



THE UNIVERSITY OF ALABAMA®

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# TIME TO ROCK AND ENROLL

BENEFITS OPEN ENROLLMENT

OCT. 15 - 30



- ▶ **ACTION IS REQUIRED** if you want to participate in a healthcare flexible spending account (HCFSA), dependent care flexible spending account (DCFSA), or a health savings account (HSA) for the 2022 plan year.
- ▶ **NO ACTION IS REQUIRED** if you do not want to make any changes to medical, dental or vision coverages.
- ▶ **PAYFLEX** will be the new HCFSA, DCFSA, HSA vendor effective Jan 1.

# How to Enroll in Benefits

## BENEFITFOCUS®

Login to **myBama** and click the **Employee** tab for single sign-on access.

The screenshot displays the myBama Employee portal interface. On the left is a dark red navigation sidebar with the Alabama 'A' logo at the top and menu items: Home, Academics, Admissions/Scholarships, Campus Life, Employee, Library, Research, and Tech. The main content area is titled 'myBama - Employee' and contains three primary sections: 'Banner Self Service' with a list of links like 'Class Schedule' and 'Personal Information'; 'Update Directory and Personal Information' with a call to action to update contact information; and 'Benefits Enrollment' which features the BENEFITFOCUS logo highlighted by a yellow rounded rectangle. A yellow arrow points from the 'Banner Self Service' section towards the highlighted logo. Below the logo in the 'Benefits Enrollment' section are the links 'Benefits Enrollment' and 'Health Benefits'.

# Premium Deduction Changes

Medical, dental and vision premiums are currently collected **one-month-in-advance** (i.e., premiums collected for medical insurance on your Nov. check(s) pays for coverage in Dec.)

Effective Jan. 1, 2022, premiums will be collected in the **current month** for Jan. coverage.

## **Immediate Impact:**

- All benefit-eligible employees who pay medical, dental or vision premiums via payroll deduction in Nov. (which pays for Dec. coverage) will have **no medical, dental or vision premiums deducted on their Dec. check(s)**.
- It also impacts coverage in the event of termination of employment. Beginning in Jan., all medical, dental and vision coverage(s) will end the **last day of the month of termination**.



# New Biweekly Deduction Schedule

Benefit deduction schedules for **biweekly, non-exempt employees** will change in Jan.

For example, currently there are 26 pay periods per year with medical premiums collected each pay period (i.e., 26x), dental premiums collected on the 1<sup>st</sup> paycheck each month (i.e., 12x), and vision premiums collected on the 2<sup>nd</sup> paycheck each month (i.e., 12x).

Check #	Pay Date	Med Deduction	Dental Deduction	Vision Deduction	Total Premium
1 <sup>st</sup> Check	June 4	\$53.54	\$28.38	\$0	<b>\$81.92</b>
2 <sup>nd</sup> Check	June 18	\$53.54	\$0	\$5.74	<b>\$59.28</b>
1 <sup>st</sup> Check	July 2	\$53.54	\$28.38	\$0	<b>\$81.92</b>
2 <sup>nd</sup> Check	July 16	\$53.54	\$0	\$5.74	<b>\$59.28</b>
3 <sup>rd</sup> Check	July 30	\$53.54	\$0	\$0	<b>\$53.54</b>

Effective Jan. 1, 2022, **all benefit premiums will be deducted over 24 pay periods**. It will standardize payroll deduction amounts for all benefits, making it easier for employees to understand and budget for recurring expenses:

Check #	Pay Date	Med Deduction	Dental Deduction	Vision Deduction	Total Premium
1 <sup>st</sup> Check	June 4	\$58	\$14.19	\$2.87	<b>\$75.06</b>
2 <sup>nd</sup> Check	June 18	\$58	\$14.19	\$2.87	<b>\$75.06</b>
1 <sup>st</sup> Check	July 2	\$58	\$14.19	\$2.87	<b>\$75.06</b>
2 <sup>nd</sup> Check	July 16	\$58	\$14.19	\$2.87	<b>\$75.06</b>
3 <sup>rd</sup> Check	July 30	\$0	\$0	\$0	<b>\$0</b>

# Medical Premiums – No Annual Increase for 2022

## HDHP Plan

Monthly	Employee	UA
Employee Only	\$57	\$406
Family without a Spouse	\$198	\$761
Family with a Spouse	\$234	\$787

## PPO Plan

Employee	UA
\$116	\$481
\$406	\$839
\$478	\$855

Biweekly	Employee	UA
Employee Only	\$28.50	\$203.00
Family without a Spouse	\$99.00	\$380.50
Family with a Spouse	\$117.00	\$393.50

Employee	UA
\$58.00	\$240.50
\$203.00	\$419.50
\$239.00	\$427.50

There will also be no health plan design changes in 2022. Deductibles, copayments, coinsurance, out-of-pocket maximums, etc. will remain the same.



# Premium Assistance Program

UA will provide a premium discount to benefits-eligible active employees based on:

1. **Family size**, and
2. **Total combined household income** (1.5 x 2021 [Federal Poverty Level](#)).

To apply, employees must submit most recent Federal Income Tax Return, W-2s and 1099s.

The discount is equal to UA's single high deductible health plan premium = **\$57 per month**. The premium assistance discount is applicable for **both health plans**, PPO or HDHP.

## Application Deadlines:

- Current Employees – Submit documentation during Open Enrollment (Oct. 15 - 30).
- Newly Eligible Employees – **30** days from date of hire / start date.

Total Family Size	Annual Household Income (1.5 x FPL)
1	\$19,320
2	\$26,130
3	\$32,940
4	\$39,750
5	\$46,560
6	\$53,370
7	\$60,180
8	\$66,900

# Medical Plan Comparison

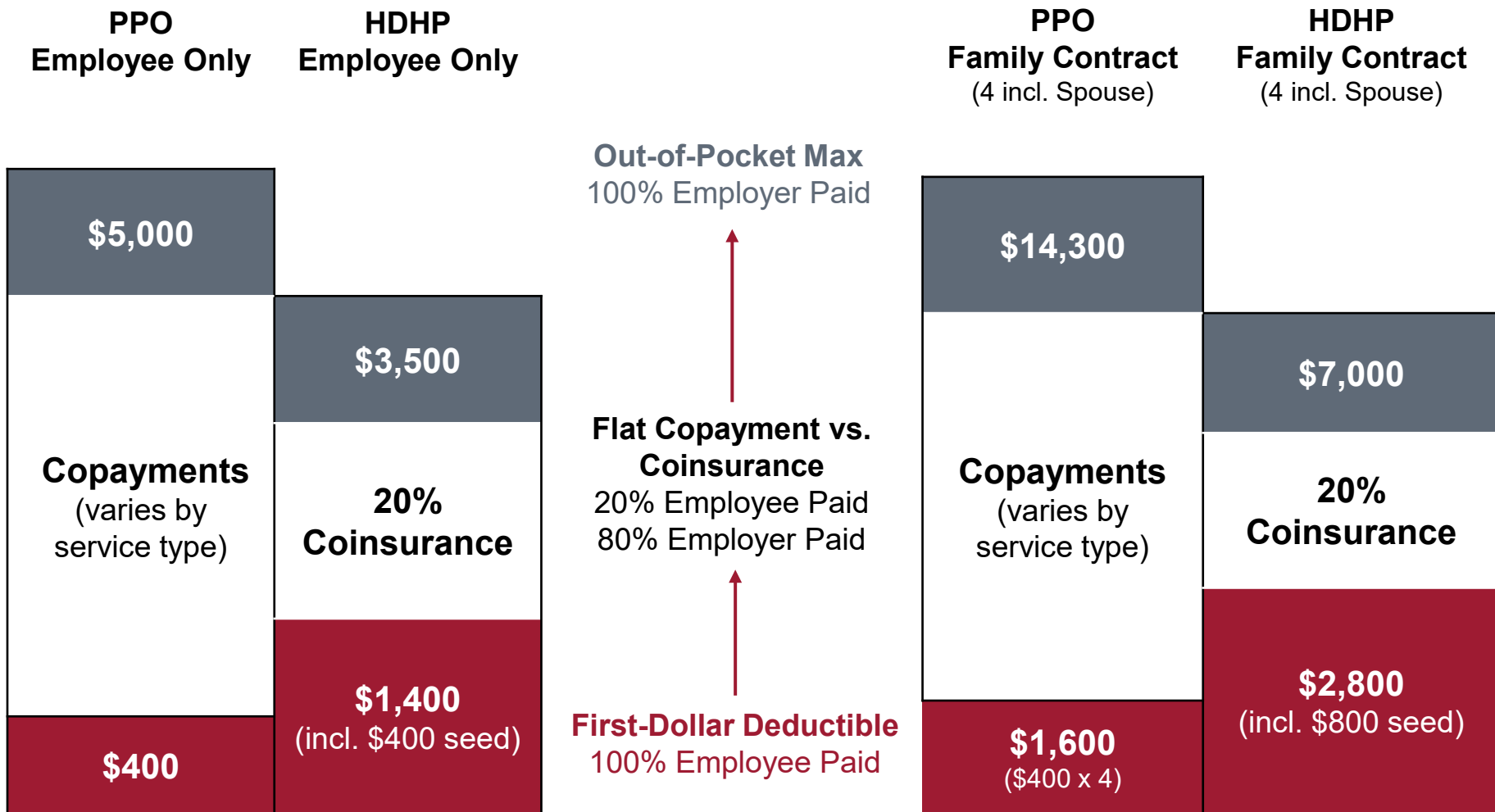
Health Plan	HDHP	PPO
Premiums	Lower	Higher
Deductibles	Higher (\$1,400 Employee Only; \$2,800 Family)	Lower (\$400 per person)
Member Cost Share (after deductible is met)	Coinsurance (20%)	Copayments
Out-of-Pocket Maximum	\$3,500 Employee Only \$7,000 Family	\$5,000 Employee Only \$14,300 Family
Tax-Favored Accounts	Health Savings Account (HSA) Dependent Care FSA	Healthcare FSA (HCFSA) Dependent Care FSA
Third Party Administrator	Both plans are administered by Blue Cross & Blue Shield of Alabama.	
Network & Services	Both plans have the <b>same</b> network access, provider discounts & covered services.	
Preventive Services	Both plans cover FREE preventive services at no cost share to the member.	



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# By the Numbers - Plan Illustration



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# Cost Comparison

Plan Design	HDHP	PPO
<b>Deductible</b>	\$1,400 per person \$2,800 per family	\$400 per person No family maximum

Let's assume your deductible has been met for the year .....

Service	Eligible Charge	HDHP	PPO
		<i>Coinsurance</i>	<i>Copayment</i>
<b>Office Visit</b>	<b>\$100</b>	\$20 (\$100 x 20%)	\$35
<b>ER Visit</b>	<b>\$1,500</b>	\$300 (\$1,500 x 20%)	\$150
<b>Humalog Prescription</b>	<b>\$800</b>	\$160 (\$800 x 20%)	\$45
<b>Hospitalization</b>	<b>\$10,000</b>	\$2,000 (\$10k x 20%)	\$400
<b>Stand Alone MRI</b>	<b>\$515</b>	\$103 (\$515 x 20%)	\$35



# Pharmacy Changes



Effective Jan. 1, 2022, Blue Cross and Blue Shield of Alabama will transition all **home delivery/mail order prescription drug services** to MedsYourWay through Amazon Pharmacy.

**Specialty drugs** will only be provided by Express Scripts' specialty pharmacy named Accredo.

AllianceRx Walgreens Prime and CVS Caremark will no longer be covered pharmacies in the specialty network.

Additional information about the home delivery/mail order and specialty drug changes will be sent to **all impacted members**' home mailing address.



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# Health Savings Account (HSA) vs. Healthcare FSA

**HSA is designed to be a “consumerism tool.”**

It is a savings account owned by YOU, the employee. It is your money to manage!

	HSA	Healthcare FSA
Eligible Plan*	HDHP	PPO
Account Type	<i>Savings</i>	<i>Spending</i>
Ownership	<b>You! The Employee</b>	The University of Alabama
Contribution Limits	\$3,650 Employee; \$7,300 Family	\$2,750
Employer Seed Money	\$400 Employee; \$800 Family	<i>Not available</i>
Funds Available	Funded per paycheck	Beginning of the year
End of Year Balance	<b>Indefinite Carryover</b> Expenses must be incurred <i>after</i> HSA is open, but money can be reimbursed in later years.	<b>“Use it or lose it” Rule</b> Expenses must be incurred <u>within the plan year</u> and reimbursed by March 31 of the following year.
Portability	Yes	No

\* Employees can be enrolled in **any PPO plan** and open an HCFSAs or DCFSA account with UA. *This does not apply to the HDHP – employees may only enroll in UA’s HSA if you also enroll in UA’s HDHP.*

# Health Savings Account (HSA) Benefits

- Tax-favored savings account for “qualified medical expenses.” ([IRS Pub. 502](#))

<b>Qualified Medical Expenses Examples</b>	Prescription drugs	Car expenses (gas, oil, and parking fees) if traveling for medical reasons
	Dental & vision treatments like braces or contacts	Meals & lodging during a hospital stay
	Hearing aids	Health insurance premiums (COBRA), if currently unemployed

- Accounts will be administered by PayFlex beginning Jan. 1, 2022
- **Triple Tax Savings**
  1. **Tax free** payroll contributions from employee and The University.
  2. **Tax free** distributions, if used for qualified medical expenses.
  3. **Tax free** earnings accumulate, if invested. Gains are not subject to interest, dividend or capital gains taxes.



# Flexible Spending Accounts

Account	Healthcare FSA	Dependent Care FSA
<b>Annual Contribution Limit</b>	\$2,750	\$5,000
<b>Minimum Contribution</b>	\$125	\$125
<b>Eligible Expenses</b>	Pay for out-of-pocket healthcare expenses that are <u>not covered</u> by medical, dental or vision insurance for you and your tax dependents.	Pay for childcare expenses for tax-dependent children under the age of 13.
<b>Funds Available</b>	Beginning of the year	Funded per paycheck

- Pay expenses via debit card or manual reimbursement.
- Both accounts subject to use-it-or-lose-it rule. Incur expenses by **December 31** of the current plan year and submit for reimbursement by **March 31** of the following year or **forfeit all remaining funds**.



# New Vendor for HCFSA, DCFSA and HSA

Effective **Jan. 1, 2022**, UA will transition from TASC to PayFlex. PayFlex currently manages UA's COBRA continuation coverage and administers all tax-favored accounts for UAB and UAH.

The logo for PayFlex, featuring the word "PAYFLEX" in a bold, teal, sans-serif font with a registered trademark symbol (®) to the upper right of the "X".

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## Transition Highlights:

- All plan participants will receive a **new debit card** from PayFlex in Dec.
- 2022 contributions will be deposited into your PayFlex account beginning in Jan. Existing HSA balances will be bulk transferred mid-Jan.
- TASC will continue to manage the **run-out period** for requesting FSA reimbursements for 2021 claims ending March 31, 2022.

It's strongly recommended to request reimbursements with TASC ***before the end of 2021*** to minimize potential for account balance discrepancies during transition.



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# Substantiation Required for FSAs

The IRS requires PayFlex to verify that all FSA debit card transactions are for eligible medical or childcare expenses, a process known as **substantiation**.

- PayFlex has established systems and rules to *automatically* verify certain expenses
- If PayFlex can't verify funds were used correctly, you will receive a “**Request for Documentation**” notice, so it's strongly recommended to keep all receipts, invoices, etc.
- Most commonly impacts dental and vision expenses

## What documentation is required?

- **Preferred** – **Explanation of Benefits (EOB)** from insurer showing “**final**” **amount owed**
- **Alternative** – PayFlex will also accept an itemized receipt including the following:
  1. Provider or merchant name,
  2. Patient name,
  3. Date of service,
  4. Type of service or item description, and
  5. Final amount owed

## What happens if my claim is not substantiated?

Your FSA may be subject to **correction procedures**, including suspending use of your debit card until required documentation is received OR exact amount is paid back to your account.



# Voluntary HSA Bulk Transfer

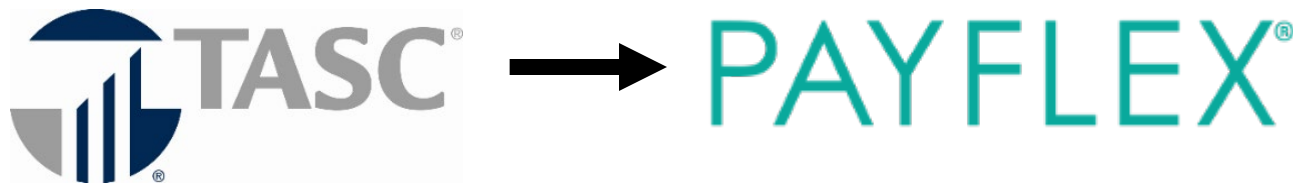
One-time, bulk transfer of HSA funds. Participants must authorize TASC to close your HSA and liquidate your entire HSA account balance (including investments) before transferring funds to PayFlex, subject to the following timeline:

- **Jan. 10, 2022:** Your current TASC HSA debit card will shut off
- **Jan. 10 – 18, 2022: TASC HSA blackout period;** TASC HSA funds will be unavailable
- **Jan. 19, 2022:** TASC will transfer your HSA funds to PayFlex, and these funds will be applied to your new PayFlex account in 3-5 business days.
- **Jan. 26 – 27, 2022:** Your funds should be deposited in your new PayFlex HSA

## What if I do not transfer my HSA funds, can I keep my TASC account?

Yes. If you do not transfer your current HSA funds, you will keep your same TASC account and debit card with Universal Benefit Bank. Your HSA will transition to an individual custodial account subject to monthly maintenance fees (max \$4.00 per month).

**NOTE:** Any employer seed money and pre-tax employee contributions for Plan Year 2022 will be deposited into new PayFlex account via payroll.



# Dental Premiums



Tier	2021	2022
Employee	\$28.38	\$28.38
Employee + 1	\$55.60	\$55.60
Family	\$80.58	\$80.58

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# Vision Premiums



Tier	2021	2022
Employee	\$5.74	\$5.74
Employee + 1	\$10.59	\$10.59
Family	\$18.52	\$18.52



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# Other Benefit Highlights



**LifeLock** gives employees peace of mind with comprehensive protection for their identity, connected devices, and online privacy.

**Monthly Premiums:**

Employee Only = **\$8.89**

Employee + Family = **\$15.89**



**Teladoc** provides **24/7** remote medical care for acute, non-emergency illnesses via phone call or video chat.

**Cost per Visit:**

*Before Deductible* = **\$55** both plans

*After Deductible* = **\$20** PPO; **\$11** HDHP

# Key Takeaways

1. **Open Enrollment** is **October 15 – 30, 2021**
2. **ACTION IS REQUIRED** if you want to participate in HCFSA, DCFSA, or HSA next year. PayFlex will be our new vendor for all tax-favored accounts effective Jan.1.
3. **No Action is required** if you do not want to change medical, dental or vision coverages.
4. **Open Enrollment website** is [www.hr.ua.edu/benefits/openenrollment](http://www.hr.ua.edu/benefits/openenrollment). Virtual information sessions will be held with links to register on this website.

Date	Location	Times	Topic
Wednesday, Sep 29	Virtual Zoom meeting	10:00 – 11:00 AM	General
Monday, Oct 4	Virtual Zoom meeting	10:00 – 11:00 AM	HDHP / HSA
Tuesday, Oct 12	Virtual Zoom meeting	2:00 – 3:00 PM	General