Saint Louis University
2016 Health Care Cost Transition Support Program for Employees with a Working Spouse

Background

Saint Louis University’s health care plans provide affordable and minimum essential coverage to all qualifying employees under the Affordable Care Act (ACA). Effective January 1, 2016, employed spouses of University employees with access to health insurance through their own employer were no longer eligible for coverage under Saint Louis University’s health insurance plan. In an effort to assist SLU employees most significantly impacted, the University has established the 2016 Health Care Cost Transition Support Program.

Eligibility Requirements

The University will provide financial assistance for those households that meet all of the following requirements:

1. Employee’s spouse was covered under the University health plan in 2015 and removed for 2016 due to spousal coverage requirement; and
2. The household’s total adjusted gross income (AGI) does not exceed $150,000 as reported on the household’s 2015 tax return; and
3. Total health care costs incurred exceed the health care costs the household would have incurred if the spouse had remained covered on the University’s plan; (see illustrations below); and
4. The reimbursable health care costs (see list below) exceed 2% of the household’s AGI as calculated on the household’s 2015 tax return.

Reimbursable Health Care Expenses

Reimbursement is available for the following eligible health care costs:

- health insurance premiums
- copayments
- deductibles
- coinsurance

Health care services or products that are not covered by Saint Louis University’s health plan will not be considered reimbursable under this Program. Only health care costs incurred in 2016 will qualify for reimbursement.
Reimbursement Process

Eligible employees must submit a request for reimbursement (see Exhibit A - 2016 Health Care Cost Support Program Reimbursement Form) along with supporting documentation to the Human Resources Benefits Office, 3545 Lindell Boulevard, St. Louis, MO 63103 or e-mail benefits@slu.edu. Supporting documentation should include:

- A copy of the previous year’s tax return
- A copy of the spouse’s medical plan
- Paid receipts for the health care claims being submitted
- Explanation of Benefits (EOB) provided by the health plan

The University retains the right to request additional information as needed to complete the request for reimbursement analysis.

Reimbursement requests will be reviewed on a quarterly basis once the threshold is met (August, November, February) with an approximate turnaround of sixty days for payment. All reimbursements will be made on a post-tax basis and processed through the normal payroll cycle.

Program Fund

The University will designate up to $50,000 in financial assistance funds to be distributed on a first come, first served basis. Once program funds are exhausted the program will end. This is a one-time fund for individuals impacted during the 2016 plan year.
The following *hypothetical examples* have been developed to provide guidance on how the reimbursement requests might be analyzed and reviewed. All examples assume UHC Network Providers, Wellness discount and 10% Coinsurance after deductible. (Coinsurance after deductible can vary by health plan)

**Example I:**

For 2015:
- Mr. Jones and his spouse, Mrs. Jones, have an AGI of $112,000, 2% of their AGI is $2240
- Mr. Jones carried family coverage (employee, spouse and two children) under SLU’s HDHP with a plan deductible of $3000

For 2016:
- Mrs. Jones obtained coverage through her employer due to SLU’s spousal coverage requirement
  - Annual premium on her employer plan is $4800
  - She incurred health care expenses of $500, all of which fell within her plan deductible of $1500
- Mr. Jones’ coverage was changed from family to employee + child(ren)
  - Annual premium was reduced from $3348 to $2124 annually
  - He incurred health care expenses of $2000, all of which fell within his plan deductible of $3000

<table>
<thead>
<tr>
<th></th>
<th>Cost without Spousal Coverage Requirement</th>
<th>Cost with Spousal Coverage Requirement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SLU Family Coverage</td>
<td>Employee and + Children Coverage</td>
<td></td>
</tr>
<tr>
<td>Annual Premium</td>
<td>$3348</td>
<td>$2124</td>
<td>$6924</td>
</tr>
<tr>
<td>Paid Deductible Expense</td>
<td>$2500</td>
<td>$2000</td>
<td>$5300</td>
</tr>
<tr>
<td>Paid Coinsurance Expense</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Total Health Care Costs</td>
<td>$5848</td>
<td>$4124</td>
<td>$9424</td>
</tr>
</tbody>
</table>

* Difference in total health care costs ($5300 + $4124 - $5848) = $3576
* Reimbursement to employee ($3576 - $2240) = $1336
  (Note: $2240 is 2% of AGI. Amount exceeding $2240 is reimbursed to employee)
Example II:

For 2015:
- Mrs. Smith and her spouse, Mr. Smith, have an AGI of $150,000, 2% of their AGI is $3,000
- Mrs. Smith carried employee plus spouse coverage under the PPO Plus Plan which carried a deductible of $1,000

For 2016:
- Mr. Smith obtained coverage through his employer due to SLU’s spousal coverage requirement
  - Annual premium on his employer plan is $3,396
  - He incurred health care expenses of $1,500, all of which fell within his plan deductible of $1,500
- Mrs. Smith’s coverage was changed from employee + spouse to single
  - Annual premium was reduced from $4,116 to $1,236
  - She incurred health care expenses of $1,500. $500 was applied to the plan deductible resulting in a paid coinsurance of $100 (10% of $1,000)

<table>
<thead>
<tr>
<th>Cost Without Spousal Coverage Requirement</th>
<th>Cost with Spousal Coverage Requirement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLU Employee + Spouse</td>
<td>SLU Employee</td>
<td>Working Spouse Single Coverage</td>
</tr>
<tr>
<td>Annual Premium</td>
<td>$4,116</td>
<td>$1,236</td>
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<tr>
<td>Paid Deductible Expense</td>
<td>$1,000</td>
<td>$500</td>
</tr>
<tr>
<td>Paid Coinsurance Expense (% of expenses exceeding deductible)</td>
<td>$200</td>
<td>$100</td>
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<tr>
<td>Total Health Care Costs (premium, deductible and coinsurance)</td>
<td>$5,316</td>
<td>$1,836</td>
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</tbody>
</table>

- Difference in total health care costs ($4,900 + $1,836 - $5,316) = $1,420
- No reimbursement as difference between what the Smiths would have paid under the SLU Employee + Spouse coverage and what they paid as a result of the working spouse coverage requirement did not exceed 2% household AGI of $3,000

Questions
Questions or requests for additional information or clarification may be submitted to the human resources benefits office at benefits@slu.edu.

The program may be subject to change or further clarification as additional information becomes available during the administration of the program.