



STATE OF MONTANA BENEFIT PLAN (STATE PLAN)

HEALTH CARE & BENEFITS DIVISION

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HEALTH CARE &
BENEFITS DIVISION

STATE OF MONTANA BENEFIT PLAN (STATE PLAN)

+ Income

Employer Contribution

Member Contribution

- Expense

Medical

Rx

Dental

Vision

= Plan Reserves



CORE BENEFITS – EMPLOYER CONTRIBUTION

- **Medical**

(Includes Prescription Drug Coverage
and Routine Annual Eye Exam)



- **Dental**



- **Basic Life Insurance**



OPTIONAL BENEFITS

Who

- Spouse or domestic partner
- Child/ren under age 26



What

- Dependent Medical/Dental
- Flexible Spending Accounts
- Additional Life Insurance
- Accidental Death & Dismemberment
- Long Term Disability

MONTHLY COSTS - BENEFITS

Your out of pocket costs after the Employer Contribution is applied.

Plans	Core Benefits (See below)	Optional Dental	Vision Hardware	Potential Live Life Well Incentive
Employee Only	\$30.00	-	+\$7.64	up to \$30 off
Employee & Spouse	\$250.00	+\$21.40	+\$14.42	up to \$60 off
Employee & Child(ren)	\$101.00	+\$19.90	+\$15.18	up to \$30 off
Employee & Family	\$327.00	+\$28.90	+\$22.26	up to \$60 off
Joint Core	\$30.00 per employee (includes Employee & Family dental)	-	+\$11.13 (Primary Joint Core Member only)	up to \$30 off

Core Benefits Include: Medical, Prescription, Basic Vision (\$10 copay for an eye exam/member at a participating provider), Employee Only Dental, and Basic Life.



TOBACCO SURCHARGE

Nicotine

- Nicotine is an addictive stimulant proven to have negative health effects that is found in cigarettes, cigars, chewing tobacco, and most vaping products.

Nicotine Free

- You are nicotine free if you have never used nicotine, have quit using nicotine, use only FDA-approved Nicotine Replacement Therapy (NRT), or infrequently use nicotine (less than 4x per month).
- You are nicotine free if are currently using nicotine but HAVE completed an eligible alternative (nicotine cessation program or a nicotine counseling session with a medical provider) during the past 12 months.



TOBACCO SURCHARGE

Nicotine User

- You are a nicotine user if you are currently using nicotine and HAVE NOT completed an eligible alternative (nicotine cessation program or a nicotine counseling session with a medical provider) during the past 12 months.

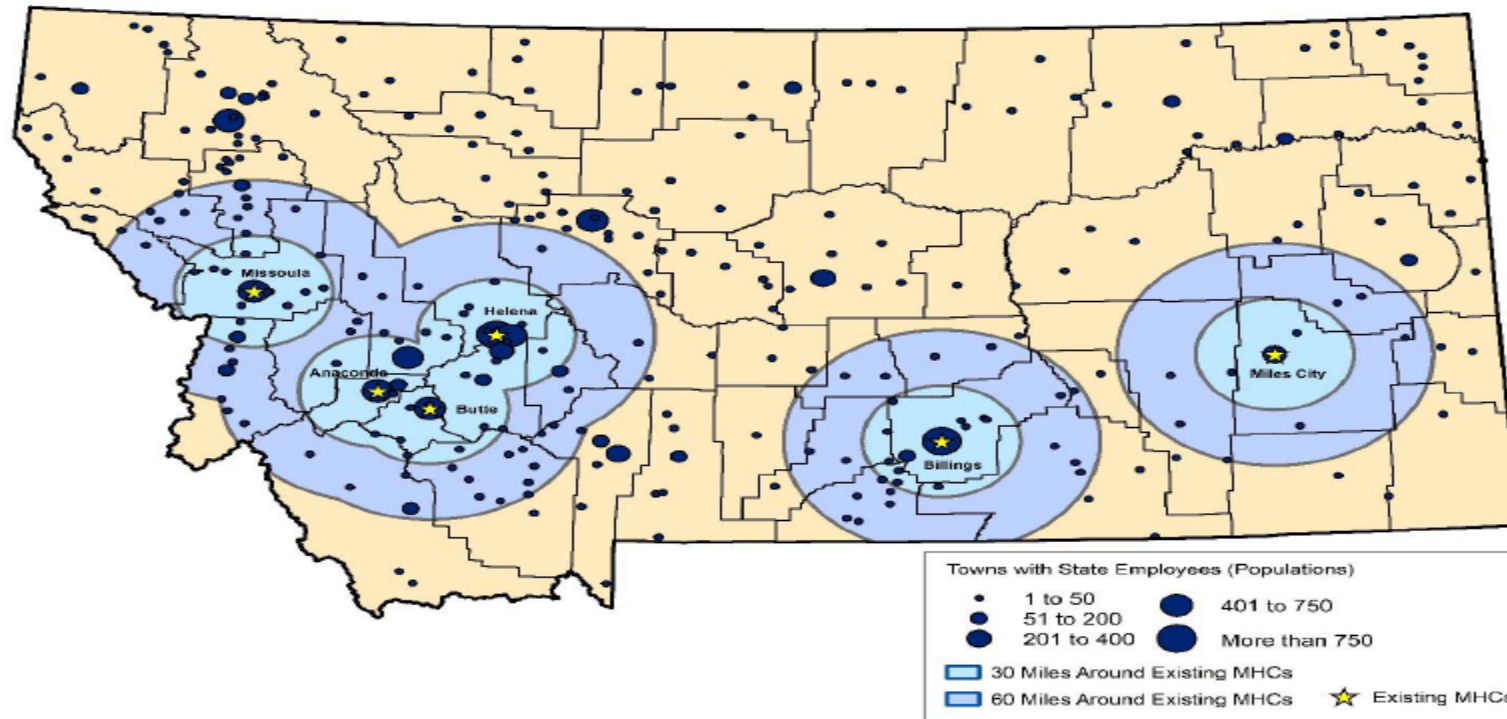


LIVE LIFE WELL INCENTIVE



STATE PLAN GEOGRAPHY – June 2017

Figure 7
Employees Within 30 and 60 Miles of an Existing Montana Health Center



Source: Compiled by the Legislative Audit Division using GIS software and SABHRS records.

STATE PLAN CONSIDERATIONS

Things to consider:

- Currently, the Montana school districts could form one large self-funded plan comprised of only school districts. However, the larger school districts have chosen to manage their own self-funded plans and have not formed into one large plan.
- The larger school districts (Helena, Billings, Missoula, etc.) already have their own self-funded plans. It is likely only small districts would be interested in joining the State Plan.
- School districts would lose control of benefit package and would be required to follow the State Plan funding levels, structure, and benefit plans.

Benefits:

- Creates a larger SOM Health Plan with likely a greater influence in rural areas of MT.
- Allows school districts with limited employees to join a stable health plan.

Risks:

- If you get one high cost case from a small rural district, SOM employees would be subsidizing their healthcare costs.
- If not required for all school districts to join, would likely only get districts with high health costs and state employees would subsidize the pool.
- Need to ensure districts that join cannot disenroll later. Would need to consider entry and exit requirements.



STATE PLAN CONSIDERATIONS

Pooled Purchasing vs. Direct Purchasing

General Comparison	
Pooled Purchasing w/ State Plan	Direct Purchasing
<ul style="list-style-type: none"> Funding: Self-Insured 	<ul style="list-style-type: none"> Funding: Fully Insured, Self-Insured
<ul style="list-style-type: none"> Volume: Lower Admin costs 	<ul style="list-style-type: none"> Fixed Admin costs
<ul style="list-style-type: none"> Fixed Rates – including set employer contribution 	<ul style="list-style-type: none"> Rate is usually based on combination of employer demographics, experience, and carrier manual rate
<ul style="list-style-type: none"> Pooled Renewal Increase 	<ul style="list-style-type: none"> Renewal increase is based on claims experience and carrier manual rate
<ul style="list-style-type: none"> Plan Designs and Products are limited 	<ul style="list-style-type: none"> Flexible Plan Designs and Products
<ul style="list-style-type: none"> Governor's Office/Budget Office/Department of Administration makes decisions State Employee Group Benefits Advisory Committee (SEGBAC) – advisory only, not decision making 	<ul style="list-style-type: none"> Employer/Committee makes decisions
<ul style="list-style-type: none"> No access to claims or utilization data 	<ul style="list-style-type: none"> Access to claims and utilization data (depending on size)
<ul style="list-style-type: none"> Entry and Exit requirements 	<ul style="list-style-type: none"> Easy to change carriers



STATE PLAN CONSIDERATIONS

Pooled Purchasing vs. Direct Purchasing

Pooled Purchasing:	Direct Purchasing:
<ul style="list-style-type: none">▪ State Plan▪ Montana Unified School Trust (MUST)	<ul style="list-style-type: none">▪ Fully Insured▪ Self Insured

What's the Difference? Is one better than another?

One is not necessarily better (or safer) than another

- Pros and Cons for both Pooled and Direct Purchasing
- Key is to understand the “opportunity cost” or what you’re giving up for what you’re getting



STATE PLAN CONSIDERATIONS

Degree of pooling (risk sharing) impacts member renewal volatility



No Pooling	Partial Pooling	Fully Pooled
<ul style="list-style-type: none">▪ Member renewals based entirely on their own claim data.▪ Highest volatility▪ Highest member-specific 'fairness'▪ Primary advantage: leveraged purchasing for lower fixed costs, low interdependence.	<ul style="list-style-type: none">▪ Member renewals based partially on their own data as well as the collective data of the pool.▪ Less volatile (depending on degree of pooling)▪ Primary advantage(s): lower fixed costs, increased stability element	<ul style="list-style-type: none">▪ Member renewals based entirely on collective data of the pool.▪ Lowest volatility▪ Primary advantage(s): lower fixed costs, high stability element



FOR MORE INFORMATION



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