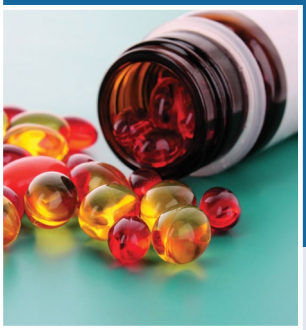
HealthFlex Exchange

More Choice, More Flexibility—
Same HealthFlex Quality



General Board
Pension and Health Benefits
Caring For Those Who Serve

Center for Health

Contents

More Choice, Flexibility, Control 1

More HealthFlex Plan Options 3

Plan Types 4

Understanding "Metal" Levels 6

Defined Contribution for Health Plan Premiums 7

HRAs and HSAs—Closer Look 9

Selecting Your Plan(s) 10

Decision Support Tools—Online 11

Making Your Plan Elections—During Annual Election 13

Changing Health Care Environment

HealthFlex Exchange is the Center for Health's response to the expressed needs of participants *(more health plan options)*, and annual conferences and United Methodist Church (UMC) employer groups *(more control over health plan costs)*. At the same time, HealthFlex Exchange is a new concept in a new health care environment.

Across the U.S., changes in the health care environment are fueled by years of rising costs, and accelerated by reforms under the Affordable Care Act and the presence of public "exchanges" through the Health Insurance Marketplace. Employers of all sizes and types are striving to provide health coverage for their employees while keeping costs under control. The trend nationwide is to shift more responsibility for health care costs *from* employers to people who use the services.

HealthFlex Exchange is not a public exchange and is not associated with government agencies. It is a group health plan designed for UMC clergy, lay employees and their families.

More Choice, Flexibility, Control

HealthFlex Exchange brings you more plan options; more flexibility to select the HealthFlex plan that best fits your needs, budget and preferences; and more control over your health care costs. HealthFlex Exchange puts *you* in charge of your health plan selection, while helping UMC plan sponsors continue to offer health coverage for clergy and lay workers.

More of the Same—High Quality, Comprehensive Features

HealthFlex Exchange gives you the same high quality and comprehensive features that come with all HealthFlex plans:

- *Same vendor partners*—Blue Cross and Blue Shield of Illinois or UnitedHealthcare (medical), OptumRx (formerly Catamaran—pharmacy), United Behavioral Health (behavioral health), CIGNA (dental) and VSP (vision).
- *Same broad, nationwide networks of doctors, hospitals and pharmacies*—No need to change providers.
- *Same wellness programs and incentives*—Virgin Pulse, WebMD, Blueprint for Wellness and other wellness benefits continue.

New Way to Shop for Coverage

The Church will continue to help pay a portion of your costs for health coverage, but HealthFlex Exchange is introducing a new approach to paying for coverage—*a defined contribution* (DC, also called a fixed-dollar "credit") *from your annual conference or UMC employer to be used specifically for purchasing the HealthFlex plan(s) you select.* The DC is applied to your plan premiums.

HealthFlex Exchange also comes with helpful decision support tools to guide you in selecting plan options that best fit your budget and needs.

(See page 11 for details.)

More HealthFlex Plan Options

HealthFlex Exchange gives you more options than ever before. For 2016, you will select from five HealthFlex medical/pharmacy plans, three dental plans and two vision plans. Behavioral health benefits, wellness programs and wellness incentives are included automatically with all HealthFlex plans.

Note: All HealthFlex Exchange participants can choose dental coverage—*even if you did not have HealthFlex dental benefits offered previously*.

2016 Plan Options

Medical + Pharmacy (Rx) *> Choose one*	■ PPO B1000 with P1 Rx ■ CDHP C2000 with P2 Rx—includes HRA ■ CDHP C3000 with P2 Rx—includes HRA ■ HDHP H1500 with P3 Rx—includes HSA ■ HDHP H2000 with P4 Rx—includes HSA
Dental *> Choose one*	■ Passive PPO ■ Traditional ■ PPO
Vision *> Choose one*	■ Exam only (“basic”) ■ Materials/full-service (“buy up”)
Behavioral Health *Included in all HealthFlex plans*	■ Inpatient/outpatient behavioral health services
Wellness Programs and Incentives *Included in all HealthFlex plans*	■ Virgin Pulse activity program ■ WebMD health coaching and web portal ■ Blueprint for Wellness screening ■ HealthQuotient (HQ) online assessment ■ Employee Assistance Program (EAP) ■ Work-Life Services ■ Evive Health reminders and communications ■ Wellness incentives

Plan Types

You now have more types of HealthFlex plans to choose from—a traditional preferred provider organization (PPO) plan, two consumer-driven health plans (CDHP) and two IRS-qualified high-deductible health plans (HDHP). Each medical plan comes paired with a specific pharmacy (Rx) plan. Most HealthFlex plans also include a health reimbursement account (HRA) or a health savings account (HSA).

There are important differences in how the plan types cover services like doctor visits, hospital care and prescriptions. Coverage highlights are outlined below.

Coverage Highlights per Plan Type

PPO

- *Wellness exam and preventive services: covered at 100%; no deductible*
- Office visits: fixed co-payment; then the plan pays 100%
- Other services (inpatient and outpatient services): deductible must be met first; then the plan pays a fixed percentage (co-insurance)
- No pharmacy deductible. Fixed co-payment for generics; co-insurance (percentage of cost) for brand medications

Consumer-driven health plans (CDHPs):

- *Wellness exam and preventive services: covered at 100%; no deductible*
- Medical services (office visits, inpatient and outpatient services): deductible must be met; then the plan pays a fixed percentage (co-insurance).
- No pharmacy deductible. Fixed co-payment for generics; co-insurance (percentage of cost) for brand medications
- Includes plan sponsor funding in a health reimbursement account

High-deductible health plans (HDHPs):

- *Wellness exam and preventive services: covered at 100%; no deductible*
- Combined medical/pharmacy deductible
  - Office visits, inpatient and outpatient services: combined medical/pharmacy deductible must be met; then the plan pays a fixed percentage (co-insurance)
  - Pharmacy: combined medical/pharmacy deductible must be met; then fixed co-payment for generics; percentage co-insurance for brand medications
  - If dependents are covered: must meet the full family deductible before co-insurance begins
- Includes plan sponsor funding in a health savings account.

For benefits details by plan, see the document: *2016 Plan Comparison for HealthFlex Exchange Participants.*

CDHP *consumer-driven health plan*

HDHP *high-deductible health plan*

HRA *health reimbursement account*

HSA *health savings account*

PPO *preferred provider organization health plan*

Included in All HealthFlex Medical Plans

Wellness coverage*—All HealthFlex plans cover eligible "well-person" services at 100%, including annual checkups, and age-appropriate immunizations/screenings.*

Pharmacy co-payment limits*—All HealthFlex plans charge the same flat rate for generic prescriptions (2016 co-pays: $15 retail, $35 mail-order for 90-day supply). All HealthFlex plans also cap participants' pharmacy co-payment at set minimum and maximum amounts for brand-name drugs. Individuals and families in HDHPs must meet the deductible before these limits begin.*

Out-of-pocket maximums*—All HealthFlex plans set out-of-pocket maximums for the amount participants may have to pay for medical and pharmacy services used during the year. Medical and pharmacy services accumulate to the same out-of-pocket maximum (*new for 2016*).*

Other benefits*—All HealthFlex plans include behavioral health, wellness programs with incentives, and dental and vision plan choices.*

Understanding "Metal" Levels

Like health plans across the U.S., HealthFlex medical/pharmacy plans are grouped into "metal" levels,* commonly called *gold*, *silver* and *bronze*. This is similar to plans introduced with the Affordable Care Act and public Health Insurance Marketplace. In 2016, HealthFlex Exchange will offer gold and silver plan options. Bronze options may be added in future years.

Gold Plans

Gold plans generally have higher monthly premiums but lower deductible and out-of-pocket costs for services like doctor visits, prescriptions or hospital stays. Gold plans cover about 80% of eligible costs on average; you pay about 20% of eligible claims (out-of-pocket costs).

Silver Plans

Silver plans generally have lower monthly premiums but a higher deductible and higher out-of-pocket costs for services. Silver plans cover about 70% of costs on average; you pay about 30% of eligible claims (out-of-pocket costs).

Bronze Plans

Bronze plans generally have the lowest monthly premiums, but a higher deductible and higher out-of-pocket costs for services. Bronze plans cover about 60% of costs; you pay about 40% of eligible claims (out-of-pocket costs).

HealthFlex Plans (Medical + Pharmacy)

- Gold: PPO B1000 with P1 Rx
- Gold: CDHP C2000 with P2 Rx—includes HRA
- Gold: HDHP H1500 with P3 Rx—includes HSA
- Silver: CDHP C3000 with P2 Rx—includes HRA
- Silver: HDHP H2000 with P4 Rx—includes HSA
- Bronze: Potentially offered in future

* *While metal categories for HealthFlex plans are similar to plans introduced with the Affordable Care Act (ACA) and public Health Insurance Marketplace,* the HealthFlex plans are completely separate from the public Marketplace ("public exchanges").

Defined Contribution for Health Plan Premiums

HealthFlex Exchange introduces a new way to pay health plan premiums—a **defined contribution**. Across the country, more employers are using defined contribution and other approaches to help fund health coverage in a way that puts choice and control in the hands of the individual using the services.

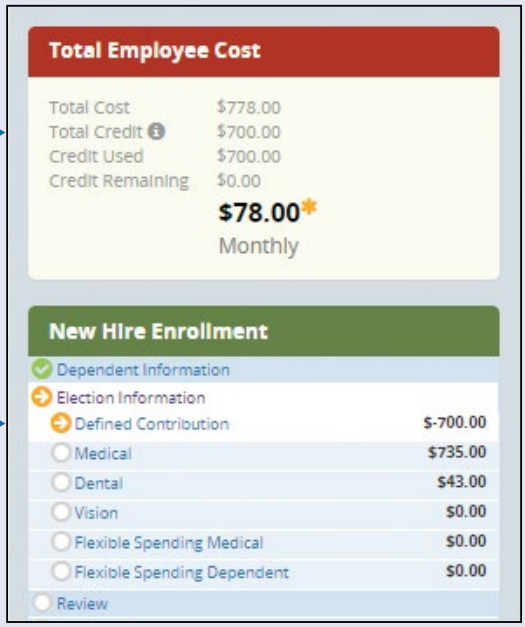
Defined contribution (DC)

A fixed-dollar amount provided by your annual conference or UMC employer to apply toward health plan premiums.

Your annual conference or UMC employer decides the defined contribution amount. This amount is shown as a "credit" toward purchase when you are selecting plans during Annual Election or when you're newly enrolling in HealthFlex. The DC is applied toward the total premium amount.

- If you select plan options that cost *less than* your defined contribution, the extra DC amount will be credited on a monthly basis into your health reimbursement account (for CDHP or PPO) or health savings account (for HDHP), depending on which medical plan you select.
- If you select plan options that cost *more than* your defined contribution, the remaining premium amount will be deducted from your paycheck on a monthly, prorated basis.

During the online plan election process, the monthly defined contribution from your conference or employer will show as "Total Credit."



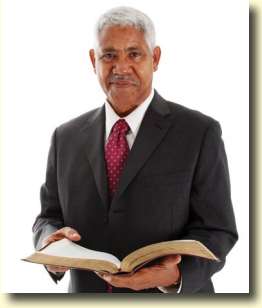
Paying Health Plan Premiums

Your monthly HealthFlex premiums will be paid automatically by your conference or employer—just as they are paid now.

Defined Contribution for Health Plan Premiums (continued)

Defined Contribution Example

DC from annual conference = **$600 per month***



- Pastor John selects HealthFlex plan(s) that cost **$700 per month**.

  Pastor John's monthly premium costs *$100 more than the DC amount* (his "credit" toward health plan purchase), so he is responsible for paying the difference on a monthly, prorated basis. Pastor John's church deducts $100 each month from his paycheck for health plan premiums.

- Pastor Judy selects HealthFlex plan(s) that cost **$500 per month**.

  Pastor Judy's monthly premium costs *$100 less than the DC amount* (her "credit" toward health plan purchase), so the $100 extra from her DC is then credited to Pastor Judy's HRA or HSA (depending on which HealthFlex plan she selected) on a monthly, prorated basis. Pastor Judy can save the HRA or HSA money for future health care expenses, including deductibles, co-payments, co-insurance and other eligible medical, dental or vision expenses.

** $600 per month DC ($7,200 annually) is for illustration only. Your actual defined contribution amount is determined by your annual conference/UMC employer.*

HRAs and HSAs—Closer Look

Most HealthFlex plans include a health reimbursement account (HRA) or a health savings account (HSA).

- Consumer-driven health plan (CDHP) options—HRA funding included
- High-deductible health plan (HDHP) options—HSA funding included (additional participant funding optional)

Both types of accounts are funded by HealthFlex to help participants cover eligible out-of-pocket expenses—such as deductibles, co-payments and co-insurance. Both are tax-advantaged accounts. Yet these accounts have some important differences.

(Note: Some individuals who select the PPO option may have an HRA remaining from their prior HealthFlex plan; however, the PPO available through HealthFlex Exchange does not include HRA funding unless there is a carryover amount from the DC.)

HealthFlex HRA	HealthFlex HSA
Can be connected to PPO or CDHP.	Must be connected to qualified HDHP for contributions made in that plan year. Participant can spend accumulated balance even when no longer in an HDHP.
Funded by plan sponsor (annual conference or employer). Participant may not contribute to HRA.	Funded by plan sponsor (annual conference or employer). Participant may contribute own money to HSA. Federal limit for annual HSA contribution across all HSAs (includes plan sponsor and participant contributions): 2016—$3,350 (self-only) or $6,750 (family); age 55 and older may contribute extra $1,000 annually.
Use only for eligible health care expenses.	Use primarily for eligible health care expenses. Tax penalty may apply for non-health care expenses.
Compatible with full-use health care FSA ["medical reimbursement account" (MRA)].	Restricted to dental and vision expenses only (*limited-use* MRA). Note: The limited-use MRA restriction also applies to any carryover MRA funds from a prior year and to spouse's MRA, if applicable.
Full-use HRA.	Restricted to dental and vision expenses only (*limited-use* HRA) if you have an HRA balance remaining from a prior year.
Compatible with dependent care FSA (DCA).	Compatible with dependent care FSA (DCA).
Unused balance carries over year to year while participant remains appointed or employed in UMC and through retirement. If participant terminates employment, unused balance is available for one year. No dollar limit on accumulated balance.	Unused balance carries over year to year. No dollar limit on accumulated balance, but annual contribution limits apply.
Unused balance is available for up to one year if participant terminates from UMC.	Unused balance is *portable; remains with participant* indefinitely regardless of UMC appointment/employment.
Account does not earn interest.	Account assets may earn tax-deferred interest.

HRA
health reimbursement account

HSA
health savings account

FSA
flexible spending account

MRA
medical reimbursement account (also called health care FSA)

DCA
dependent care account (also called dependent care FSA)

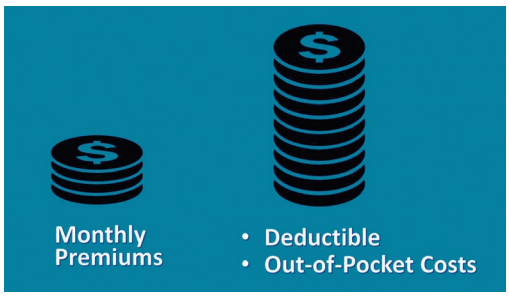
Selecting Your Plan(s)

HealthFlex Exchange gives you an opportunity to "shop" for health coverage similar to how you shop for other products—by comparing features, pricing and other details to choose the option that fits you best. Decision support tools—Coverage Advisor and MyChoice—can help you compare how factors such as your family size, budget, medical needs, and ability to handle major or unplanned medical expenses might impact your out-of-pocket costs with each plan option.

Consider these and other factors:

- **Family size**—Do you have a spouse or children to cover in HealthFlex? Does your defined contribution amount change based on how many family members are in the plan?
- **Budget**—Would you rather have higher premiums each month but pay less if you have a major medical need like an emergency room visit or hospital stay? Or do you prefer lower premiums each month, knowing that you will pay more for deductible and co-insurance when or if you need to use health services? How sturdy is your financial safety net to handle unplanned expenses?
- **Medical needs**—Do you or your family members visit doctors often or take many prescriptions? Do you expect any hospital stays or surgeries in the year ahead? Do you wear glasses or contacts, or have dental needs beyond routine preventive care?

Higher Premium



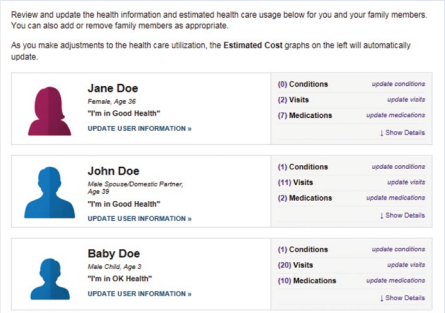
Lower Premium

Decision Support Tools—Online

HealthFlex Exchange's decision support tools compare plan options against your own criteria, to help you make an informed choice. These tools are provided at no extra cost to you through the HealthFlex/WebMD website (**www.gbophb.org**).

- **Coverage Advisor**—*available September*

  Enter details about family size, general health status, anticipated number of doctor visits or hospitalizations, and how many medications family members take. Based on your information, Coverage Advisor will estimate your out-of-pocket costs* under the different options, to help you compare cost scenarios. It will also give you a sense of what additional out-of-pocket expenses you may want to consider off-setting with personal FSA or HSA contributions.



	Cost Summary	Savings	Net Costs	Rollover Balance	Lost Funds
BCBSIL B1000	$7,663	$566	$7,097	N/A	$0
BCBSIL CDHP	$8,537	$2,566	$5,971	$0	$0

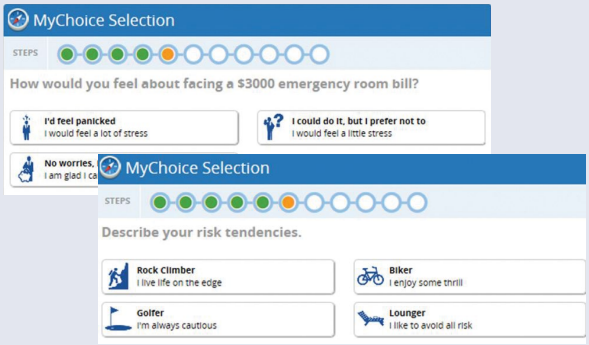
Your estimated out-of-pocket expenses are detailed by type of expense. These estimates are based on the your health care usage and the plan's benefits.

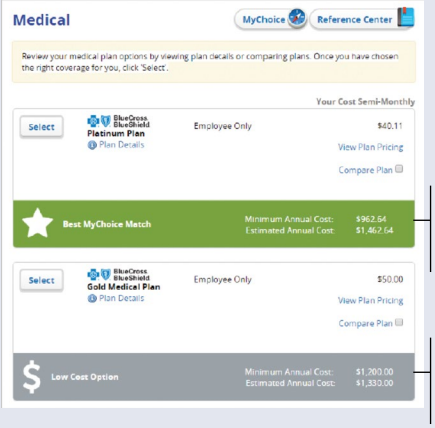
Annual Premium	$0
Co-Pay	$0
Deductible	$4,000
Coinsurance	$4,200
Prescriptions	$337
Other Costs	$0
Uncovered Health Care Expenses	$0
Total Expenses	$8,537

- **MyChoice**—*available November during Annual Election*

  Enter details about family size, general health status, financial preferences and ability to handle unplanned medical expenses. MyChoice will identify:

  1. Best MyChoice Match, based on your health and financial preferences; and
  2. "Low-cost" option, based on potentially lowest out-of-pocket costs*.





Best MyChoice Match based on your health and financial circumstances

Low-cost option if your primary goal is to limit out-of-pocket expenses

** Cost estimates and plan recommendations are for suggestion only, based on the logic of the decision support tool. You can select any plan options. Cost estimates are for illustration only and based on national averages. Your actual costs may vary.*

Decision Support Tools—Online (continued)

Online Support

To access Coverage Advisor and other decision support tools to help guide your choices:

1. **www.gbophb.org** > **Account Login** > select "**HealthFlex/WebMD**"
2. Enter your WebMD username and password
   - **Coverage Advisor**
   - **Consumer Tools to Guide your Health Care Choices**
     - Treatment Cost Advisor/Estimator
     - Provider Search
     - OptumRx Prescription Drug Cost Estimator
     - Health Account Information
     - Plan Overview and Comparison Information
     - and More
   - **MyChoice** (select "**HealthFlex Exchange**" during Annual Election)
   - **Details and FAQs** (middle portion of home page)

Your Privacy Is Protected—Information you provide through Coverage Advisor and MyChoice is confidential. You may enter as much or as little detail about your health and financial circumstances as you wish. Your church, annual conference, employer, HealthFlex, the General Board or your insurance carrier cannot access your responses.

Telephone Support

- **Businessolver 1-844-688-1375** (toll-free), 7:00 a.m.–7:00 p.m., Central time—*available late October*

  If you need more assistance or prefer to speak with someone, Businessolver will have representatives available by phone to explain the differences between plans and answer your questions. Businessolver representatives will not tell you which plan to choose—but they can provide additional, personalized guidance, beyond the online decision support tools.

Making Your Plan Elections—During Annual Election

Selecting your HealthFlex plan is highly recommended to ensure you have the "right" plan for you. If you do not select a HealthFlex plan, your coverage will be assigned to your plan sponsor's default plan.* Make your plan elections through the HealthFlex/WebMD website during Annual Election in November.

Elections online (recommended)

To access the MyChoice election system:

1. **www.gbophb.org** > **Account Login** > select "**HealthFlex/WebMD**"
2. Enter your WebMD username and password
3. Select "**HealthFlex Exchange**" or "**Annual Election**"

Elections by phone

Individuals who are unable to enroll online may contact Businessolver toll-free at **1-844-688-1375,** 7:00 a.m.–7:00 p.m., Central time.

** If you currently have dependents covered in HealthFlex, your coverage will continue to include those individuals. If you are new to HealthFlex, you will be defaulted to participant-only coverage.*

More Election Details

Make your HealthFlex Exchange plan elections during the Annual Election period. In addition to selecting plans for medical/pharmacy, dental and vision, Annual Election is your opportunity for these optional elections:

- Set aside pre-tax contributions into flexible spending accounts (FSAs)
  - Health care FSA (MRA)—full-use MRA available with PPO and CDHP plans; limited-use MRA (for dental and vision expenses only) available with HDHP plans
  - Dependent care FSA (DCA)—available with all plan options
- Set aside pre-tax contributions into a health savings account (HSA)—available only with HDHP plans
- Add or drop dependents from HealthFlex coverage—you can now do this yourself online. Or contact your plan sponsor if you do not see the dependents in the online system whom you would like to add or drop.

General Board
Pension and Health Benefits
Caring For Those Who Serve

Center for Health

Disclaimer: *This document is provided as a general informational and educational service to HealthFlex participants. This document does not constitute legal, tax or consumer advice. Readers may wish to consult with a tax advisor, legal counsel or other professional advisor before acting on any information contained in this document. The General Board of Pension and Health Benefits expressly disclaims all liability in respect to actions taken or not taken based on the contents of this document.*

© 2015, General Board of Pension and Health Benefits of The United Methodist Church

4756/082015