

## 2025 PEIP Enrollment FAQs

### Why is the Value plan going away?

In 2023 the state hired an outside consulting firm to make recommendations on improving PEIP. One of their recommendations was to realign the benefit offerings to make the program easier to understand. Based on this recommendation, the state decided to discontinue the Value plan for 2025. We continue to see a reduction in enrollment in this plan (down to about 8% of the total enrollment in PEIP). The Value plan included higher out of pocket expenses than the HSA option, so only a very small group of participants were better off on Value. If you are on the Value plan in 2024 you will be automatically moved the HSA compatible plan effective January 1, 2025.

### What is the reason for the 4-Year participation rule?

Based on revisions to the PEIP statute 43A.316 and recommendations from the same study, the group enrollment commitment in PEIP will change. Previously enrollment in PEIP was based on a two-year commitment, with an early termination option if a group received a renewal of 50% or more. The study recommended that the enrollment commitment be extended to four years, with an early termination option if you received a renewal of 20% or more. The goal of this change is to bring more stability to the pool. More stability helps to decrease volatility in renewal increases. In the first 10 years of the current pooling methodology, the plan had very high stability which resulted in average increases of approximately 3%. When the pool saw increased movement from our groups, the rate increases became higher. This return to stability will allow the plan to pool claims at a higher level which we anticipate will help keep rate volatility down.

### What was the renewal increase?

Osseo received a 5.3% increase in the HSA compatible option, and 6.3% on the high plan. The PEIP pool is doing very well. The January 1, 2025 renewal average increase was about 3.5% which is 50% below the national medical trend. The range of group renewals was from -5% to a +14%. We are still blending the group's own claims with the overall pool claims in determining increases, we hope to give more credibility to the pool claims under the 4-year lock to lower volatility.

### Are there any plan changes for January 1, 2025?

There are two plan changes for January 1<sup>st</sup>:

1. The office visit copays in the High plan will go up \$5,
2. The HSA deductible and out of pocket maximums will increase to comply with IRS rules. Please see the 2025 Benefits Schedule for specific deductibles.

### When will open enrollment be held?

The district's PEIP open enrollment dates are October 21 – November 8, 2024.

### When will the 2025 cost levels for clinics be available?

The 2025 clinic directory will be available October 10<sup>th</sup> on the district website and at [www.innovomn.com](http://www.innovomn.com).

## **If I am not making changes to my network choice or plan choice, do I need to complete anything?**

No, a new form must be completed only if you are changing networks or switching from the high plan to the HSA plan. **If you are only changing your primary clinic-you do that by calling the phone number on your ID card.**

## **If I change to the HSA Advantage plan, will I receive contributions to a Health Savings Account (HSA)?**

Participants are eligible to **make or receive** contributions to an HSA if they are: 1) enrolled in the Participants enrolled in the HSA Advantage Plan (or another district qualifying High Deductible Health Plan); and 2) not covered by a “low deductible plan”. Examples of low deductible plans are general-purpose Flexible Spending Accounts, Medicare, or being coverage by a spouse’s low deductible health plan. If you are covered by a limited-purpose FSA, you can still make or receive contributions to an HSA. See HSA examples.

## **I will be eligible to make and receive contributions to an HSA. How do I start an HSA?**

The HSA account enrollment form will be included in your Open Enrollment Insurance Form.

## **I enrolled in a general-purpose Flexible Spending Account (FSA), can I change to a limited-purpose FSA?**

The district’s FSA plan year runs July 1 – June 30<sup>th</sup>. If you enrolled in an FSA, you cannot change your elections or terminate your FSA before June 30<sup>th</sup>. However, the district will create a Health Reimbursement Account (HRA) for employees who enroll in HSA Advantage on January 1<sup>st</sup> and are enrolled in a general-purpose FSA through June 30<sup>th</sup>. The HRA will be available from January 1 through June 30, 2025. See HSA examples.

## **I am not certain which FSA I enrolled in. How do I find out which FSA I’m enrolled in?**

FSA participants will receive a communication the week of October 7<sup>th</sup> confirming their enrollment in an FSA. The communication will specify which FSA the participant is enrolled in.

## **Can I make changes to my other benefits?**

No. This open enrollment period allows changes to your health insurance benefits through PEIP beginning January 1, 2025. There will be a separate open enrollment period in the spring for changes to dental and flexible spending enrollments effective July 1, 2025.