 

Brought to you by System Benefits Administration

Issue #38, April 2013

**Second SEBAC Meeting Held**

The System Employee Benefits Advisory Committee (SEBAC) held its second meeting of Fiscal Year 2013 on February 26th.

Discussion items included:

* Review of the Fiscal Year 2013 A&M Care Plan Financial Statement.
* Possible adjustment to the State Group Health Insurance Contribution.
* Student Insurance Plans being bid. May be combining into one plan, including the A&M Graduate Student Plan.
* Upcoming Health Care Reform changes that will impact the A&M System.
* Legislative update.
* System member Human Resource offices and BCBSTX will be working together through the next year to assess and provide opportunities for improving health and wellness across the System.
* Elections for the SEBAC representative for 2013-2015 take place during April.
* The next SEBAC meeting will be held on May 7, 2013.

**Using a “PIN” With Your PayFlex Debit Card**

Your PayFlex Spending Account debit cards may now be used as either a credit or debit card.

In the past, even though your PayFlex card has been called a debit card, you were required to use it as a credit card. Since your card may now be used either way, some merchants may require you to use it as a debit card rather than a credit card. When using it as a debit card, you will be required to enter a Personal Identification Number (PIN).

If your spouse and/or dependents have a PayFlex debit card for your spending account, they need to use the same PIN you use. To get a PIN for your card, call Card Services at 1-888-999-0121.

**You and Your Doctor**

Preventive care and a good relationship with your doctor are the keys to maintaining good health, even if you’re feeling fine. Regular physical exams are an important part of preventive care. We have more options for getting health care and paying for it than ever before. Rising costs and increased variety among health care plans can make it challenging to find your way in the health care system. Making decisions while you’re healthy can help reduce the stress and financial strain when you do need medical care.

Try to establish a long-term relationship with a doctor(s) who can:

* get to know you (and your family)
* provide well care and most of the sick care you might need
* keep complete medical records
* become familiar with your (and your family’s) medical history

A doctor who has all this information, and gets to know your family over time, can better determine when you are healthy and when something is off track. Don’t skip checkups. This way, doctors can catch any health concerns early so that they don’t become expensive and hard-to-treat medical problems later.

**The Specialty Pharmacy Advantage**

Specialty medications are those which treat complex conditions, such as hepatitis C, multiple sclerosis, and rheumatoid arthritis. They are typically injected or infused medications administered either by you or a healthcare professional, and they often require special handling. While many benefit plans have a fourth tier with a higher copayment for specialty drugs, the A&M Care plan does not. However, the plan does have a specialty pharmacy from which you are required to purchase these drugs after the first prescription is filled. This is required for a number of reasons. Because the specialty pharmacy provides these drugs for all Express Scripts | Medco members, they can purchase them at a lower cost and, in some cases, your local pharmacy does not always have access to specialty drugs. But the most important reason is the extra services that the specialty pharmacy, Accredo, can provide to you, the member.

Accredo has therapy-specific teams that provide an extra level of personalized care to patients with special therapy needs. Things like:

* Toll-free access to specially-trained pharmacists 24/7,
* Personalized counseling from a team of registered
* nurses and pharmacists,
* Expedited, scheduled delivery of your medication at no additional charge,
* Refill reminder calls,
* Up to a 90-day supply of medication (as appropriate) through Accredo,
* Necessary supplies to administer your medication, like needles and syringes, at no extra charge.

Specialty drug costs continue to rise, impacting the premiums you pay, but a recent Express Scripts study shows that employers who use the cost-management programs that are in place for the A&M Care plan can help control costs.

These programs include:

**Prior authorization** - checking to see that you are using the medication for an FDA approved labeled use.

**Quantity duration** - approving the appropriate duration of medication.

**Pharmacogenomic test support** – ensuring through genetic testing that the medicine has a likelihood of working for the patient

**Preferred therapy prior authorization** - ensuring that other less expensive, first-line therapies have been tried

**Nurse adherence calls** – Periodic calls from a qualified nurse to ensure that the medication is being taken, taken appropriately, and if not, why not.

Unmanaged plans had an annual average increase in specialty drug spend of 27.8% as compared to tightly managed plans, such as ours, which saw an annual increase in specialty drug spend of only 13.6%.

In addition, tightly managed programs saw higher average member adherence rates in top therapy classes, such as multiple sclerosis and oncology. Even more important, patient care outcomes are improved by these management techniques.

**April is National Financial Literacy Month**

You work hard for your money, so it’s nice to reward yourself with small, inexpensive treats. Maybe you stop for a double mocha cappuccino on the way to work or download a movie or music. Or you might like to eat out or go to the movies on a regular basis.

It’s easy to justify small rewards like these since they deliver a lot of pleasure and generally don’t cost that much. But little treats start looking pretty expensive when you add up how much you spend on them annually.

***Cut Back and Save***

What if you cut back to four cappuccinos a week instead of five and put the savings in your retirement plan? How much would investing $5 a week amount to over time? Or what if you ate out one less time every week and invested the $16.25 savings in your voluntary retirement plan instead? How much would that add up to if you did it consistently?

Actually, small sums invested regularly have the potential to turn into substantial amounts over time. This chart shows the results of investing extra dollars every week for a 30-year period.

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| **Every week, instead of buying:** | **Invest the money for 30 years and you could have:** |
| Cappuccino ($5) | $32,296 |
| Music downloads ($7) | $45,203 |
| Movie ticket ($10) | $64,577 |
| Dinner out ($16.25) | $104,951 |

***The Magic of Compounding***

What accounts for this type of impressive growth? In a word - compounding. Here’s how it works: The money you contribute to a retirement plan is invested for you. Any earnings on your plan investments are reinvested in your account. This gives you a larger pool of money for investment. Every time you contribute to your plan account, you increase the total amount you have invested and the potential benefit from compounding.

***Start Small, Save Big***

You don’t necessarily have to earn a lot of money to lay the groundwork for a financially secure future. But you do need to be committed to making regular, steady investments over time. Cutting back on some of the little extras will help you free up some additional money for investing. Why not look for some extra money to add to your voluntary retirement savings plan?

Learn more about the voluntary retirement programs available to you through the [Retirement Programs website](http://www.tamus.edu/offices/benefits/retirement/) or the [Retirement Programs booklet](http://www.tamus.edu/assets/files/benefits/pdf/RPB.pdf).

*\*These are hypothetical examples used for illustrative purposes only. They assume an 8% average annual investment return (compounded monthly), which is not representative of any particular investment and do not factor in fees, expenses or taxes. Actual rates of return cannot be predicted and will fluctuate.*