



MEMORANDUM

TO : All Navajo Nation Employee Benefit Plan Participants

FROM : Navajo Nation Employee Benefit Program

DATE : October 12, 2018

SUBJECT : **EMPLOYEE BENEFITS - 2019 RENEWAL RATES & BENEFIT CHANGES**

The Navajo Nation Employee Benefit Program continues its efforts to minimize expenses to the health plan fund by renegotiating contracts with networked healthcare providers; offering enrollment options for telemedicine to minimize emergency room care and urgent care costs which are listed in the top five (5) medical expenses to the fund; managing chronic health conditions through case management to ensure members continue their course of treatment through their recovery; and encouragement of wellness program participation and annual preventive care exams through employee communication to help minimize healthcare costs to the fund.

We would like to extend our appreciation to the employees who reserved time to attend and participate in the mass employee orientations scheduled September 19 through September 21. Mass orientations will continue throughout the month of November 2018 to include detailed employee benefit information such as eligibility criteria, enrollment process, appeal process, claims process, etc. Programs and Departments are welcome to invite the Employee Benefits Program to staff meetings and department conferences through a written memorandum; please include us on your upcoming agendas so we may continue to share current status of the plan and ensure employees understand how their health plan provides coverage for routine preventive examinations, follow-up visits, and catastrophic events.

Based on employee feedback, we acknowledge that increasing rates and modifying coverages are not favorable to our plan participants; however, employees appear to understand that usage of the benefits has continued to increase annually, not only by number of plan participants using their insurance coverage, but also the cost of medical, dental, and vision services charged by health providers. Consideration was given to limit modification of proposed benefit changes. Plan participants were not aware of benefits offered under the current plan. Plan members were agreeable to increasing premium rates based on their personal experience with how the plan reduced their out-of-pocket expenses for health services they did not expect to incur. Other plan members were fairly healthy and did not use their benefits, however, they wanted to ensure the health plan would continue to be available for them and their family, should the need arise to use the coverage. Plan members continue to use federally-funded health care facilities which allows them to manage their choice options for health care services.

In addition, effective January 1, 2019, the following rates and modifications will be implemented:

The group health and disability insurance premium rates for Employee coverage will increase from \$343.51 to \$359.06, or \$5.55 per month; and dependent coverage, if elected, from \$502.39 to \$527.48, or \$25.09 per month.

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The share contribution of premium cost to the employee's payroll is determined by each employer. The cost impact of payroll deductions will be communicated to respective employees by their employer.

ELIGIBILITY

The Plan will cease coverage for grandchildren identified to be the "child of a dependent child" or "child born to the member's dependent child." This change will not affect grandchildren who by a court ordered legal guardianship decree are active on the Plan. A mass eligibility drive will be conducted for all grandchildren currently active on the Plan. Employees will be given an opportunity to provide written proof of eligibility by providing a copy of court ordered permanent guardianship; if acceptable proof is not furnished in a timely manner, grandchildren will automatically be removed from coverage effective January 1, 2019.

MEDICAL PROGRAM

There will be a reduction of the Plan's liability of coverage for non-PPO provider coinsurance from 80% of eligible charges to 60% of eligible charges. When a plan member utilizes health care providers who are not participating in the plan's network of health care providers, the plan will limit its payment to only 60% of eligible charges, as opposed to 80% which would otherwise be paid if the provider was networked as a participating provider. We encourage members to seek services from PPO providers; a list is available by accessing the Member Portal. Instructions are provided on our website at www.isd.benefits.navajo-nsn.gov.

DENTAL PROGRAM

Modification to Class IV – Orthodontic Services will be limited to child(ren) under age nineteen (19). Adults will no longer be eligible for orthodontic benefits. Covered members currently active with orthodontic care are eligible for continuation through the maximum benefit limit until the completion of their course of care or until such time the maximum benefit limit is reached, whichever occurs first.

PHARMACY PROGRAM

An increase of **Retail** Pharmacy copayments for Generic Drug \$10 to \$20; Preferred Brand Drug \$20 to \$40; and Non-Preferred Brand Drug \$35 to \$70. An increase of **Mail Order** Pharmacy copayments for Generic Drug \$10 to \$40; Preferred Brand Drug \$10 to \$80; and Non-Preferred Brand Drug \$10 to \$120. An increase of **Specialty Drug** Pharmacy copayment of 20% up to \$150 maximum to 20% up to \$200 maximum.

To obtain a copy of the Plan Document or Summary of Benefits & Coverage, visit our website at www.isd.benefits.navajo-nsn.gov. Member Portal may be accessed at <https://members.hmatpa.com> to obtain a copy as well; account set up is required. The Plan Document provides specific coverage under the Medical Program, Dental Program, and Vision Program. In addition, it outlines the eligibility criteria for the Short Term Disability Program, should an employee experience loss time from work due to a non-work related illness or injury.

We continue to work diligently in the operation and administration of the employee benefit plan to provide participants with a well-defined Plan. These changes are necessary due to claims experience of the fund. We appreciate your understanding and cooperation. Our staff is available if you have any questions. Thank you for your support.

DISTRIBUTION