

# Health Insurance Premium Increase Notice



RE: Increase in Health Insurance Premiums Post 2012 Retiree Plan

In the next few days you will be receiving your *2020 Benefit Choices and Enrollment Guide* from Via Benefits on behalf of Sandia National Laboratories (Sandia). Your monthly PreMedicare retiree premium is offset by a fixed subsidy; the amount of the subsidy is based on your years of service, and the subsidy does not increase year-over-year. As healthcare premiums rise, PreMedicare retirees will pay the difference between the premium and the subsidy as defined in the Retiree Health Plan redesign requirements that occurred back in 2011.

We are writing to notify you of expected cost increases for your budgeting and planning purposes. Open enrollment will begin on October 15, 2019 and ends on November 15, 2019. If you do not want to make any changes, your plan will automatically renew. No action is required.

Health care costs nationally have been increasing substantially over the years, and because Sandia is self-insured, we have fortunately been able to manage retiree costs and maintain consistent levels of retiree contributions for many years. However, over the past 12 months, Sandia's PreMedicare retiree health care costs have exceeded the subsidy. The increase is driven by the cost of prescription and specialty medications, increases in outpatient surgeries, emergency room visits, and hospitalization usage.

Sandia will continue to offer the same level of covered benefits and continue to fund your Health Reimbursement Account (HRA). Remember to complete a health assessment in order to receive your 2020 HRA funding. The following table summarizes the 2020 PreMedicare premiums:

	2020 Premium Years of Service				Annual HRA
	30+	25 - 29	20 - 24	15 - 19	
Retiree Only	\$144	\$183	\$261	\$338	\$250
Retiree + 1	\$288	\$366	\$522	\$676	\$500
Retiree + 2 or Family	\$432	\$549	\$783	\$1,014	\$750
<b>\$ Increase compared to 2019</b>					
Retiree Only	\$93	\$93	\$93	\$93	
Retiree + 1	\$186	\$186	\$186	\$186	
Retiree + 2 or Family	\$279	\$279	\$279	\$279	

