Office of Group Benefits

Annual Enrollment 2010

RETIREES
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 consult other OGB and plan administrators' publications.

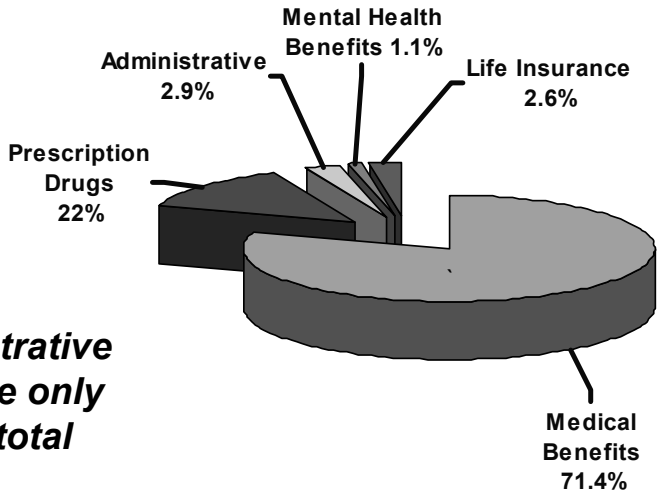
Welcome....

This presentation will cover:

- **Ways to Save & Plan Changes**
- **Eligibility & Pre-Existing Conditions**
- **Overview of Health Plans**
- **Life Insurance**

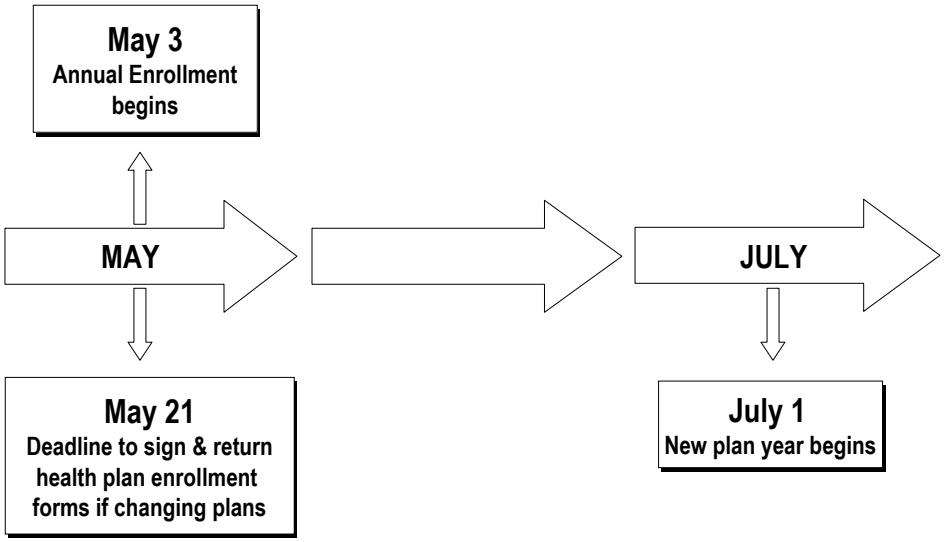
Office of Group Benefits...

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
7 Ways to Save

1

Choose best plan for you & your family
- All plans accessed through OGB website www.groupbenefits.org
- Carefully review each plan

Utilize pre-procedure checklist 2
- Essential before-surgery tool

3

Request generic drugs
- Same chemical formulas & big savings

Take medication as directed by your doctor 4
- Avoid unwanted hospitalization

Your Health: Our Premium Priority
7 Ways to Save

5

Get Wellness Exams
- Prevention
- Early diagnosis

Sign Up for Diabetic Sense Program (PPO & HMO) 6
- Get test supplies for free
- 1.888.341.8582
- Free glucometer
- Provided by Catalyst Rx

7

Give providers accurate information about your health coverage
- Ensure timely & correct payment

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

If both are state or school employees...

- **Both eligible?**
- **May save if split coverage**

Retirees

If retiring after July 1...

- **Check retiree premiums**
- **Higher member costs in some plans**

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

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 coverage 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 apply after the one year period has expired. This is effective July 1, 2010.**

Plan Changes for 2010-2011 (All Plans)

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

- **Eligibility for coverage extended up to one year for a dependent child over age 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. This is effective July 1, 2010.**
- **Changed to comply with new federal law (Michelle's law)**
- **COBRA rights would apply after the one year period has expired**

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 & Pre-Existing Conditions

What Happens If You Drop Coverage?

If You Drop Coverage You Lose It !!!

FOREVER!

What Happens If You Drop Coverage?

…EXCEPT

- ✓ **If you joined a non-OGB Medicare Advantage plan & it is no longer available or you withdraw, then...**
  - ➢ **You must re-enroll the earlier of…**
    - **November for coverage effective January 1...or**
    - **Next Annual Enrollment for coverage effective July 1**
- ✓ **You joined TriCare for Life & it is discontinued or had significant reduction in benefits**
- ✓ **You lost other creditable continuous coverage & meet all requirements of PPO Plan Document**

OGB Medicare Advantage Plans

- ✓ **Retirees who joined an OGB Medicare Advantage plan during OGB Medicare Advantage Fall Enrollment in 2009 *cannot* change plans *until* OGB Medicare Advantage Fall Enrollment in 2010!**

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**
- **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...Same for All Plans

Retirees & Eligible 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

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**

Your Health: Our Premium Priority

- **Eligibility for coverage extended up to one year for a dependent child over age 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. This is effective July 1, 2010.**
  - **Changed to comply with new federal law (Michelle's law)**
- **COBRA rights would apply after the one year period has expired**

Pre-Existing Conditions … New Hires & Re-Hires

- 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

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 Offices

Reporting Changes

Go to HR Department of former employer or

Write a letter to OGB or

Visit area OGB Agency Services Office

Overview of Health Plans

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

OGB Medicare Advantage Plans will be available during Medicare Advantage Fall Enrollment 2010

Providers? Restrictions?

- ✓ **For PPO plan members with Medicare A and B, in-network & out-of-network coverage is the same...**

  except* in-patient hospital stay

- ✓ **To access HMO in-network benefits, plan members must use network providers**
  - **Searchable provider directory available via OGB website…**

www.groupbenefits.org

**** In-network coverage waives inpatient deductible***

Plan Overview...
Member Out-of-Pocket Expenses

	PPO	HMO**	Medical Home HMO**
	All Regions	All Regions & Nationwide Network	Statewide, PCP must be in Region 9
Administrator	OGB	Blue Cross & Blue Shield of LA	Vantage
Lifetime Maximum per Person	$5 million for ALL eligible health care expenses		
Deductible	$300 retired 3 person maximum	None	None
Out-of-Pocket Maximum	$2,000 per person	$1,000 per person $3,000 per family	No maximum
Hospital In-Network	20% of Medicare co-ins/deductible*	0% of Medicare co-ins***	Member pays 0% of Medicare co-ins/ded
MD Visits	20% of Medicare co-ins/deductible*	0% of Medicare co-ins***	Member pays 0% of Medicare co-ins/ded Referrals are waived for in-network providers. Referrals required for all specialists except OB/GYN
Network Providers	No restrictions	Restrictions apply	Restrictions apply

* Subject to plan year deductible and/or applicable co-insurance
** Must use in-network providers. *** Subject to HMO co-pays/co-ins if member does not have accumulated reserves

Plan Overview...
Member Out-of-Pocket Expenses

Services	PPO	HMO**	Medical Home HMO**
MRI/CAT Scans	20% of Medicare co-ins/deductible*	0% of Medicare co-ins***	$50 co-pay
Sonograms	20% of Medicare co-ins/deductible*	0% of Medicare co-ins***	0% of Medicare co-ins
Chemical or Radiation Therapy	20% of Medicare co-ins/deductible*	0% of Medicare co-ins***	0% of Medicare co-ins
Routine PSAs	20% of Medicare co-ins	0% of Medicare co-ins***	0% of Medicare co-ins
Cardiac Rehabilitation	20% of Medicare co-ins/deductible* Complete within 6 months	0% Medicare co-ins*** 48 visits per plan year	20% co-insurance
Home Health Care	Non-covered benefit when Medicare is primary	Non-covered benefit when Medicare is primary	Non-covered benefit when Medicare is primary

* Subject to plan year deductible and/or co-insurance
** Must use In-Network Providers
*** Subject to HMO co-pays/co-insurance, if member does not have accumulated reserves

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	**Generic drugs - $5 co-pay per Rx** **Preferred brand drugs - $25 co-pay per Rx** **Non-preferred brand - $50 co-pay per Rx** **Specialty drugs - 20% co-insurance up to $100 per Rx per 30-day fill**
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**

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	
*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		

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**
- **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

Facts to Remember… PPO, HMO & Medical Home HMO

Medicare Part A & Part B

- ✓ **OGB health plans are secondary to Medicare**
- ✓ **Premium rates are reduced**
- ✓ **OGB drug benefits are primary unless enrolled in Medicare D**
- ✓ **Provider accepts Medicare assignment?**
  - **Yes: Neither OGB nor patient is responsible for charges above Medicare-allowable amount**
  - **No: OGB will consider remaining eligible charges**

Retiree 100…

PPO Plan

- ✓ Optional coverage available to retired plan members who have Medicare Parts A and B as primary health coverage
- ✓ Program may provide higher reimbursements for eligible medical expenses after deductibles are met
- ✓ Considers total charges billed by eligible provider, not just balance due after Medicare has paid
- ✓ Additional premium of $39 per person/month

Medicare Part D…
Prescription Drug Coverage

- ✓ Effective January 1, 2006
- ✓ Individuals with Medicare Parts A and/or B are eligible for Part D
- ✓ OGB suggests not joining for most retirees
- ✓ Exception -- Retirees near federal poverty level may qualify for extra help with Medicare D

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 and Medical Home HMO) via OGB website**

Sources of Information...

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

More Choices for Retirees During
OGB Medicare Advantage Fall Enrollment 2010

More Choices for Retirees… Medicare Advantage Plans

- ✓ **Savings on premiums**
- ✓ **Retiree and spouse must have Medicare Parts A & B**
- ✓ **Information available during *OGB Medicare Advantage Fall Enrollment 2010* for retirees who are *currently* in PPO, HMO & Medical Home HMO plans**

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 $2,515.44 for 8,000 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.