Health Benefits Design Workgroup Updates

The Health Benefits Design Workgroup (HBDW) met on August 31, 2021 to discuss updates to the health reimbursement accounts. Of note:

- UL is transitioning away from Discovery Benefits for health reimbursement account (HRA) and flexible spending account (FSA) management
- The new provider, Optum, does not allow separate cards for these two different accounts. Rather, employees with both HRA and FSA will have a single card for transactions
- Under our current plan, only medical out-of-pocket expenses may be charged to the HRA; however, it is more common for HRAs and FSAs to reimburse for the same expenses including both medical and prescription
- Effective 1/1/2022, UL will be expanding HRA eligible expenses to include prescriptions in addition to medical out-of-pocket
- The HRA and FSA funds will be “stacked” onto the single Optum expense card. The card uses smart card technology so it knows from which account to draw funds for each expense. For example, it will automatically pull from the HRA funds for healthcare (medical and prescription) and from the FSA for dental and vision expenses
- HR will be rolling out a comprehensive communication campaign about the change from Discovery and HealthEquity over to Optum. They plan to highlight the new card, prescription enhancement for the HRA, stacking of accounts, and how to appropriately plan for FSA elections in 2022. They will also educate users on the year-end run-out period, as well as transfer of balances over to Optum

On a separate action item, the HBDW was informed about a likely change in how the US Legal & Manhattan (optional) Short-Term Disability accounts will be managed. UL currently has 136 employees enrolled in this optional plan, or around 2% of eligible employees. The integration capabilities with both carriers is extremely limited and requires considerable manual work for the payroll deduction and monthly billing process, an issue that will not be improved with the transition over to the Workday platform.

HR is recommending that it transition these plans off of UL payroll deduction platform, allowing employees to maintain their policies on an individual basis through direct billing from the providers. This would be an off-cycle change effective on 7/1/2022, and HR would assist those 136 employees with any billing questions they have. HR will likely review other options for income replacement benefits to replace the underutilized short-term disability benefit.

Respectfully submitted,

Jason Beare