for an HMO or $400 for the SHP PPO) is the maximum for any one family member. The family deductible ($250 for an HMO or $800 for the SHP PPO) is the combined maximum for all family members for in-network services. One family member cannot contribute more than the individual maximum deductible toward the family deductible. A family member is not required to reach the individual deductible before the family deductible can be met.

For the State HDHP with HSA, the individual deductible ($1,500) applies to employee-only coverage. The State HDHP with HSA family deductible ($3,000) applies to the coverage of employee plus spouse and other dependents. Except for certain covered preventive services, the applicable deductible must be fulfilled before services are paid by the plan. Any member of the family or combination of family members can fulfill the entire family deductible.

Some HMOs, the SHP PPO, and the State HDHP with HSA can have separate deductible calculations for out-of-network services.

Understanding Deductible Costs

Health Maintenance Organization (HMO) Deductible Example:

Jacob receives services for a benefit that is covered 100% after deductible (e.g., ambulance services, x-rays, MRI, etc.). The provider submits a claim to the HMO for an allowed amount of $550. The HMO will pay the provider $425; the provider will bill Jacob for his member cost share of $125 (deductible).

State Health Plan PPO Deductible Example:

Joan receives services for a benefit that is covered 90% after deductible (e.g., ambulance services, x-rays, MRI, etc.). The provider submits a claim to BCBSM for an allowed amount of $550.

BCBSM will subtract the $400 deductible from the allowed amount and pay the provider for 90% of the $150 remaining balance ($135). The provider will bill Joan for her member cost share of $415 ($400 deductible + 10% coinsurance of $15 on the $150 balance).

State High Deductible Health Plan with HSA Example:

Susan received a $750 annual employer contribution into her HSA with the first paycheck of 2023.* She receives services in February for a benefit that is covered 80% after deductible (e.g., ambulance services, x-rays, MRI, etc.). The provider submits a claim to BCBSM for an allowed amount of $550.

Susan has not accrued any medical expenses yet for 2023 towards her $1,500 deductible. BCBSM will not pay the provider since the bill balance is less than the remaining deducible. The provider will bill Susan for her member cost share of $550. Susan may pay the provider $550 from her HSA or use a different payment method available to her.

*An employee can make additional contributions once their HSA account is active.

Frequently Asked Questions

What's an out-of-pocket maximum and how does it work?

The annual out-of-pocket maximum (OOPM) is the total amount you can be required to pay for in-network covered services during a plan year. In-network deductibles, fixed-dollar copays, prescription drug copays, and coinsurance all count toward the annual OOPM.

Once this maximum amount is reached, you will not pay any additional coinsurance, deductibles, or copays for covered in-network services for the rest of the plan year.

The individual OOPM applies to any one family member; the family OOPM is the collective amount that could be paid by any combination of family members. There are separate OOPMs for in and out-of-network services. In-network OOPM amounts are below. See the 2023 Health Plan Comparison Chart for other details.

- SHP PPO & HMO in-network: $2,000 individual / $4,000 family
- State HDHP in-network: $4,000 individual / $8,000 family

These charges cannot be used to meet your annual OOPM:

- Out-of-network coinsurance, deductibles, or fixed dollar copays
- Charges for non-covered services or treatments
- Charges above the approved amount the plan pays for a benefit
- Biweekly premiums

How does coinsurance work?

Coinsurance is your share of the costs of a covered health care service, calculated as a percent, after meeting your annual deductible. For example, for in-network services, if you have met your annual deductible and then have surgery, the insurance plan will pay a percentage of the allowed amount for the surgery and you will pay the remaining percentage as coinsurance. All in-network coinsurance charges apply toward the annual in-network OOPM, which limits the amount you can be required to pay for services during a plan year.

Frequently Asked Questions

What other insurance terms should I know?

Premium: The amount paid each pay period to enroll in insurance benefits. You and the state both pay a share for most plans.

In-Network/Out-of-Network: Each plan has a network of providers. If you obtain services from these providers, you usually pay less for services covered under your plan.

Each plan's website has a list of its network providers. This information can also be found from the Insurance Plans page of the Employee Benefits Division website.

Out-of-network providers can cost you more, or not be covered at all, depending on your plan.

Copay: A copay is a fixed-dollar amount you may be required to pay when receiving services. These most commonly apply to office visits and prescriptions and are generally paid when services are performed or prescriptions are received.

Formulary (Drug List): A formulary is a list of generic and brand-name prescription drugs covered by your health plan. It is divided into tiers that correspond to the plan's copay structure. The SHP PPO and State HDHP with HSA both include prescription coverage administered by OptumRx using the same formulary.

Each HMO plan includes its own formulary. Prescription copays are the same for all plans, but under the State HDHP with HSA, non-preventive medications are subject to meeting the plan deductible before copays apply.

Other Eligible Adult Individuals (OEAIs)

Enrolling an OEAI and an OEAI's Dependent Children

To enroll an OEAI in your health insurance, you can enroll by HR Self-Service (www.mi.gov/selfserv) or by calling the MI HR Service Center. After enrollment, the MI HR Service Center* must receive the following documents by **November 14, 2022,** to complete the enrollment process or the OEAI and OEAI dependent(s) will not be enrolled:

- Enrollment Application and Affidavit (CS-1833)
- Copy of age verification that the OEAI is 18 or older:
    - birth certificate,
    - passport,
    - driver's license, or
    - other governmental document indicating date of birth
- Documents establishing joint residence for the past 12 months (e.g., bank statement, utility bills, etc.). Required documentation must also be submitted to maintain enrollment of an OEAI's dependent.

OEAI and OEAI dependent coverage will not take effect if documentation is not received by the MI HR Service Center* by **November 14, 2022.**

Note: OEAIs are excluded from enrollment in the State High Deductible Health Plan with HSA.

Tax Implications

In accordance with IRS regulations, state employees are responsible for paying taxes associated with the fair-market value of enrolling an OEAI and the OEAI's dependents. Information on OEAI tax implications is available on the Employee Benefits Division web site at www.mi.gov/BOE.

Terminating Benefits

When criteria for enrollment are no longer met, you must notify the MI HR Service Center* within 14 calendar days. Coverage will end effective the date OEAI eligibility criteria are no longer met.

Documentation

*Auditor General and Judicial employees should submit all supporting documentation to their HR office instead of the MI HR Service Center

OEAI Eligibility

OEAIs are eligible to be added to health plans for all represented and non-exclusively represented (NERE) employees except **Legislative and Deferred Retirement Option Plan (DROP) employees**

Eligibility Guidelines

Eligible Dependents

Eligible dependents may be enrolled in your health, dental, vision, and dependent life insurance plans. An OEAI and OEAI dependents can only be enrolled in the SHP PPO or HMOs. Children by birth or legal adoption and stepchildren are eligible for dependent life insurance until the day before their 23rd birthday, and eligible for health, dental, and vision insurance through the last day of the month in which they turn age 26.

Children for whom you have legal guardianship or provide foster care (placed in your home by a state agency or court) are eligible for health, dental, vision, and dependent life insurance until the day before their 18th birthday, unless the placement expires before that date.

State-employed married or divorced employees with independent enrollments may cover their children on either parent's plan, if each child is only covered once. If both employees want to carry a child and cannot agree on who will cover, the children will be covered by the parent who covered the children first during their state employment .

For a grandchild to be eligible, the grandchild’s parent must be a covered dependent for whom you provide at least 50% financial support and, if the grandchild’s parent is from age 19 up to their 25th birthday, also a student.

Note: OEAIs are excluded from enrollment in the State HDHP with HSA.

Dependent Life Insurance

Eligible dependents can include your spouse and unmarried children from the age of 14 days up to their 23rd birthday for whom you provide at least 50% of their support. Your spouse is ineligible if they are a state employee or state retiree.

As a state employee, you are automatically enrolled in life insurance. You are ineligible to be covered as a spouse or dependent on another employee or retiree dependent life insurance plan while covered as a state employee.

Eligibility Guidelines

Eligibility Exclusions

If you and your retiree or state employee spouse are both covered by state group insurance plans, you may maintain separate coverage or enroll together with one spouse as a dependent. If you maintain separate coverage, your children can only be listed as a dependent on one plan. This applies even if you are divorced.

An employee's spouse, OEAI, and dependents are ineligible for coverage if in the armed forces on active duty.

Continuing Coverage for Incapacitated Children

Your child who is unmarried and unable to sustain employment because of a developmental or physical disability can continue enrollment in health, dental, vision, and dependent life insurance beyond the age limits in the Dependent Eligibility Guidelines if all the following conditions establishing incapacitated status are met:

- Your child became incapacitated before reaching the age limit for the coverage (23 for dependent life insurance and the end of the month they turn 26 for health, dental, and vision).
- You have submitted documentation verifying your child's incapacity within 31 days after the child reaches the age limit for termination of coverage.
- Your child is unmarried and continues to be incapacitated and chiefly dependent on you for support and maintenance.
- Your coverage does not terminate for any other reason.

Canceling Coverage

Immediately notify the MI HR Service Center to cancel coverage when your dependent no longer meets the definition of an eligible individual. Ex-spouses are ineligible and must be removed from coverage effective the date of the divorce.

Required Documentation

The documents listed below are acceptable proof of dependent and OEAI eligibility for insurance coverage. Documents must be provided to the MI HR Service Center* by email, fax, or mail. Contact information is provided at the end of this section. Legible copies are required. Please do not provide originals; documents will not be returned. Copies of documentation emailed, faxed, or mailed to the MI HR Service Center* must be received by **November 14, 2022** or dependent(s) will not be added to coverage.

Qualifying Life Events

To add or change eligible dependents due to a qualifying life event (QLE) such as marriage, birth, or divorce, call the MI HR Service Center* as soon as possible, but **no later than 31 days after the QLE**. Do not wait until you have the official documentation to contact the MI HR Service Center*.

Required Documents for Health, Dental, Vision, and Life Insurance Coverage

- **Adopted Child**
  - *Adoption Papers* or sworn statement with the placement date
- **Biological Child**
  - *Birth Certificate* (hospital verifications are not accepted)
- **Foster Child**
  - *Court Document* placing the child in the employee's home for foster care
- **Grandchild**
  - *Birth Certificate* (hospital verifications are not accepted)
  - *Documentation* proving you provide at least 50% support to the grandchild's parent (e.g., most recent federal 1040 form filed showing the grandchild's parent claimed as a dependent)
  - For a grandchild to be eligible, the grandchild's parent must be a covered dependent and, if from 19 up to their 25th birthday, a student as demonstrated by
    - Student Verification of Eligibility Form (CS-1830)
    - *School Records* proving the grandchild's parent is regularly attending an accredited educational institution (e.g., class schedule, transcript, etc.)
- **Incapacitated Child**
  - *Birth Certificate* (hospital verifications are not accepted)
  - *Verification Documentation* that the child's condition was confirmed by the insurance carrier before the child reached the usual age limit for coverage
- **Legal Guardianship**
  - *Court-Ordered Letters of Guardianship*

Required Documents for Health, Dental, and Vision Coverage continues on next page…

Required Documentation

Required Documents for Health, Dental, Vision, and Life Insurance Coverage: Continued

- **Loss of Coverage (for mid-year enrollment)**
  - *Document Detailing Loss of Coverage* from employer or insurance carrier specifying the benefits for which coverage has been lost (e.g., health, vision, dental), the date coverage was lost, and who lost coverage
- **Spouse**
  - *Marriage Certificate*
- **Stepchild**
  - *Birth Certificate* (hospital verifications are not accepted)
  - *Marriage Certificate*

Required Documents for OEAI SHP PPO or HMO Coverage

- **OEAI (Other Eligible Adult Individual)**
  - OEAI Enrollment Application & Affidavit (CS-1833)
  - *Joint Residency Documentation* establishing shared residency for the past 12 months (e.g., bank statement, utility bill, lease agreement, etc.)
  - *Proof of Age* (birth certificate, passport, driver's license, or other governmental document)
- **OEAI Dependent**
  - OEAI Enrollment Application & Affidavit (CS-1833)

  And any of the below establishing the relationship between the OEAI and the OEAI dependents you wish to enroll:
  - *Birth Certificate* (hospital verifications are not accepted)
  - *Adoption Papers* or sworn statement with the placement date
  - *Court Document* placing the child in the employee's home for foster care
  - *Court-Ordered Letters of Guardianship*
  - **Note**: Dependent children of an OEAI may enroll in health insurance only up to their 26th birthday with a CS-1833 and the same required documentation that applies to equivalent dependent children of employees. Coverage will terminate at the end of the month in which the dependent turns 26.

Note: OEAIs are excluded from enrollment in the State HDHP with HSA.

*Auditor General and Judicial employees should submit all supporting documentation to their HR office instead of the MI HR Service Center.

MI HR Service Center

MI HR Service Center Contact Information

Phone: 877-766-6447

Email: MCSC-MIHR-Docs@michigan.gov

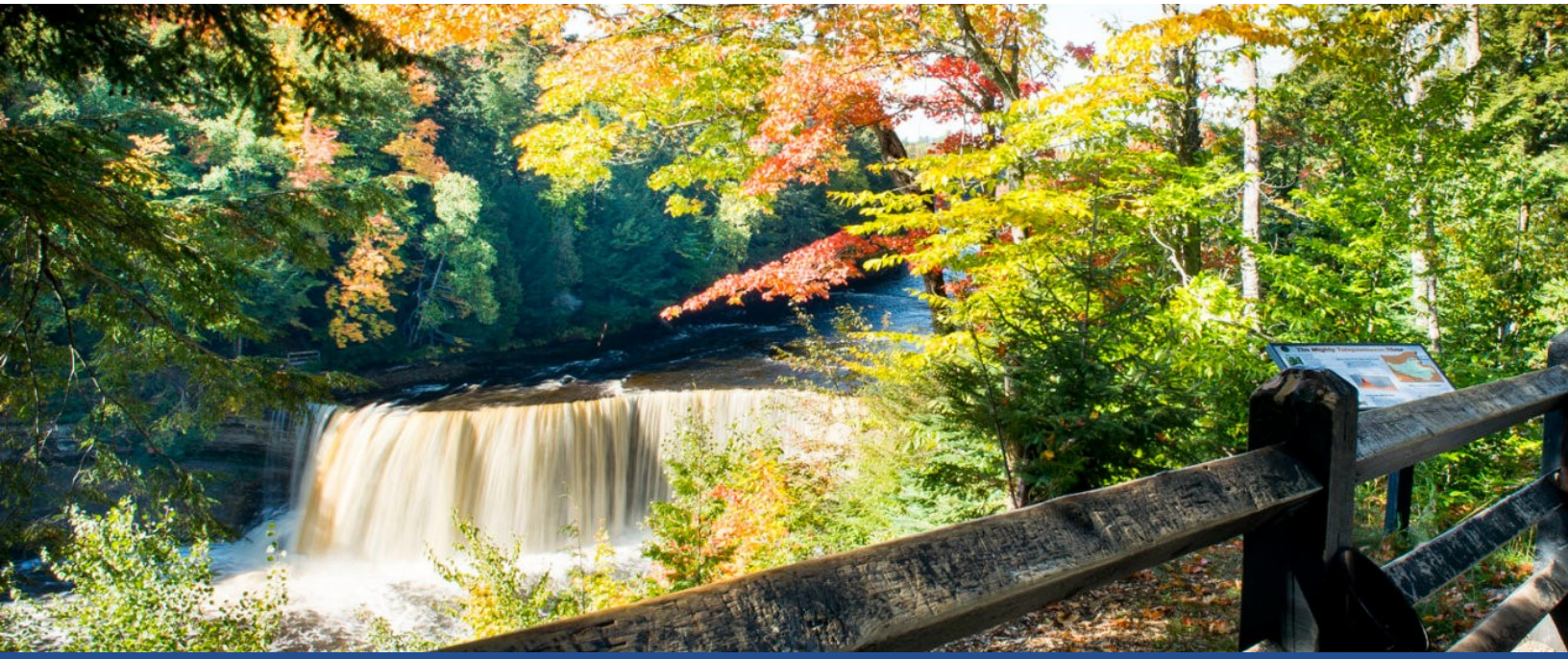
Fax: 517-241-5892

Mailing Address:
MI HR Service Center
P.O. Box 30002
Lansing, MI 48909

Documentation Reminder!

Copies of emailed, faxed, or mailed supporting documentation for newly added dependents must be received by the MI HR Service Center by **November 14, 2022.**

Note: HR offices must receive all supporting documentation from Auditor General and Judicial employees by November 14, 2022.



Insurance Carrier Information

State Health Plan PPO
State High Deductible Health Plan (HDHP)

Blue Cross Blue Shield of Michigan (BCBSM)

Phone: 800-843-4876

www.bcbsm.com/som

Prescription Drug Administrator: State Health Plan PPO
Prescription Drug Administrator: State HDHP

OptumRx
Active Employees & Non-Medicare Retirees
Phone: 866-633-6433

OptumRx: Medicare-Eligible Retirees
Phone: 866-635-5941
www.optumrx.com/som

HSA Administrator for the State HDHP with HSA

HealthEquity

Phone: 877-284-9840
Log in at www.bcbsm.com/som to manage your HSA from HE.

State Dental Plan
Preventive Dental Plan

Delta Dental Plan of Michigan

Phone: 800-524-0150

www.deltadentalmi.com/som

State Vision Plan

EyeMed
Phone: 833-279-4355
www.eyemedvisioncare.com/som

Insurance Carrier Information

Health Maintenance Organization (HMO)

Blue Care Network
Phone: 800-662-6667
www.bcbsm.com/som

Health Maintenance Organization (HMO)

Health Alliance Plan (HAP)
Phone: 800-422-4641
www.hap.org/som

Health Maintenance Organization (HMO)

McLaren Health Plan
Phone: 888-327-0671
www.mclarenhealthplan.org

Health Maintenance Organization (HMO)

Physicians Health Plan (PHP)
Phone: 800-832-9186 or
Phone: 517-364-8500
www.phpsom.com

MSPTA-Represented Employees Only
COPS Health Trust Plans

COPS Health Trust
Phone: 800-229-2210
Phone: 248-524-0454
www.copstrust.com

State Long Term Disability (LTD) Plan

Sedgwick
Phone: 800-324-9901

HIPAA Exemption Notice

Group health plans sponsored by state and local governmental employers must generally comply with requirements in title XXVII of the federal Public Health Service Act. Federal law permits, however, these sponsors to elect to exempt a plan from these requirements for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy.

The state has elected to exempt the SHP PPO and State HDHP with HSA from the requirements of protections against having benefits for mental health and substance use disorders be subject to more restrictions than apply to medical and surgical benefits covered by the plan. The exemption from these federal requirements will continue in effect for the period of plan coverage beginning January 1, 2023, and ending December 31, 2023. The election may be renewed for subsequent plan years.

As required by MCL 550.544, notice is also provided that, as a rider under your health coverage, elective abortion is included and may be used by a covered dependent without notice to the employee.

Special Enrollment Rights

If you decline to enroll because you have other health coverage, and you or your dependent loses eligibility for the other coverage or the employer stops contributing towards the coverage, you may be able to enroll in a state health plan. You may also be able to enroll in the plan, or add new dependents to the plan, because of marriage, birth, adoption, or placement for adoption. You must request enrollment within 31 days after the qualifying life event.

Special enrollment is also available to those who (1) become eligible for premium assistance under Medicaid or the Children's Health Insurance Program (CHIP) and (2) lose coverage under Medicaid or CHIP because they are no longer eligible and not because of non-payment. The deadline for these enrollments is 60 days after eligibility or termination.

To request special enrollment or obtain more info, contact the MI HR Service Center.

For Questions on HIPAA Exemption:

Contact the Employee Benefits Division at:

800-505-5011

HIPAA Privacy Notice

The HIPAA Notice of Privacy Practices for the benefit plans is available at:
www.mi.gov/-/media/Project/Websites/mdcs/EBD/HIPAAPlansPrivacyNotice.pdf

Rates

Visit the Employee Benefits Division's website to view insurance benefit rates:

www.mi.gov/mdcs/employeebenefits/rates