YOUR HEALTH:

OUR PREMIUM PRIORITY

Office of Group Benefits

Annual Enrollment 2010

ACTIVE EMPLOYEES

Revised 5-7-10

This presentation is a summary of information and does not purport to present complete details of all plan options offered by the Office of Group Benefits. For complete information on each plan option, individuals should read plan documents carefully and also consult other OGB and plan administrators' publications.

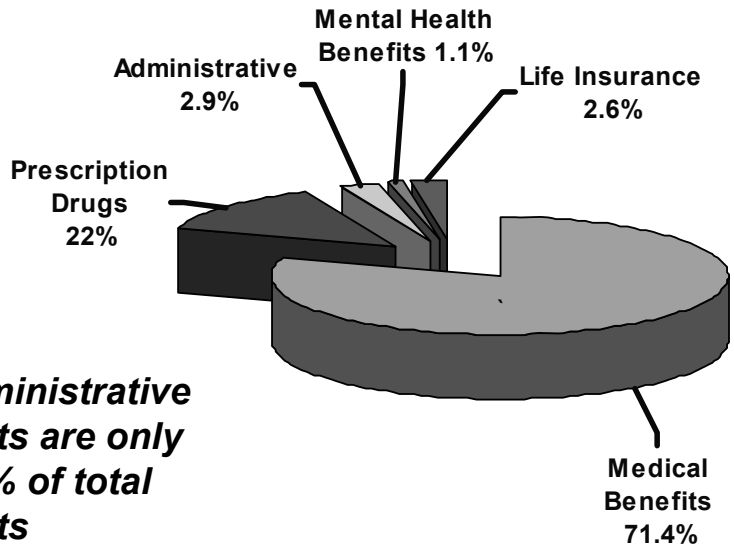
Welcome....

This presentation will cover:

- Ways to Save & Plan Changes
- Eligibility
- Living Well Louisiana
- Overview of Health Plans
- Flexible Benefits
- Life Insurance

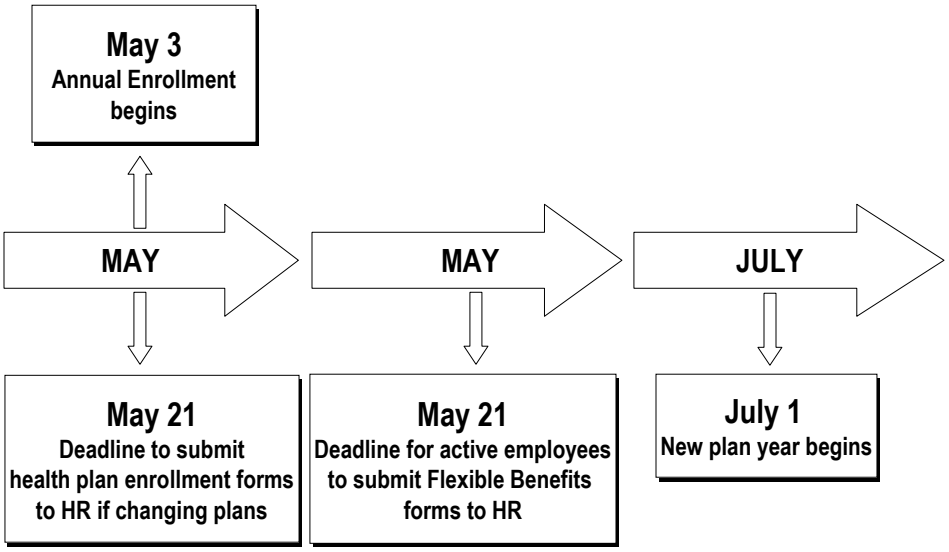
Office of Group Benefits...

Serving State Agencies, Universities & School Boards



Administrative costs are only 2.9% of total costs

Annual Enrollment 2010 – Timeline



Ways to Save & Plan Changes

Your Health: Our Premium Priority
8 Ways to Save

1

Choose Right Plan for You
- Out-of-state coverage differs by plan
- Out-of-state dependent, job transfer, travel
- Are your providers in the plan?
- All plans accessed through OGB website www.groupbenefits.org

Stay in Network 2
- Avoid balanced billing

3

Pre-Procedure Checklist
- Essential before surgery

Request Generic Drugs 4
- Same chemical formulas and big savings
- Preferred drug list at www.CatalystRx.com

Your Health: Our Premium Priority
8 Ways to Save

5

Get Wellness Exams
- Prevention
- Early diagnosis

Use Flexible Benefits 6
- Pre-tax deduction saves money
- Increases take-home pay

7

Sign Up for Diabetic Sense Program (PPO & HMO)
- Get test supplies for free
- 1.888.341.8582
- Free glucometer
- Provided by Catalyst Rx

Sign Up for Living Well Louisiana Program (PPO & HMO) 8
- Access to health coaches, 24 hours a day, 7 days a week
- 1.800.383.0115
- Prescription drug incentive for active participants
- Administered by Health Dialog

Your Health: Our Premium Priority

Pre-Procedure Checklist...Clip and Save

Has doctor discussed all treatment options?	Medication vs. surgery Second opinions covered
Procedure covered by plan?	Refer to Plan Document
Hospital, doctors, lab in network?	Radiology, anesthesiology providers, labs in participating hospitals may be out-of-network
Payment required for deductible, co-pay or % of eligible charges?	Refer to Plan Document
Pre-certification required?	Refer to Plan Document

Your Health: Our Premium Priority

Prescription Cost Comparison

	Brand-Name Drug	Average Cost per Prescription*	ApprovedGeneric Alternative	Average Cost per Prescription*
⇨	Ambien	$166.97	zolpidem	$4.19
	Imitrex	$300.36	sumatriptan	$170.10
	Neurontin	$245.29	gabapentin	$22.63
	Wellbutrin XL	$234.12	bupriopion XL	$77.50
	Lamictal	$360.08	lamotrigine	$98.93
	Cardizem CD	$179.90	diltiazem ER	$32.40
	Toprol XL	$44.92	metoprolol ER	$33.62
	Norvasc	$79.10	amlodipine	$7.25
	Lotrel	$129.87	amlodipine/benazapril	$76.05
	Altace	$93.03	ramipril	$19.96
⇨	Prozac	$306.03	fluoxetine	$11.64
	Topamax	$308.10	topiramate	$94.19
⇨	Zocor	$162.44	simvastatin	$9.60
	Pravachol	$173.23	pravastatin	$13.16
⇨	Protonix	$160.81	pantoprazole	$105.04

*Average costs as of 12-31-2009 utilization, subject to change

Source: Catalyst Rx

Your Health: Our Premium Priority

Premium Cost-Saving Strategies

Married Couples	Retirees
If both are state or school employees...	**If retiring after July 1...**
✓ **Both eligible?**	✓ **Check retiree premiums**
✓ **May save if split coverage**	✓ **Higher member costs in some plans**

Living Well Louisiana

Health Management Program
(For PPO & HMO Health Plans)
Administered by Health Dialog

- **Free health management program for active plan members (including rehired retirees without Medicare) who have been diagnosed with 1 or more of these 5 ongoing health conditions:**
  - **Diabetes**
  - **Heart disease**
  - **Heart failure**
  - **Asthma**
  - **Chronic obstructive pulmonary disease (COPD)**

Living Well Louisiana

Health Management Program
(For PPO & HMO Health Plans)

- **Once enrolled, you have access to...**
  - **Health coaches – 24 hours a day, 7 days a week**
  - **Online health information & resources**
- **Reduced co-payments to eligible LWL participants for prescription drugs used to treat these 5 chronic conditions**
- **When Medicare Part A and/or B become primary, you are no longer eligible for LWL program**

Living Well Louisiana

Health Management Program
(For PPO & HMO Health Plans)

- ✓ **Active participation requires**
  - **Initial assessment and follow-up contacts by phone, mail or email**
  - ***Ongoing* relationship with LWL health coach (contact at least once every 3 months)**
- ➢ **If plan member fails to maintain contact with health coaches, or if Medicare becomes plan member's primary health coverage, participant is no longer eligible to participate in LWL program or receive reduced co-pay on applicable prescription drugs**

Plan Changes for 2010-2011 (PPO & HMO)

- Additional plan member costs for brand-name drug when FDA-approved generic is available
- Increase in PPO plan wellness benefit
- Eligibility for coverage extended up to one year for a dependent child over age 21 who is enrolled as a full-time student but must take a medically necessary leave of absence and would otherwise lose coverage
- Increase in benefits for mental health and substance abuse treatment

Plan Changes for 2010-2011 (All Plans)

Generic Drugs vs. Brand-Name Drugs

Effective July 1, 2010, OGB will no longer pay the higher cost of a brand-name prescription drug for which an FDA-approved generic drug is available

Plan Changes for 2010-2011 (PPO & HMO)

Generic Drugs vs. Brand-Name Drugs

- **If you choose to buy a brand-name drug for which an FDA-approved generic drug is available…**
  - **you will pay the cost difference between the brand-name drug and the generic drug, plus**
  - **50 percent co-insurance amount (50 percent of drug cost up to a $50 maximum)**

  … and the cost difference will not be applied to your $1,200 out-of-pocket maximum

Example: Generic Drugs vs. Brand-Name Drugs

Plan member cost for brand-name drug for which approved generic drug is available…
Lamictal (brand-name drug)
lamotrigine (generic drug)

You now pay . . .	
Brand-name drug cost	$360.08
Co-insurance	50.00
YOU PAY	50.00
Your health plan pays	310.08

Effective July 1, 2010, you will pay . . .	
Brand-name drug cost	$360.08
Generic drug cost	98.93
Cost difference	261.15
Co-insurance	50.00
YOU PAY	311.15
Your health plan pays	48.93

Brand-name drug cost
– Generic drug cost
Cost difference
+ Co-insurance
Total plan member cost (which will never exceed cost of drug purchased)

Plan Changes for 2010-2011
(PPO & HMO)

Generic Drugs vs. Brand-Name Drugs

***Exception* -- If it is medically necessary for you to take a brand-name drug, you or your doctor *must* contact Catalyst Rx and request prior authorization (PA) *before* filling your prescription.**

- **Prior authorization must be *obtained* well in advance of refill date.**
- **Catalyst Rx will review each request on a case-by-case basis. You will be notified in writing of Catalyst's decision.**

Plan Changes for 2010-2011
(All Plans)

Increase in PPO Plan Wellness Benefit

- **Increase from $200 to $500**

Extended Coverage Eligibility for Dependent over Age 21 Due to Medical Necessity

- **In accordance with a new federal law (known as Michelle's law), OGB will extend eligibility for up to one year for a dependent child over the age of 21 who is enrolled in an institution of higher education but who would otherwise lose coverage when a medically necessary leave of absence causes the dependent child to fall below full-time status. COBRA rights would apply after the one year period has expired. This is effective July 1, 2010.**

Plan Changes for 2010-2011
(PPO & HMO)

Mental Health & Substance Abuse (MHSA) Treatment Benefits

- **$100 per day co-pay for inpatient treatment ($300 maximum per admission); $25 per visit co-pay for outpatient treatment**
- **Pre-authorization required, subject to medical necessity requirements**
- **Removing the inpatient and outpatient limitations and separate deductible**

Eligibility

Eligibility...Same for All Plans

Full-Time Employees and Dependents

- ❑ ***Legal*** **spouse**
  - ✓ **Louisiana does not recognize same-sex marriages regardless of other states' laws**
- ❑ **Never-married child under age 21 whom you support**
- ❑ **Never-married child up to age 24 who is full-time student**
  - ✓ **Must provide proof (letter from registrar's office or paid fee bill that indicates full-time status) within 30 days of start of each semester**

Dependent verification required

Eligibility...Children

- ✓ **Natural child of you or your legal spouse**
- ✓ **Legally adopted child**
- ✓ **Child placed in home for adoption & claimed on federal taxes**
- ✓ **Child in home under legal guardianship or custody & claimed on federal taxes *(under age 18 only)***
- ✓ **Grandchild dependent on you whose parent is your covered dependent**

Dependent verification required

Your Health: Our Premium Priority

Dependent Verification Required

- ✓ **Plan member must provide proof of legal relationship of covered dependent within 30 days of date of application for coverage**
- ✓ **Proof: Official documents**
  - ➢ **Marriage certificate**
  - ➢ **Birth certificate**
  - ➢ **Other court records or legal documents**

Eligibility...Over-Age Dependents

- ✓ **Incapable of self-sustaining employment prior to age 21 due to mental retardation or physical incapacity**
- ✓ **Covered dependent prior to age 21**
- ✓ **Must notify OGB prior to dependent's 21st birthday**

Medicare & OGB Coverage…All Plans

If you are retired and you reached age 65 on or after July 1, 2005, AND are eligible for free Medicare Part A, *then…*

- **You MUST enroll in Medicare Part B to receive OGB health plan benefits for expenses covered under Part B**
- **You must submit Social Security verification to OGB:**
  - **If eligible – submit copy of Medicare card**
  - **If not eligible – submit letter from Social Security**

Also applies to active employee (and spouse) over age 65 when you retire

Eligibility...Retirement

- ✓ **Coverage ***must*** be in effect prior to retirement date**
- ✓ **Participation schedule applies to...**
  - **Employees who joined program on or after January 1, 2002**
  - **Dependents who joined program on or after July 1, 2002**

Eligibility...Retiree Participation Schedule

Years of OGB Health Plan Participation	State-Subsidized Premium %
Less than 10 years	**19%**
10 years or more, but less than 15 years	**38%**
15 years or more, but less than 20 years	**56%**
20 years or more	**75%**

Schedule not affected when members change OGB plans

Pre-Existing Conditions … New Hires & Late Applicants

- **If diagnosed or treated within 6 months prior to enrollment date, condition is pre-existing... no benefits payable for that condition in first 12 months of coverage**
- **Must complete enrollment form within 30 days for new dependent (otherwise, pre-existing condition limitation applies)**
- **May be exempt from pre-existing condition limitation if continuously covered without 63-day break in coverage prior to enrollment date**

Overview of Health Plans

OGB Health Plans for 2010-2011

Health Plan	Administrator
PPO	Office of Group Benefits
HMO	Blue Cross & Blue Shield of LA
Medical Home HMO	Vantage Health Plan
Consumer Driven – Health Savings Account	UnitedHealthcare

Medicare Advantage Plans Available *During* *OGB Medicare Advantage Fall Enrollment 2010*

Key Points

- Can change health plans during Annual Enrollment
- Balance costs, benefits & restrictions in choosing plan
- Active employees & retirees who keep same health plans do not have to fill out form
- Active employees who want to change plans should notify their HR department
- *If you are in the EPO plan and do not choose another plan during 2010 Annual Enrollment, you will automatically be placed in the HMO plan, which will include a nationwide network*

Key Points

Retirees who want to change plans should…

- ✓ **Fill out GB-01 form…or**
- ✓ **Write a letter & include**
  - **Your plan choice**
  - **Your name & address**
  - **Your date of birth**
  - **Your daytime phone number**
- ✓ **Sign form or letter & mail to...**

  OGB Eligibility Department
  P.O. Box 66678
  Baton Rouge, LA 70896

  ...or visit any OGB Agency Services Office

Plan Member Out-of-Pocket Expenses

	PPO	HMO	Medical Home HMO	CD-HSA
Coverage In-Network	All Regions	Nationwide	Statewide; PCP must be in Region 9 (northeast LA)	Nationwide
Administrator	OGB	Blue Cross & Blue Shield of LA	Vantage Health Plan	UnitedHealthcare
Lifetime Maximum per Person	$5 million for ALL eligible health care expenses			
Deductible	$500 active $300 retiree 3-person maximum	None	None	$1,250 employee $2,500 employee + 1 $3,000 family
Out-of-Pocket Maximum	$1,000 per person**	$1,000 per person $3,000 per family	No maximum	$2,000 per person
Hospital In-Network	10% of contracted rate* Pre-cert required	$100 per day $300 max per admit Pre-cert required	$100 per day $300 max per admit Pre-cert required	20% of contracted rate* Pre-cert required
Doctor Visits	10% of contracted rate* No referral required	Co-pay $15 PCP $25 specialist No referral required	Co-pay $10 PCP $25 specialist Referral required PCP required	20% of contracted rate* (primary care & specialty care)
*Subject to plan year deductible and/or applicable co-insurance **Active employees & retirees without Medicare				

Plan Member Out-of-Pocket Expenses

Services In-Network	PPO	HMO	Medical Home HMO	CD-HSA
Referrals	None required	None required	Required for all specialists except OB/GYN; 1 routine eye exam every 2 benefit periods PCP must be in Region 9	None required
Maternity MD Visits	10% of contracted rate*	$90 co-pay (first visit only)	$10 co-pay (first visit only)	20% of contracted rate*
MRI or CAT Scans	10% of contracted rate*	$50 co-pay	$50 co-pay	20% of contracted rate*
Sonograms	10% of contracted rate*	$25 co-pay	No co-pay	20% of contracted rate*
Chemotherapy Radiation Therapy	10% of contracted rate*	$15/$25 co-pay	100% covered	20% of contracted rate*
Routine Mammograms	10% of contracted rate	100% covered	100% covered	Not subject to deductible
Routine PSAs	10% of contracted rate	100% covered	100% covered	Not subject to deductible
Cardiac Rehabilitation	10% of contracted rate* Complete within 6 months	$15 co-pay 48 visits per plan year	20% co-insurance Up to 18 visits in a 6 weeks period	20% of contracted rate*
Emergency Care	$150 deductible	$100 co-pay	$100 co-pay	20% of contracted rate*
** Subject to plan year deductible and/or co-insurance*				

Plan Member Out-of-Pocket Expenses

Out-of-Network				
	PPO	**HMO**	**Medical Home HMO**	**CD-HSA**
Louisiana resident	**30% of fee schedule***	**$1,000 deductible** **30% of reasonable & customary charge***	**None**** **Emergencies covered worldwide**	**30% of fee schedule***
Out-of-state resident	**10% of fee schedule***	**Same as Louisiana resident***	**Same as Louisiana resident**	**Same as Louisiana resident***

***Plan member owes deductible, co-pay, co-insurance & balance of billed charges**
****Call plan administrator for details**

Prescription Drug Benefit

Administered by Catalyst Rx (PPO and HMO)

Prescription Drug Benefit In-Network	
Payments	***Generic drug & brand-name drug with no generic available:*** **Plan member pays 50%** **Maximum $50 per 30-day fill** **After $1,200 per person per plan year,** **co-pay brand-name drug $15, generic $0** ***Brand-name drug with FDA-approved generic available:*** ▪ **Plan member pays cost difference between brand-name drug & generic, plus 50 percent of brand-name drug cost** ▪ **Excess cost not applied to $1,200 out-of-pocket maximum (see example explained in an earlier slide)**
Formulary	**None**
Mail Order Program	**Same as above**

Prescription Drug Benefit

Administered by VHP's Catalyst Rx (Medical Home HMO)

Prescription Drug Benefit In-Network	
Payments	**<u>Per 30-day fill</u>** **Generic drugs - $5 co-pay** **Preferred brand drugs - $25 co-pay** **Non-preferred brand - $50 co-pay** **Specialty drugs - 20% co-insurance up to $100**
Formulary	**Yes**
Mail Order Program	**30-day supply for one co-pay** **60-day supply for two co-pays** **90-day supply for three co-pays**

Prescription Drug Benefit

Administered by UHC's PrescriptionSolutions (CD-HSA)

Prescription Drug Benefit In-Network	
Payments	**<u>Per 31-day fill</u>** **Generic drugs - $10 co-pay** **Preferred brand drugs - $25 co-pay** **Non-preferred brand - $50 co-pay** **Specialty drugs - $50 co-pay** **Maintenance drugs are not subject to deductible**
Formulary	**None**
Mail Order Program	**Same as above for 90-day supply; maintenance drugs not subject to the deductible *(see UHC's handbook for a list of the Maintenance Medications).***

Coverage for Mental Health & Substance Abuse Treatment

(PPO and HMO)

Member Out-of-Pocket Expenses

Inpatient Treatment*	Outpatient Treatment*
$100 per day co-pay – $300 maximum per admit	$25 per visit co-pay
Pre-certification required No separate MHSA deductible for inpatient or outpatient treatment	
*Member will owe deductible, co-pay, co-insurance & balance of billed charges	

Mental Health & Substance Abuse Treatment Benefit

Administered by Vantage Health Plan (Medical Home HMO)

Member Out-of-Pocket Expenses

	Inpatient	Outpatient
Mental Health Treatment	$100 co-pay per day $300 maximum per admission	$25 specialist office visit co-pay
Substance Abuse Treatment	20% co-insurance 1 admission every 6 months	$25 specialist office visit co-pay
Pre-certification required - PCP must be in Region 9		

Mental Health & Substance Abuse Treatment Benefit

Administered by OptumHealth (CD-HSA)

Member Out-of-Pocket Expenses

	In-Network	Out-of-Network
Mental Health Treatment	20% of contracted rate*	30% of reasonable & customary charge**
Substance Abuse Treatment	20% of contracted rate*	30% of reasonable & customary charge**

*Subject to plan year deductible
**Member will owe deductible, co-pay, co-insurance & balance of billed charges

Consumer Driven (CD) Health Plan Eligibility

- Must be active state employee (or rehired retiree) who pays premiums via payroll deduction without Medicare or other health coverage
- Retirees are not eligible to participate
- Lower premium rates in exchange for higher deductible
- Administered by UnitedHealthcare
- ✓ 4-tiered premium structure:
  - Employee (single)
  - Employee plus one (spouse)
  - Employee with children
  - Family

Consumer Driven (CD) Health Plan

Deductibles & Out-of-Pocket Maximums

In-Network	Employee only	Employee plus 1	Family of 3	Family of 4	Family of 5 or more
Deductible	$1,250	$2,500*	$3,000*	$3,000*	$3,000*
Out-of-Pocket Maximum	$2,000 + deductible	$4,000 + deductible	$6,000 + deductible	$8,000 + deductible	$8,900 + deductible
Out-of-Network	**Employee only**	**Employee plus 1**	**Family of 3**	**Family of 4**	**Family of 5 or more**
Deductible	$1,250	$2,500*	$3,000*	$3,000*	$3,000*
Out-of-Pocket Maximum	No maximum	No maximum	No maximum	No maximum	No maximum

* *Employee plus one and/or family unit must satisfy the total deductible before coinsurance applies.*

Consumer Driven (CD) Health Plan (In-Network)

- After deductible is met, plan member pays
  - 20% co-insurance for network providers
  - 30% co-insurance for non-network providers
- ***After*** deductible is met and out-of-pocket maximum is reached, plan member pays 0% for eligible expenses for network providers
- No out-of-pocket maximum for non-network providers
- *Exception* – Routine annual exams are covered at 100% with no deductible
  - $500 maximum benefit does not apply
  - Age limitations & timelines do apply

Health Savings Account (HSA)

- ✓Cannot participate in HSA option if you have:
  - ➢General-Purpose (Health Care) FSA or spouse has a General-Purpose (Health Care) FSA
  - ➢Medical coverage under a non-CD health plan
  - ➢TRICARE or TRICARE For Life
  - ➢Used any VA benefits within previous 3 months
  - ➢Medicare Part A and/or Part B
- ✓You must participate in Consumer Driven (CD) health plan to participate in Health Savings Account (HSA) option

Health Savings Account (HSA)

Use your HSA to pay these eligible expenses:

- Office visits (including deductibles and co-insurance)
- Chiropractic services
- Prescription drugs
- Some over-the-counter medications (for pain relief, colds, etc.)
- Dental expenses
- Eye glasses, contact lenses & solutions
- Eye surgery (even Lasik)
- Lab fees
- COBRA, Medicare & qualified long-term care premiums

Health Savings Account (HSA)

- State will make initial $100 deposit in your HSA
- State will match your additional HSA contributions, dollar-for-dollar, up to $400 – if made through an IRS Section 125 cafeteria plan via payroll deduction
- The money available to you is the balance that is in your account
- 2010 federal guidelines for total contribution limits are:
  - $3,050 (individual coverage)
  - $6,150 (family coverage)
  - Can add $1,000 more each year if you are over age 55

Health Savings Account (HSA)

- IRS "use-or-lose" rule does ***not*** apply
- Funds can roll over from one plan year to the next
- Money in your HSA grows tax-free
- If you change health plans or jobs, or you retire, HSA is yours to keep
- From age 65 on, you can use your HSA dollars for any health care or non-health care expense with no penalty

OGB encourages you to attend a separate regional meeting to learn more about CD-HSA plan *(schedule posted on Annual Enrollment page of OGB website)*

Sources of Information

OGB Website – **www.groupbenefits.org**

Plan Comparison & Premium Rates

Annual Enrollment Materials

Agency Human Resources Office

OGB Agency Services Offices

Your Health: Our Premium Priority

✓**OGB website offers links to current provider listings for each plan—accessible any time**

www.groupbenefits.org

- **Click on "Health Plans" to access current provider listings for each health plan (PPO, HMO, Medical Home HMO and CD-HSA) via OGB website**

Sources of Information...*Clip & Save*

- ✓ **OGB Website Links to All Plans www.groupbenefits.org**
- ✓ **OGB** *(PPO)* **– 1.800.272.8451**
- ✓ **Blue Cross and Blue Shield of Louisiana** *(HMO)* **– 1.800.392.4089**
- ✓ **Vantage Health Plan** *(Medical Home HMO Plan)* -- **1-888-823-1910**
- ✓ **UnitedHealthcare** *(CD-HSA)* **– 1.888.393.6765**
- ✓ **Catalyst Rx – 1.866.358.9530**
- ✓ ***Living Well Louisiana*** **Program – 1.800.383.0115**
- ✓ **Diabetic Sense Program – 1.877.852.3512**

Flexible Benefits

Flexible Benefits Program

Find out if your agency is participating in OGB Flexible Benefits Program…

- ✓ **OGB website: www.groupbenefits.org**
- ✓ **Agency HR Department**
- ✓ ***Helpful Information Book***

FSA Name Changes

- ✓ **Health Care Flexible Spending Account name changed to:**
  General-Purpose (Health Care) Flexible Spending Arrangement
- ✓ **Dependent Care Flexible Spending Account name changed to:**
  Dependent Care Flexible Spending Arrangement

Flexible Benefits...More Take-Home Pay

Flexible Benefits offers 3 ways to save money...	
Premium Conversion (No fee)	Set aside eligible payroll deductions for health care premiums
	Eligible premium deductions automatically continue in Premium Conversion from year to year unless you request to drop out during Annual Enrollment
Dependent Care FSA ($3.00 per month)	Set aside money from paycheck for dependent care expenses
	MUST RE-ENROLL EACH YEAR during Annual Enrollment to continue DCFSA participation
General-Purpose Health Care FSA ($3.00 per month)	Set aside $600 - $5,000 from paycheck for out-of-pocket medical expenses
	MUST RE-ENROLL EACH YEAR during Annual Enrollment to continue GPFSA participation

Premium Conversion

Premium Conversion Option		
Category	With Flexible Benefits	Without Flexible Benefits
Monthly Taxable Salary	$3,000.00	$3,000.00
Pre-Tax Premium (E & S)*	-420.00	-0.00
Taxable income	2,580.00	3,000.00
Federal Taxes (25%)	-645.00	-750.00
After Tax Premium	-0.00	-420.00
Spendable Income	$1,935.00	$1,830.00
*E & S is health premium for employee plus spouse		

New Premium Conversion Deductions Eligible for Premium Conversion

- ✓ **Consumer-Driven Health Plan with a Health Savings Account (CD-HSA)**
- ✓ **Health Savings Account**
  - **Current participants in General-Purpose (Health Care) FSA must have $0 balance on or before June 30 to be HSA-eligible on *July 1***
  - **Current participants in General-Purpose (Health Care) FSA must have $0 balance on or before September 30 to be HSA-eligible on *October 1***

Participation in a Flexible Spending Arrangement

- ✓ **You can participate in a Flexible Spending Arrangement (Dependent Care) FSA or General-Purpose (Health Care) FSA) even if...**
  - **You are not enrolled in Premium Conversion option**
  - **You are not enrolled in an OGB health plan**

Dependent Care FSA

Parental/Tax Status	Maximum Amount	Allowed Dependent
Single Parent or Married Filing Separately	$2,500	Child age 12 or younger Older dependent incapable of self-care
Single Head of Household	$5,000	Child age 12 or younger Older dependent incapable of self-care
Married Filing Jointly	$5,000	Child age 12 or younger Older dependent incapable of self-care Spouse incapable of self-care
Note: DCFSA is good for employees who make $25,000 or above		

Dependent Care FSA

- ✓ Complete form to sign up for Recurring Expense Service
- ✓ Participants are required to file IRS Form 2441
- ✓ Reimbursement limited to current amount in account
- ✓ Must re-enroll each year to continue participation

General-Purpose Health Care FSA

EXAMPLE	With Flexible Benefits	Without Flexible Benefits
Monthly Taxable Salary	$2,000.00	$2,000.00
Monthly Deduction General-Purpose FSA	-150.00	-0.00
Monthly Administrative Fee General-Purpose FSA	-3.00	-0.00
Monthly Taxable Income	$1,847.00	$2,000.00
Federal Taxes (20%)	369.40	400.00
After-Tax (out-of-pocket) Health Care Expenses	-0.00	-150.00
SPENDABLE INCOME	$1,477.60	$1,450.00
$27.60 Monthly Savings x 12 = $331.20 Yearly Savings		

General-Purpose Health Care FSA

Eligibility & Enrollment Rules

- ✓ Must be full-time active employee (as defined by employer) in a participating payroll system
- ✓ Must be continuously employed as active, full-time employee for at least 12 consecutive months from July 1, 2009, through June 30, 2010
- ✓ Can only enroll during Annual Enrollment
- ✓ Must re-enroll each year to continue participation

Easy Participation...FSA Card

FSA card can be used…

- ✓ **To pay providers who accept MasterCard**
- ✓ **For eligible General-Purpose (Health Care) FSA and/or Dependent Care FSA expenses**

Full annual amount of General-Purpose (Health Care) FSA funds available immediately (interest-free loan)

Dependent Care FSA funds available on day of deposit

Easy Participation...FSA Card

- **Fax receipts within 2 weeks upon request**
- **No receipts needed for:**
  - ✓ **Hospitals**
  - ✓ **Physician Providers**
  - ✓ **Dental Providers**
  - ✓ **Vision Providers**

- **No receipts needed for prescriptions & FSA-eligible over-the-counter items at:**
  - ✓ **Albertsons**
  - ✓ **CVS Pharmacy**
  - ✓ **Kroger**
  - ✓ **Sam's Club**
  - ✓ **Sav-A-Center**
  - ✓ **SuperFresh**
  - ✓ **Target**
  - ✓ **Walgreens**
  - ✓ **Walmart**
  - ✓ **Winn-Dixie**
  - ✓ **drugstore.com**
  - ✓ **IPS**

FSA Administrator

DataPath Administrative Services

Phone (toll-free): 1.877.685.0655

E-mail: info@idpas.com

Fax: 1.888.472.6777

Website: www.myrsc.com

Qualified Reservist Distribution Benefit

- Available to participating employee who is a member of a military reserve unit called or ordered to active duty for 180 days or more through last day of Grace Period for plan year
- Amount of distribution limited to amount contributed to GPFSA as of date of QRD request, minus any GPFSA reimbursements
- QRD request forms available online

Flexible Spending Arrangements… Grace Period & Run-Out Period

- ✓ **Grace Period**

  July 1, 2011 – September 15, 2011

  Can incur eligible expenses during this period to be paid with money remaining in FSA for immediately preceding plan year that ended June 30

- ✓ **Run-Out Period**

  September 16, 2011 – October 30, 2011

  Must receive claims for payment by October 30, 2011

Flexible Benefits Annual Enrollment Deadline

Flexible Benefits
Annual Enrollment Period
April 1 to May 21

May vary by agency … check with your HR department!

Flexible Benefits

- ✓ **No fee for Premium Conversion option**
- ✓ **Monthly administrative fee for Dependent Care FSA**
- ✓ **Monthly administrative fee for General-Purpose (Health Care) FSA (covers employee, spouse & dependents)**
- ✓ **Locked in for 12 months -- except in case of qualifying event as defined by IRS**
- ✓ **"Use or lose" rule applies**
- ✓ **Flexible Benefits Plan Summary booklet**

Life Insurance

Life Insurance

Prudential Insurance Company of America

- **Group term life insurance plan**
- **State pays half of premium for employees & retirees**
- **Employee pays full premium for dependent life insurance**
- **25% reduction in coverage & appropriate reduction in premiums on July 1 after plan member reaches age 65 & age 70**

Life Insurance

Basic Plan		
	Option I	**Option II**
Employee	**$5,000**	**$5,000**
Spouse	**$1,000**	**$2,000**
Each Child	**$ 500**	**$1,000**
Employee Premiums	**Schedule in *Helpful Information Book***	
Premiums for Dependent Life		
Employee Pays	**$0.88/mo**	**$1.76/mo**

Life Insurance

Basic Plus Supplemental Plan		
	Option I	**Option II**
Employee: Schedule to maximum of $50,000 (amount based on employee's annual salary)	Same	Same
Spouse	$2,000	$4,000
Each Child	$1,000	$2,000
Employee Premiums	Schedule in *Helpful Information Book*	
Premiums for Dependent Life		
Employee Pays	$1.76/mo	$3.52/mo

Life Insurance

- ✓ Accidental Death and Dismemberment (AD&D) benefits available to all active & retired employees covered under Basic or Basic Plus plan
- ✓ Retirees over age 70 not eligible for AD&D
- ✓ ALL inquiries & changes in life insurance must be made through your agency's HR department

QUESTIONS

This document was printed at a total cost of $9,680.22 for 30,000 copies for the Office of Group Benefits by State Printing in April 2010, under authority of the Division of Administration, to inform state employees about benefits in accordance with standards for printing by state agencies established pursuant to La. R.S. 43:31.