

HR Update

DEAR COLLEAGUE:

Welcome to the start of the academic year! We're pleased to share some important updates to Smith College's health benefits for calendar year 2019. As you know, benefits are an important investment for the college. We are proud of our offerings and know that they are an essential element of what makes Smith College such a great place to work.

Premiums for 2019

Like our higher education peers and other organizations around the country, Smith continues to face the impact of significant health care cost inflation. We have made changes over the last several years to try to manage these increasing costs, while continuing to offer a comprehensive and competitive program. However, we're happy to report that **most employees will pay the same or less for their health plan coverage**. In addition, we recently received savings from Harvard Pilgrim, which we will be passing along in the form of a **"health care deduction holiday"** later this year! This means you will pay no premium for health insurance for one pay period (date to be announced). Dental and vision premiums will continue.

New Tier Structure

As we examine our health insurance utilization, it is important that we maintain equitable costs among those who use the benefit. In order to do so, our health, dental, and vision plans will move from **three to four tiers** for each plan.

- ♦ Employee
- ♦ Employee plus child/children
- ♦ Employee plus spouse
- ♦ Family

The new employee plus spouse tier will experience a very moderate increase in premium from the former double plan. Historically, spouses on Smith plans have incurred a higher portion of health care costs.

New Plan Option

We have heard from employees that they want an option with lower premiums for health coverage. In response to this feedback, and to provide greater choice, we will be offering a **High Deductible Health Plan (HDHP)** in 2019, while continuing to offer all of the current health plan options. Many other organizations offer these types of plans, which have lower premiums and higher deductibles when (and if) you need care. *See page 2 to learn more.*

New Prescription Drug Vendor

The prescription drug program will be **administered by OptumRx** beginning in 2019. OptumRx is a best-in-class vendor with extensive experience managing prescription drug benefits for higher education employers. The transition to OptumRx will allow Smith to continue to offer a comprehensive and highly competitive pharmacy program in a cost-effective way for the college and employees. Employees will receive a new, separate ID card for prescription benefits.

Watch for more details over the coming weeks in advance of Open Enrollment beginning November 6 and ending on November 21.

Sincerely,

The HR Team

GREAT NEWS:

No Health Plan Contributions for One Pay Period!

We are pleased to announce that there will be a "health care deduction holiday" (date to be determined).

This means you will pay **NO** health plan premium for one pay period (dental and vision premiums will continue).

Watch for more details soon!



Coming Soon: New Health Plan Option for 2019

Smith is expanding our health insurance options to fit a broader spectrum of needs. You will have four health plans available through Harvard Pilgrim Health Care:

- ◆ Value HMO
- ◆ HMO
- ◆ POS
- ◆ New High Deductible Health Plan (HDHP) with a Health Savings Account (HSA)

If you elect the HDHP, you will also have access to an HSA, which provides a tax-free way to save and pay for health care expenses now and in retirement. Smith will also contribute to the HSA, to help pay for a portion of the cost of care. Stay tuned for more information on this new plan!



Learning More: Open Enrollment Timeline



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The benefits summarized here are not conditions of employment. Smith College, in its sole discretion, reserves the right to amend, modify or terminate any plan or provision at any time. (Smith College has the sole and absolute authority to interpret the terms of these plans, determine benefit eligibility and resolve any and all ambiguities on inconsistencies in the plans.)

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