

Premium HDHP

Standard HDHP

Premium PPO

HRA

## 2015 Benefits Enrollment Decision Guide

*Are you on the right path?*



# Benefits Enrollment Guide

*Are you heading down the right path?*

Picking a health care plan can be confusing. It's easy to get lost along the way, which is why we've prepared this guide for you.

Take some time to read this information so you're empowered to make the right decision. And remember...just because you've picked the same type of plan in the past doesn't mean it's necessarily the best choice for the future. Be open to new plan options that help put you in charge of your health care and related costs.

We created some new tools to help you navigate 2015 benefits enrollment, plus we've added a pretty cool guy named Alex to the staff. More on him below.

Remember, we're here to help you make the best health care decision you can. Reach out with questions: (866) 200-5652 or [humanresources-requests@vectren.com](mailto:humanresources-requests@vectren.com).

## Meet Alex. He's a good egg.

All (bad) jokes aside, Alex is good to have on your side during benefits enrollment. He's a virtual benefits counselor, and he's here **to help you choose a medical plan that fits your needs and explain estimated health care costs**. Even better news: he tells it like it is. No jargon. Just easy-to-understand information. So if you need help making your benefits elections, remember that Alex is always a click away.

Chat with Alex ▶



# Before

*you make a decision...*

### Think about it...

Review all of the information in this booklet and on the Benefits Site carefully. Have a chat with Alex. It's good stuff, and it will help you pick a health plan that's right for you and your family.

### No really, we said think about it...

Okay, so you've read the materials and think you know which plan you want to choose. That's great. But have you considered other health care, life or accident insurance that's available to you (maybe through a spouse's employer)? Best to compare your options before picking a plan.

### Then go enroll already!

What are you waiting for? Log on to the [Work Smart Portal](#) and make your elections.

# Let's get ready for the trip!

Before starting your journey, let's take a moment to get a better understanding of the different health plan options available. Vectren offers four plans to its non-bargaining employees. All provide great coverage, but there are important differences you need to understand. Place your cursor over the street signs on the left to reveal plan details.

## Check it out...

Anthem Premium HDHP

Anthem Standard HDHP

Anthem Premium PPO

Anthem HRA

Place your cursor over the street signs on the left to reveal plan details.

Bet you're thinking, "That's nice. But I'm more lost than when I started."

No worries. Flip the page so we can start cruising through the nitty gritty details of each plan. Plus, our good buddy Alex is always on-hand to explain the differences between Vectren's health plans.

# Hold Up!

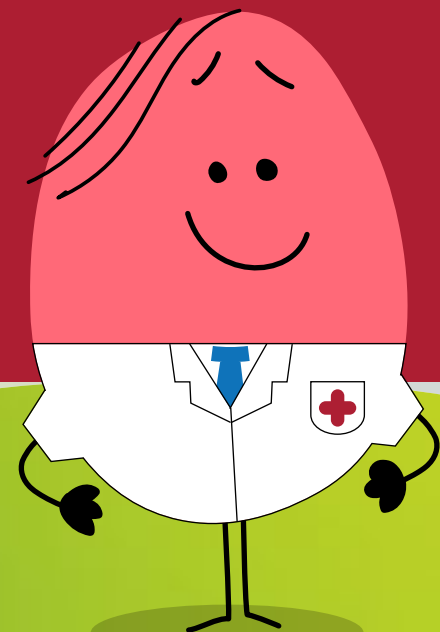
*Is your doctor in the network?*

The answer to this question could greatly impact how much you pay for your health care services – no matter what plan you're in! Make sure the physician or health care facility you visit is in-network. Otherwise, it can be more expensive. *Really* expensive.

*You will always save money by using in-network providers.*

**Not sure if your provider is in-network?**

[Click Here to Find Out](#) ▶



# But first things first...

Let's make sure we're all on the same page before setting out, because if you can't tell, we're a big fan of acronyms. Think of this as a mental warm-up!

## Health Savings Account (HSA)

A tax-free savings account available to those enrolled in an HDHP. You can make contributions via payroll deductions (and defer a portion of your VIP bonus!) to help fund the account. Vectren also contributes seed money to help fund it. Any unused funds roll over year to year and a portion of your HSA can be invested to help grow the funds over time. Plus, it's your own money. Pretty cool.

## Flexible Spending Account (FSA)

An arrangement that lets you pay for certain expenses (like childcare, deductibles, co-pays, qualified prescription drugs, insulin and medical devices) with pre-tax dollars. If you have unused funds at the end of the year, you can only roll over \$500. If you have a HDHP and corresponding HSA, you can only have a Limited FSA to cover vision and dental costs. Confusing? Yep. Look for more info on [page 10](#).

## Co-Pay

A fixed amount (for example, \$20) you pay for a covered healthcare service, usually when you get the service. The amount can vary depending on the type of service: e.g., office visit, emergency room visit, prescription drugs, etc.

## Deductible

In a nutshell, what you pay before your benefits start kicking in. Deductibles may not apply to all services, and the overall amount varies among Vectren's health plan offerings.

## High-Deductible Health Plan (HDHP)

A type of CDHP that features higher deductibles than traditional insurance plans. They're often combined with a health savings account (HSA) that enables you to pay for qualified out-of-pocket medical expenses on a pre-tax basis.

## Preferred Provider Organization (PPO)

A type of health plan that contracts with hospitals, doctors and so forth to create a network. The idea is you pay less if you stay "in the network." Although PPOs are common, they're losing ground among employers nationwide given their decreased focus on consumerism.

## Health Reimbursement Account (HRA)

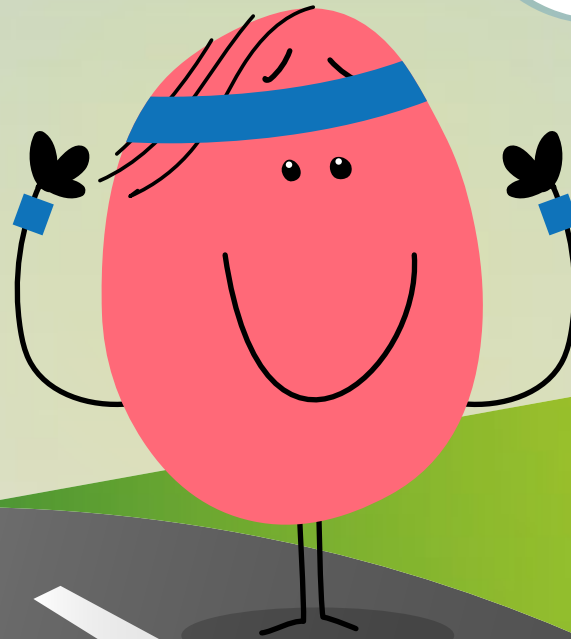
A unique health plan whereby Vectren pays 100% of medical claims up to a certain dollar amount; any unused funds will be rolled over to the next year. If those funds are exhausted, the employee pays a "bridge" until traditional health coverage kicks in. Only available to non-exempt employees.

## Consumer-Driven Health Plan (CDHP)

Quickly growing in popularity, CDHPs put you in the driver's seat with your healthcare and encourage you to be a smarter consumer. Think comprehensive, low-premium plans with tax-advantaged funding accounts like HSAs and HRAs.

This information was taken from  
[www.healthcare.gov/glossary](http://www.healthcare.gov/glossary)

with some Vectren "flair" thrown  
in for good measure.



# Route 1:

## Anthem Premium HDHP

Whew, glad that's over! Ready to explore the first path? Great! Let's take a look at Vectren's newest plan, the **Anthem Premium HDHP**.

It functions just like any other HDHP, in that you'll pay 100% of medical and prescription drug expenses until you meet your deductible.

The good news: This plan **features the lowest deductible allowed by the IRS** in order to remain eligible for a health savings account (HSA). For employee-only coverage, it's \$1,300 for the year; for those on a family plan, it's \$2,600.\*

The better news: **Vectren contributes seed money** to the plan's corresponding HSA. (More on those below.) The amount is prorated based on your start date and the coverage tier you select.

Although HDHPs carry a higher deductible in general, it's important to remember they **cost less in employee premiums** (the amount taken out of your paycheck). Plus, the Anthem Premium HDHP has a **higher actuarial value than our traditional PPO**, meaning your **total out-of-pocket health care costs for the year could very well be less on this plan than if you elected the PPO.\*\***

### Considerations:

- **Preventive care is covered at 100%** when you see in-network providers, meaning you pay nothing for physicals, immunizations, health screenings, etc.; this doesn't apply toward your deductible
- **Medical, prescription drug costs covered at 80%** after deductible is met
- **No lifetime maximum limits**
- **Uses Caremark** as the exclusive prescription drug provider
- Vectren's onsite health **clinic services charged at fair market value**, which is less than what you'd typically pay; but preventive care and wellness services are always free
- Qualifies for a **limited flexible spending account** (see [page 10](#) for more details)

*\*Represents in-network costs*

*\*\*Actuarial value refers to the percentage of total average costs for covered benefits that a plan will pay. For example, if a plan has an actuarial value of 70%, on average, you would be responsible for 30% of the costs of all covered benefits. This value can vary based on your actual health care needs.*

### 2015 Anthem Premium HDHP Bi-Weekly Rates

Employee-Only: \$61.08  
Employee + Spouse: \$122.00  
Employee + Child(ren): \$93.84  
Family: \$158.92

#### Health Savings Account (HSA)\*

As we discussed earlier, HSAs are tax-free savings accounts tied to high deductible health plans. You can contribute money to your HSA (via bi-weekly payroll deductions or by deferring a portion of your VIP bonus) to pay for your out-of-pocket medical expenses and other approved health care items.

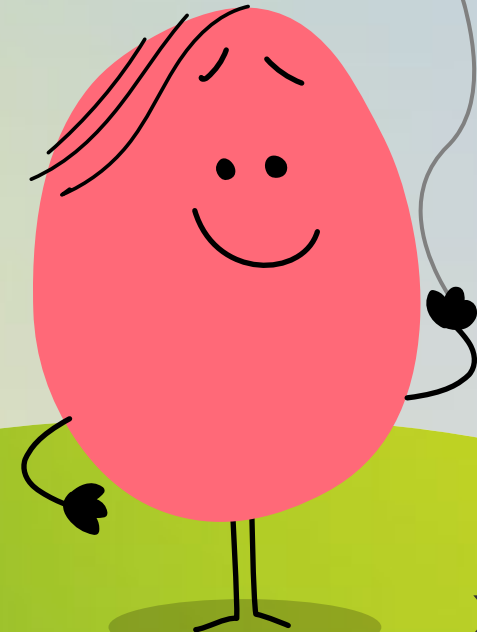
In 2015, you can contribute up to the IRS maximum of \$3,350 for employee coverage or \$6,650 for family coverage. Vectren's seed money contribution counts toward the max, helping you reach it sooner!

**There's a big advantage:** You don't pay federal taxes on that money. And if you don't spend all of the money in your account during the year, the money stays in your HSA even if you change jobs or medical plans. You may also be able to earn interest on money in your HSA. Just keep in mind there is a tax on distributions from HSAs for non-qualified medical expenses.

The fine print: If you only are only eligible for a HSA account for part of the year (say, you're a new hire or you change coverage as the result of a life event), some restrictions apply to the amount you can contribute. Chat with Alex, or call the Benefits Department at (866) 200-5652 for more information.

#### \*Who is eligible for an HSA?

An eligible individual is one who (i) is covered under a High Deductible Health Plan (HDHP) (ii) is not covered by any other health insurance plan unless it is another HSA-qualified HDHP, (iii) is Medicare eligible but not enrolled in Medicare, (iv) may not be claimed as a dependent on another person's tax return, and (v) has not received any Veterans Administration benefits in the past three months.



# Route 2:

## Anthem Standard HDHP

While we're on the subject of high deductible health plans, let's head over to the **Anthem Standard HDHP** path and see what it has to offer.

It's the same drill as the first HDHP plan we talked about: you pay 100% of medical and prescription drug expenses until hitting your deductible for the year. The key difference is that the deductible is higher: \$2,700 for employee-only, and \$5,400 for families – which is in keeping with last year's levels.\*

But don't run away yet! There's a tradeoff...

Because you have more "skin in the game," so to speak, you'll have the **lowest employee premiums**. To sweeten the pot even more, **100% of your medical and prescription drug costs are covered after you meet the deductible**.

Plus, **Vectren contributes seed money** to this plan's HSA, as well. See the callout on [page five](#) for more info about HSA's.

We know this plan may sound intimidating, but it can be a **very cost effective solution dependent on your usage**. Think of it like this: if you use health care very little or a whole lot, you can come out ahead. Still don't believe us, go chat with Alex. He'll crunch the numbers for you.

Also keep in mind there are a number of ways you can control your health care costs. Visit [www.anthem.com](http://www.anthem.com) and check out the Anthem Estimate Your Cost tool, which lets you "shop around" for health care services.

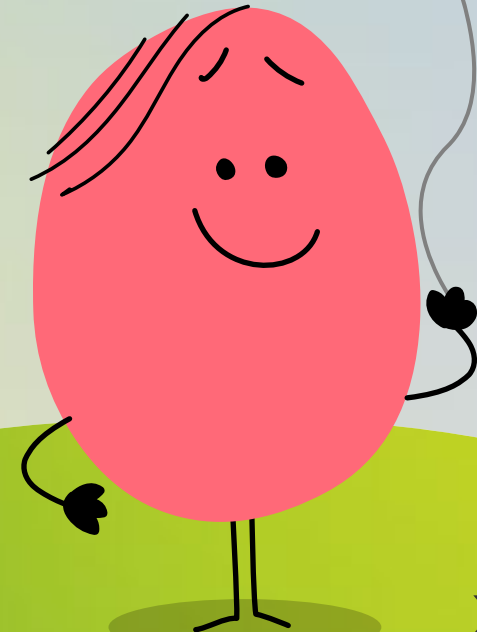
### Considerations:

- **Preventive care is covered at 100%** when you see in-network providers; this doesn't apply toward your deductible
- **Medical, prescription drug costs covered at 100%** after deductible is met
- **No lifetime maximum limits**
- **Low monthly premiums**
- **Uses Caremark** as the exclusive prescription drug provider
- Vectren's onsite **health clinic services charged at fair market value**, which is less than what you'd typically pay; but preventive care and wellness services are always free
- Qualifies for a **limited flexible spending account** (see [page 10](#) for more details)

\*Represents in-network costs

### 2015 Anthem Standard HDHP Bi-Weekly Rates

Employee-Only: \$20.00  
Employee + Spouse: \$68.16  
Employee + Child(ren): \$51.53  
Family: \$85.68



# Route 3:

## Anthem Premium PPO

Bet you're familiar with this path...our **Anthem Premium PPO**. About 65% of non-bargaining employees are enrolled in it, so it's kinda the benefits version of Old Reliable. (Just kidding!)

Don't get us wrong. It's a great plan. You have a **lower annual deductible to satisfy** and you typically have **flat co-pays** for office visits and prescription drugs.

But this comes with a cost – literally and figuratively. Because it's a “rich plan,” it carries the **highest employee premiums of all four plans**.

It's also the **most expensive plan for Vectren to maintain**, so we want to be straight up with you... rising healthcare costs, coupled with the growing trend of consumer-driven health plans like our HDHP's, means that we **will continue to evaluate the PPO going forward** to see if it's still a good value for our company and for our employees.

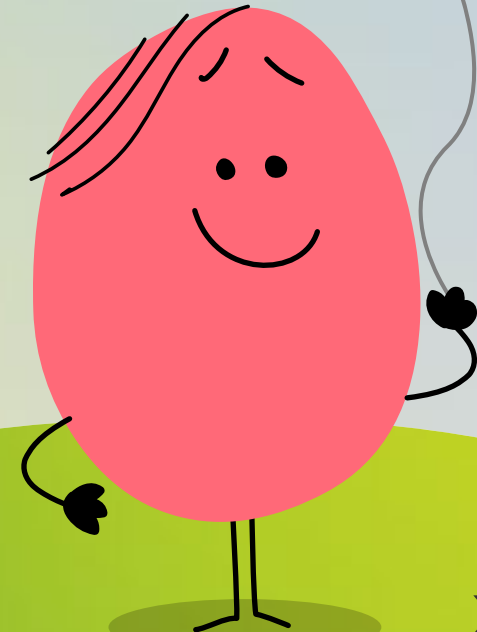
Please understand that we as a company must continue to manage these costs wisely for our collective short- and long-term benefit.

### Considerations:

- **Preventive care is covered at 100%** when you see in-network providers; this doesn't apply toward your deductible
- **Medical costs covered at 80%** after deductible is met
- **Prescription drug costs typically covered by a co-pay**
- **No lifetime maximum limits**
- **High monthly premiums**
- **Uses Caremark** as the exclusive prescription drug provider
- Vectren's onsite health **clinic services available at no cost**

### 2015 Anthem Premium PPO Bi-Weekly Rates

Employee-Only: \$65.36  
Employee + Spouse: \$142.43  
Employee + Child(ren): \$100.14  
Family: \$186.95



# Route 4:

## Anthem HRA

We've finally reached our last path, but there's a catch. The **Anthem HRA** *only applies to non-exempt employees*. If this is you, continue reading below. If not, flip the page to see a side-by-side comparison of the plans.

The HRA is a unique plan, and it can be quite a good deal. With the Anthem HRA, **Vectren pays 100% of medical claims up to a certain dollar amount**.

Let's look at an example, but **keep in mind that as a new hire the deductible and Vectren contribution is prorated based on your start date**. In our scenario, let's say the deductible for family coverage is \$1,500 for the year, and Vectren contributes \$1,000 into your HRA. That means the first \$1,000 of your medical expenses is paid by Vectren on a dollar-for-dollar basis and offsets the deductible. Period.

After you've exhausted those funds, you're "on the hook" for the next \$500. This \$500 is called the "bridge," because you **bridge the gap** between what Vectren pays and when traditional health coverage kicks in.

So let's say you've exhausted your HRA funds and paid the full bridge for the year. "Traditional" medical coverage then kicks in. **Medical claims will be paid at 80% when you see in-network providers** and 60% for out-of-network.

One more thing to point out...for a lot of people, the HRA funds will cover the majority of your annual health care expenses. Any unused benefit dollars at the end of the year automatically rollover for use in subsequent years assuming you remain enrolled in the HRA. Just keep in mind you can never roll over more than three times the employer allocation in a given year. This means someone with employee-only coverage could roll over a max of \$1,500, while someone with family coverage would be capped at \$3,000.

### Considerations:

- Available to **non-exempt employees only**
- **Medical costs covered at 100% before the "bridge"**
- **Prescription drug costs typically covered by a co-pay**
- **Unused benefit dollars roll over** into your account for future use
- **Preventive care covered at 100%** when you see in-network providers; this doesn't apply toward your deductible
- **No lifetime limits**
- **Uses Caremark** as the exclusive prescription drug provider
- Vectren's onsite health **clinic services available at no cost**

### 2015 Anthem HRA Bi-Weekly Rates

Employee-Only: \$43.73  
Employee + Spouse: \$85.25  
Employee + Child(ren): \$62.71  
Family: \$108.98





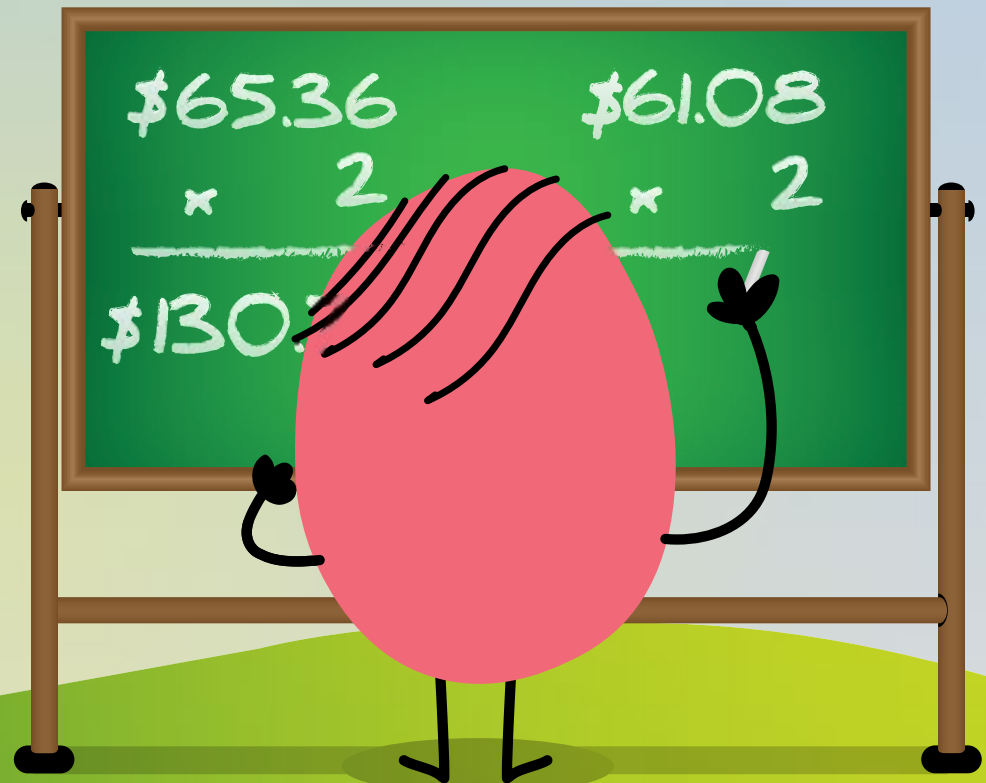
# Give Me Facts and Figures!

That was a lot to take in, so here's a quick comparison chart. Ahh...numbers.

Bi-weekly Contributions	Anthem Premium HDHP	Anthem Standard HDHP	Anthem Premium PPO	Anthem HRA ( <i>non-exempt only</i> )
Employee Only	\$61.08	\$20.00	\$65.36	\$43.73
Employee + Spouse	\$122.00	\$68.16	\$142.43	\$85.25
Employee + Children	\$93.84	\$51.53	\$100.14	\$62.71
Family	\$158.92	\$85.68	\$186.95	\$108.98

## Want more details?

Check out the Benefits Highlights sheet available on the. Just remember these premiums don't take into account any dollars earned from the [Energize Vectren Wellness Incentive](#). The more risk factors you pass, the more you save!



# Spending Accounts

Hey, it's just money. Right? Wrong. We want you to spend your hard-earned health care dollars wisely, so continue reading to learn about spending account options.

## Flexible Spending Account (FSA)

FSAs let you pay for certain expenses – e.g., childcare, deductibles, co-pays, qualified prescription drugs, insulin, medical devices, etc. – with pre-tax dollars. Because your contributions are deducted from your pay before federal and Social Security taxes are withheld, you pay less in taxes and keep more money in your own pocket. Check 'em out.

## Medical Flexible Spending Account

The Medical FSA lets you set aside pre-tax dollars (up to \$2,500) to reimburse yourself for certain health care expenses. You can't use FSA dollars for over-the-counter medications (unless it's prescription medication or insulin), but in general you can be reimbursed if the expenses are:

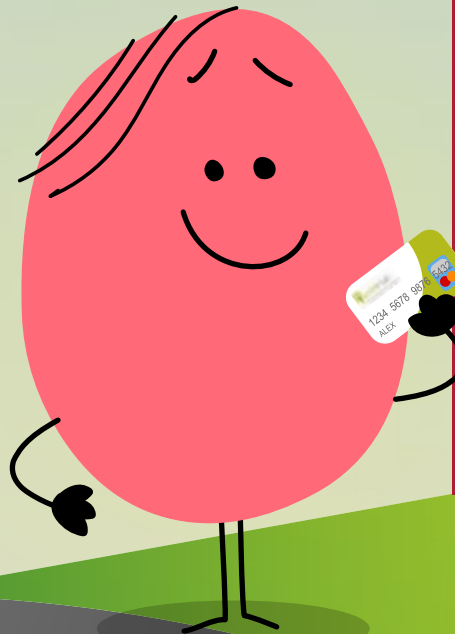
- Incurred during the plan year while you're participating in the FSA
- Not reimbursable under another health insurance plan
- Considered tax-deductible by the IRS
- Medically necessary (cosmetic services are not eligible)

## Limited Flexible Spending Account (LFSA)

A Limited FSA is a type of Medical FSA – but with a catch: it can only be used for dental and vision costs. If you have a regular Health Savings Account (tied to a HDHP), you can only have a Limited FSA instead of the traditional Medical FSA. Sorry, these are the rules.

## Dependent Care Flexible Spending Account

This account helps you pay for day care for your child(ren) or disabled dependent, but there are a few special rules. You can only contribute up to \$5,000 to the account per household per year. The day care services must be necessary, so you can work. If you're married, your spouse must be either employed, a full-time student at least five months during the year or mentally or physically disabled and unable to provide care for himself or herself. For more information on eligible expenses, visit [www.irs.gov](http://www.irs.gov) (Publication 502) or check with a tax advisor.



## Important FSA Rules!

Because of the tax advantages available through FSAs, the IRS has established special rules for participating:

### Use It or Lose (Most of) It

If you don't spend all the money in your accounts, you may only roll over \$500 to the next year. Any other balance will be forfeited and used to offset plan expenses.

### No Transfer

You can't transfer money between the medical and dependent care spending accounts, so estimate your expenses carefully!

### Maximum Contribution Limits

You may contribute \$2,500 for the medical spending account, and \$5,000 to the dependent care spending account per household per year.

## PayFlex HealthHub® Card

The HealthHub debit card lets you pay for eligible medical and dental expenses with one swipe. And it's good wherever MasterCard® is accepted.

This multipurpose card will be funded immediately with the pre-tax amount you elected during open enrollment for your medical flex spending account. If you have a HSA or dependent care spending account, you'll also use the HealthHub card. However, it'll be funded throughout the year via bi-weekly payroll contributions.

This card reduces paperwork and eliminates the need for reimbursement. Plus it has built-in technology that allows it to process requests where traditional medical services, prescriptions and supplies are incurred.

But for the love of humanity, **SAVE YOUR RECEIPTS!** PayFlex, our FSA and HSA administrator, frequently requests receipts to show proof of purchase.

*Only one card will be issued per family.*

# Additional Benefits Elections

We're not quite done yet. Vectren has several other benefits available. Read on, young grasshopper. Read on.

## Prescription Drug Coverage

All of the health care plans we talked about in this guide include prescription drug coverage, and they all use Caremark as their exclusive provider. We won't bog you down with the details here. That's what the Benefits Highlight Sheet is for. Take a look!

## Life and Accidental Death

At no cost to you, Vectren provides a basic level of life insurance and accidental death insurance coverage that protects you and your family – but you have the option to purchase more.

Accidental death insurance pays a benefit if you die or are seriously injured in an accident. If you increase your coverage amount beyond the company-provided benefit during open enrollment, you will need to complete a statement-of-health form to determine your insurability before the new coverage goes into effect. You will be taxed on any employee life and accidental death insurance that exceeds \$50,000.

## Dependent Life

You automatically receive dependent accidental death and dismemberment insurance when you enroll in dependent life insurance. This coverage pays a benefit if your covered dependent dies or is seriously injured in an accident. This amount paid is equal to the amount elected for dependent life insurance.

## Dental

Keep those pearly whites lookin' good with Vectren's dental coverage. It generally covers the following services:

- Preventive services such as cleanings, fluoride treatments (up to age 19) and sealants (up to age 14)
- Diagnostic services such as exams and x-rays
- Orthodontic services for dependents up to age 19
- Restorative services such as fillings, root canals, periodontal surgery and oral surgery



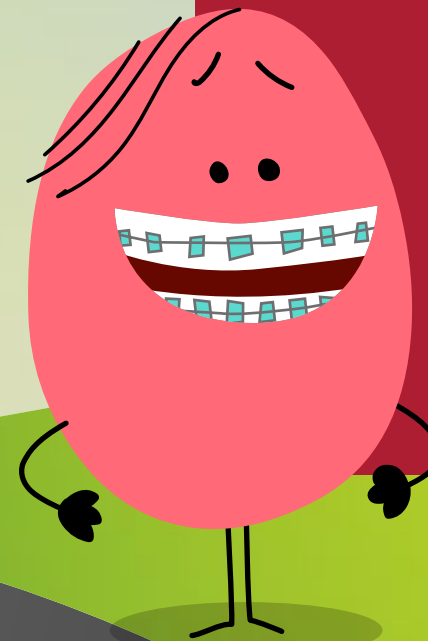
## Naming a Beneficiary

You must name a beneficiary to receive your life insurance benefits in the event of your death, and it's important to keep your beneficiary information current.

**You must now visit MetLife's website to name a beneficiary.**

To confirm or update your beneficiary information, visit [www.metlife.com/mybenefits](http://www.metlife.com/mybenefits). Prefer to speak to someone in person? Call MetLife at (866) 492-6983.

**Update Beneficiaries** ▶



# Additional Benefits Elections (continued)

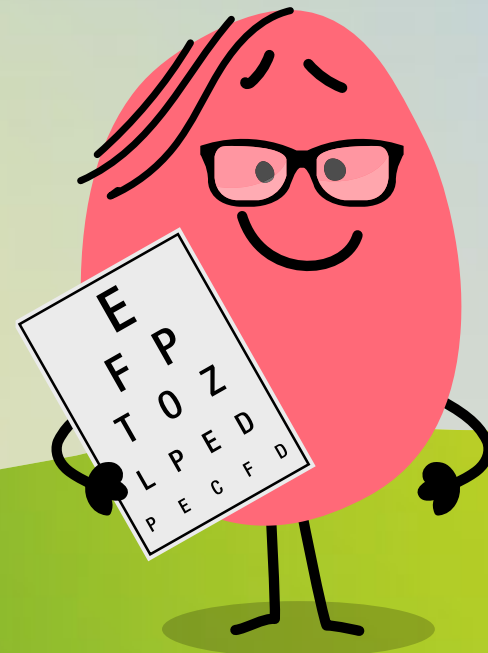
## Vision

Find that your arms don't reach far enough away to read that printed document? Or maybe you've been getting up close and personal with your computer screen. Then maybe it's worth considering vision coverage through Vision Service Plan (VSP). There's no co-pay for your yearly exam, and it covers the following services:

- Prescription glasses, lenses and frames every calendar year
- Contacts (instead of glasses) every calendar year

## Hyatt Legal

Need some legal advice? Consider electing legal services through Hyatt Legal for you and your family. Hyatt Legal provides you with telephone and office consultations for an unlimited number of matters with the attorney of your choice. During the consultation, the attorney will review the law, discuss your rights and responsibilities, explore your options and recommend a course of action.



# Additional Services

As a Vectren employee, you have access to the following services.

## Energize Vectren Wellness Programs

Energize Vectren offers programs and services designed to keep you happy and healthy. Whether it's programs like our annual "Get Down" weight-loss challenge or the many wellness services provided by our onsite health clinics, Energize Vectren strives to give you the tools you need to create a better quality of life.

Energize Vectren also facilitates our annual wellness screenings. Not only do these help you have a better understanding of your overall health, they also provide the opportunity for non-bargaining employees to earn a wellness incentive. As a new hire, you can earn \$5 each pay period to help offset insurance premiums simply by participating.

## Energize Vectren LiveWell (Employee Assistance Program)

Thanks to the Energize Vectren LiveWell program, Vectren non-bargaining employees and their eligible family members have access to free and confidential professional care, self-help programs, interactive tools and other educational resources that address life and work issues.

This employee assistance program (EAP) is available around-the-clock to support you with everyday challenges or more complex problems – any time you need it. Want to speak to a LiveWell representative? Call (866) 374-6061. Rather check it out online? Visit <https://www.liveandworkwell.com/public/> and type in "VECTREN" as the access code.

## Energize Vectren Wellness Centers - Powered by Concentra

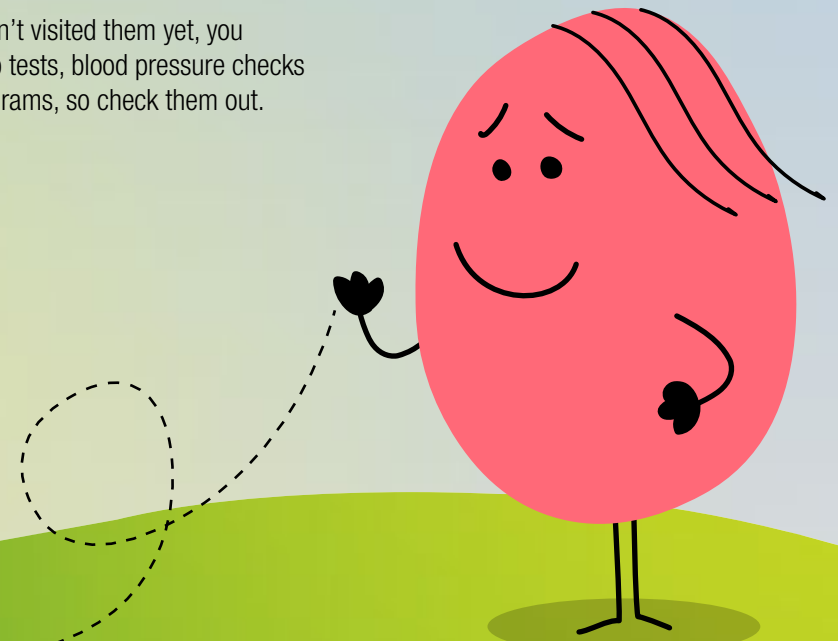
Vectren has two onsite health clinics that provide services to help you take charge of your health. If you haven't visited them yet, you should! Clinic staff can help treat minor illnesses and colds, provide preventive care (think immunizations, lab tests, blood pressure checks and routine physicals), plus refill prescriptions. The clinics also offer condition and lifestyle management programs, so check them out.

Visit the [Health Clinic](#) intranet page for more details.

## Stay In The Know

Energize Vectren continues to add programs all the time, so visit the Energize Vectren intranet page to stay up-to-date with all offerings.

Check It Out



# Any Questions?

Hopefully your journey through this guide has helped shed some light on healthcare plans. We know it's a big decision, and we're here to help.

Plus, [Alex](#) is always available to chat. And, you can always contact the Benefits Department at (866) 200-5652 or [humanresources-requests@vectren.com](mailto:humanresources-requests@vectren.com).

