FOOTHILL-DE ANZA
Community College District

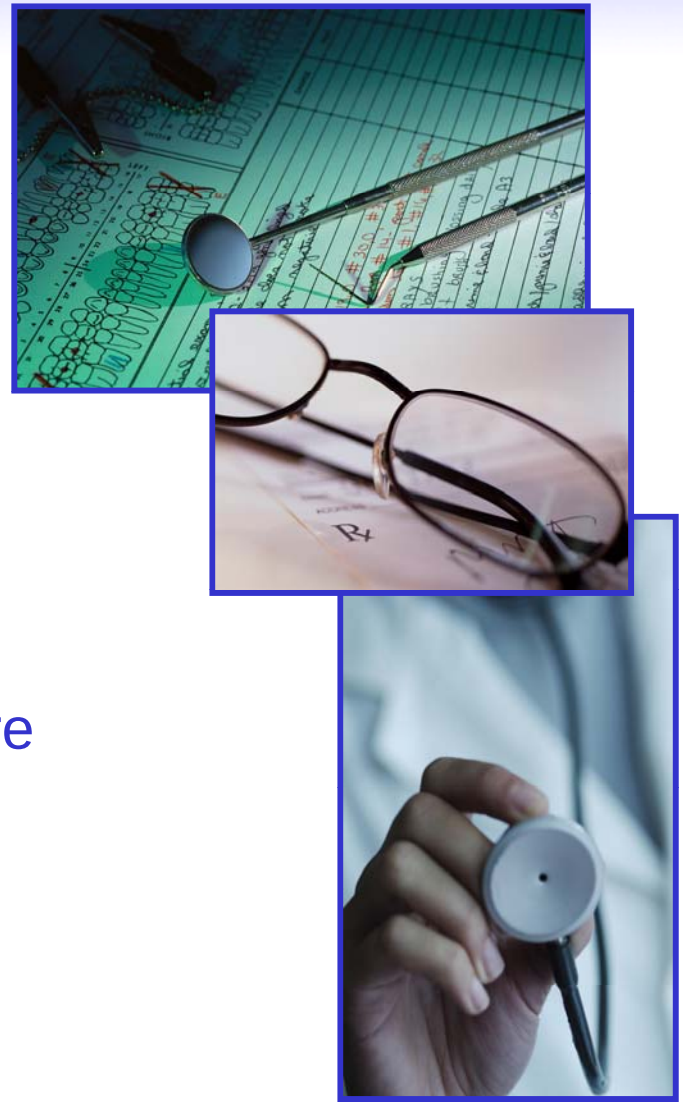
2011 Annual Benefits Open Enrollment
Benefits Overview
For
Retirees

[Presentation time: 28 minutes]

This is a summary presentation only. If there are any differences between the information in the PowerPoint presentation and/or insurance certificates, the Plan document and/or insurance certificates will govern.

FOOTHILL-DE ANZA
Community College District

Agenda



2011 Benefits Overview

- The OE Process
- Benefit Plans To Consider
- Health Care Reform Changes
- Medicare Changes for 2011
- Mandatory Retiree Monthly Contribution
- Mandatory ACH Process with UnitedHealthcare
  Benefit Services Effective July 1, 2011
- Benefits Reinstatement Rights
- Survivors/COBRA benefits
- Dependent Verification

Visit **http://hr.fhda.edu/benefits/**

To view full plan information.

FOOTHILL-DE ANZA
Community College District

Open Enrollment

FOOTHILL-DE ANZA
Community College District

Open Enrollment

Annual Open Enrollment

- Enrollment takes place **March 31** through **April 29, 2011**
- Changes are effective **July 1, 2011**

Retirees May:

- Change medical plan
- Reinstate previously waived coverage
- Add eligible dependents
- Remove dependents
- Waive benefits (evidence of other coverage is **NOT** required)

NOTE: Individuals who retired under 20 years provision and less than 55 years of age at time of retirement are eligible to cover self and spouse/same-sex domestic partners only, *children are excluded* despite Health Care Reform.

If you waive benefits for plan year 11/12, your health care benefits will end on June 30, 2011

FOOTHILL-DE ANZA
Community College District

Retiree Communications

Newsletter mailed March 29 :

- Newsletter includes:
  - ✓ Plan Comparisons
  - ✓ 2011/12 Rates
  - ✓ Dependent verification reminder

Benefit Confirmation Statements

- Retirees will receive their Benefits Confirmation Statement for PY 11/12 on May 20.
  - ✓ A new Benefits Confirmation Statement is sent anytime there is a change, including premium changes.

FOOTHILL-DE ANZA
Community College District

Eligibility

Who's Eligible?

- Eligible retirees

Dependents

- Spouse, same-sex domestic partner (registered or non-registered) and children up to age 26
- You must verify eligibility of any dependent you cover with SECOVA, online benefits carrier

What about double coverage?

- The District does not provide a double coverage option
- This means you may elect coverage as an employee or retiree, but may not also be covered as a dependent of another FHDA employee or retiree
- Only one parent may cover eligible children

FOOTHILL-DE ANZA
Community College District

Eligibility

Who's Eligible?

- Eligible retirees

Dependents

- Spouse, same-sex domestic partner (registered or non-registered) and children up to age 26
- You must verify eligibility of any dependent you cover with SECOVA, online benefits carrier

What about double coverage?

- The District does not provide a double coverage option
- This means you may elect coverage as an employee or retiree, but may not also be covered as a dependent of another FHDA employee or retiree
- Only one parent may cover eligible children

FOOTHILL-DE ANZA
Community College District

Eligibility

Who's Eligible?

- Eligible retirees

Dependents

- Spouse, same-sex domestic partner (registered or non-registered) and children up to age 26
- You must verify eligibility of any dependent you cover with SECOVA, online benefits carrier

What about double coverage?

- The District does not provide a double coverage option
- This means you may elect coverage as an employee or retiree, but may not also be covered as a dependent of another FHDA employee or retiree
- Only one parent may cover eligible children

FOOTHILL-DE ANZA
Community College District

Eligibility

Special Eligibility Rules For Kaiser

- **Live-n-Work rule is not applicable for retirees -** if you are a retiree and not residing in Kaiser service area, **you must only enroll under either the UHC Choice (EPO) or the UHC Choice Plus (PPO) Plan.**

FOOTHILL-DE ANZA
Community College District

Health Benefits

FOOTHILL-DE ANZA
Community College District

Medical Plan Options

- **Self-insured UHC Medical Plans**
  1. **UnitedHealthcare CHOICE (EPO) Plan**
     - ✓ Restricted to in-network use only
     - ✓ Reasonable copayments, deductibles, and coinsurance
  2. **UnitedHealthcare CHOICE PLUS (PPO) Plan**
     - ✓ Allows access to both in and out-of network service providers
     - ✓ Identical in-network copayments and deductibles, coinsurance varies out of network
     - ✓ Richer coverage for acupuncture and chiropractic care

- **Kaiser Permanente HMO Plan**

FOOTHILL-DE ANZA
Community College District

Medical Plan Options

- **Self-insured UHC Medical Plans**
  1. **UnitedHealthcare CHOICE (EPO) Plan**
     - ✓ Restricted to in-network use only
     - ✓ Reasonable copayments, deductibles, and coinsurance
  2. **UnitedHealthcare CHOICE PLUS (PPO) Plan**
     - ✓ Allows access to both in and out-of network service providers
     - ✓ Identical in-network copayments and deductibles, coinsurance varies out of network
     - ✓ Richer coverage for acupuncture and chiropractic care

- **Kaiser Permanente HMO Plan**

FOOTHILL-DE ANZA
Community College District

UnitedHealthcare CHOICE PLUS (PPO) Health Plan

In- Network Coverage	Out-Of-Network Coverage
Must use Network Provider	May use any licensed Provider
Deductibles apply $350/person,$1,050/family	Deductibles apply $700/person,$2,100/family
$25 primary care physician OV co-pay $30 specialist co-pay	70% coverage after deductible for OV
100% coverage for preventive care	70% coverage after deductible
90% coverage after deductible for most services	70% coverage after deductible for most services
No balance billing	Balance billing may occur
Maximum out-of pocket for coinsurance: $1,000/person, $3,000/family	Maximum out-of pocket for coinsurance: $3,000/person, $9,000/family

FOOTHILL-DE ANZA
Community College District

UnitedHealthcare CHOICE PLUS (PPO) Health Plan

In- Network Coverage	Out-Of-Network Coverage
Must use Network Provider	May use any licensed Provider
Deductibles apply $350/person,$1,050/family	Deductibles apply $700/person,$2,100/family
$25 primary care physician OV co-pay $30 specialist co-pay	70% coverage after deductible for OV
100% coverage for preventive care	70% coverage after deductible
90% coverage after deductible for most services	70% coverage after deductible for most services
No balance billing	Balance billing may occur
Maximum out-of pocket for coinsurance: $1,000/person, $3,000/family	Maximum out-of pocket for coinsurance: $3,000/person, $9,000/family

FOOTHILL-DE ANZA
Community College District

UnitedHealthcare CHOICE PLUS (PPO) Health Plan

In- Network Coverage	Out-Of-Network Coverage
Must use Network Provider	May use any licensed Provider
Deductibles apply $350/person,$1,050/family	Deductibles apply $700/person,$2,100/family
$25 primary care physician OV co-pay $30 specialist co-pay	70% coverage after deductible for OV
100% coverage for preventive care	70% coverage after deductible
90% coverage after deductible for most services	70% coverage after deductible for most services
No balance billing	Balance billing may occur
Maximum out-of pocket for coinsurance: $1,000/person, $3,000/family	Maximum out-of pocket for coinsurance: $3,000/person, $9,000/family

FOOTHILL-DE ANZA
Community College District

How the UHC CHOICE PLUS (PPO) Works

- Does not require a you select or use a Primary Care Physician
- No referral required for Specialists.
- May choose any UHC Network Provider for lowest cost health care
- May choose **Out-Of-Network** Providers, but at significantly higher cost to you and the District
- You may go to the closest Emergency Room for any life threatening illness or injury and be covered at in-network benefits
- *To check for participating physicians go to* ***www.myUHC.com***

FOOTHILL-DE ANZA
Community College District

UnitedHealthcare CHOICE (EPO) Health Plan

In- Network Coverage ONLY
Must use Network Provider
Deductibles apply $350/person,$1,050/family
$25 primary care physician OV copay $30 specialist copay
100% coverage for preventive care
90% coverage after deductible for most services
No balance billing
Maximum out-of pocket for coinsurance: $1,000/person, $3,000/family

FOOTHILL-DE ANZA
Community College District

How the EPO (UnitedHealthcare CHOICE Health Plan) Works

- Does not Require a Primary Care Physician
- No Referral required for Specialists.
- You may choose any UHC Network Provider for both Primary Care and Specialist Care
- There is NO out-of-network coverage for the EPO plan
- You may go to the closest Emergency Room for any life threatening illness or injury
- *To check for participating physicians go to* ***www.myUHC.com***

FOOTHILL-DE ANZA
Community College District

UHC Prescription Drug Plan

Advantage PDL (Medco)

Tier 1: $10 Co-pay/30 days

- Primarily made up of generic drugs.
- May include some Brand-Name Drugs that have proven more effective, less costly, and result in few side effects.
- Lowest out-of-pocket expense

Tier 2: $25 Co-pay/30 days

- Primarily made up of Brand-Name Drugs
- May include generic drugs that the plan has determined to be more costly than their brand name alternatives

Tier 3: $50 Co-pay/30 days

- Highest cost drugs

Mail Order: 90-day supply provided 2 times the copay amount.

FOOTHILL-DE ANZA
Community College District

UHC Specialty Drugs

Restricted to 30 days supply provided by Pharmaceutical Solutions Mail Order Only

Specialty medications are designed to address the most complex pharmacy needs such as:

Parkinson's Disease	Oral Oncology
Growth Hormone Deficiency	Rheumatoid Arthritis
Hepatitis C	Transplant
HIV/AIDS	Cystic Fibrosis, etc.

- Require close monitoring by a pharmacist or physician
- High cost (more than $250)
- Unique distribution or administration (e.g., typically injectible or oral form)
- Market exclusivity to treat rare diseases (orphan drugs)
- Indication for chronic and life threatening diseases

FOOTHILL-DE ANZA
Community College District

myUHC.com

Reasons To Use **MyUHC.com**

- Get Information About Hospitals and Physicians
- Organize Your Medical Claims Online
- Learn More About Your Coverage
- Request a Medical ID Card
- Compare Costs for Treatments
- Learn About Health Conditions, Treatments & Procedures
- Order and Renew Prescriptions Online
- Identify cost savings for comparable medications
- Health Risk Assessments

FOOTHILL-DE ANZA
Community College District

KAISER HMO

All Care Provided By Kaiser	
Primary Care OV Co-pay	$20
Specialist OV Co-pay	$20
Urgent Care OV Co-pay	$20
Preventive Care OV Co-pay	$0
Outpatient Surgery Co-pay	$20
Hospitalization	No Charge
Out-Of-Pocket Maximum	$1,500/person, $3,000/family

FOOTHILL-DE ANZA
Community College District

KAISER
Prescription Drug Program

Pharmacy Pick-Up		Mail Order	
Tier 1 - Generics 30-day supply 31 to 61 day supply 61 to 100 day supply	Co-pay $5 $10 $15	Tier 1 – Generics 30-day supply 31 to 100 day supply	Co-pay $5 $10
Tier 2 - Brand-name 30 day supply	$10	Tier 2 – Brand-name 30-day supply 31 to 100 day supply	$10 $20

FOOTHILL-DE ANZA
Community College District

Medicare Changes for 2011

- **Medicare Part B Premium Continues To Climb**
  - New enrollees are being charged higher premum than than previous enrollees.
  - Higher premium are applied for retirees who do not earn any social security pension or paying for their premiums by other forms such as personal checks, credit cards, or CalSTRS.
  - MAGI continues to rise as government forces the upper class to bear greater share of cost to subsidize the low-income Medicare participants.
- **Factors Underlying Historical Growth of Health Care Spending**
  - Major advances in medical science, innovation on costly new drugs, equipment, and skills
  - Demand for medical care is greater due to expansion of insurance coverage
  - Aging of the population
- **Grim Outlook for Medicare in the future**
  - By 2019, Medicare's hospital insurance trust fund would be exhausted
  - Without significant changes in policy, total spending for health care is projected to increase by 8% of GDP by 2035 or 31% of total GDP by 2035
  - More cost shifting between the government to private individual participants

FOOTHILL-DE ANZA
Community College District

Dental Plans

To Find a Participating Dentist, go to:
http://www.deltadental.com

FOOTHILL-DE ANZA
Community College District

Delta Dental

Delta Dental PPO

The plan has a variable co-pay. The co-pay will increase by 10% each year the member visits the dentist at least once.

Covered Services	In-network	Out-of-network
Annual Maximum	$1,700	$1,500
Diagnostic & Preventive Benefits	70 % - 100 %	70 % - 100 %
Basic Benefits	70 % - 100 %	70 % - 100 %
Crowns, Other Cast Restorations	70 % - 100 %	70 % - 100 %
Prosthodontics	50 %	50 %
Orthodontic Benefits	50 %	50 %
Orthodontic Lifetime Maximum	$ 1,000	$ 1,000
Dental Accident Benefits	100 %	100 %

FOOTHILL-DE ANZA
Community College District

Delta Dental

Delta Dental PPO – In-Network

Delta Dental PPO Dentists
Pay the lowest amount for services when you visit a Delta PPO dentist
PPO dentists agree to accept a reduced fee for PPO patients
You are charged only the patient's share at the time of treatment. Delta pays its share to the dentist directly
PPO dentists will complete all claim forms and submit them for you at no charge

FOOTHILL-DE ANZA
Community College District

DELTA DENTAL

Delta Dental PPO – Out-Of-Network

Premier Dentist	Non-Delta Dental Dentists
Premier dentists may not balance bill you above Delta Dental's approved amount	You pay the difference between Delta pays and what your non-Delta Dental dentist charges
You are charged only the patient share at the time of treatment	Non-Delta Dental dentists may charge you the entire amount of the bill in advance
Your dentist will complete all claim forms for you	You may have to submit your own claim form

FOOTHILL-DE ANZA
Community College District

Vision Plan

FOOTHILL-DE ANZA
Community College District

VISION PLAN

One Plan available through VSP

- Offers one benefit allowance for contacts every 12 months, prescription glasses every 24 months
- Covers lenses every 12 months
- Covers a routine eye exam every 12 months
- In-Network benefits
  - ✓ Lenses: single-vision, bi-focal, tri-focal, progressive
  - ✓ Frames & contacts: $120 retail allowance of your choice
  - ✓ 20% off the amount over your allowance

FOOTHILL-DE ANZA
Community College District

Plan Changes for 2011

FOOTHILL-DE ANZA
Community College District

Health Care Reform

Effective July 1, 2011:

- Pre-existing conditions exclusions for age 19 and under eliminated
- Dependent children can now be covered up to age 26
- Lifetime limits removed for self-funded medical plans
- External appeal process available when coverage is denied
- Retroactive terminations are limited
- Emergency services will be paid at in-network levels regardless of facility used in true emergency

FOOTHILL-DE ANZA
Community College District

Other Benefit Changes for Self-funded Medical Plans

Beginning July 1, 2011:

1. Autism Coverage: Coverage for diagnostic assessments and prescription medications; excludes applied behavioral analysis (ABA).

2. Hearing Aids Coverage: Covered at 50% up to **$5,000.** The benefit is limited to a single purchase (including repair/replacement) **every three *calendar* years.**

3. Therapeutic Treatments – Outpatient

   The Plan pays benefits for therapeutic treatments received on an outpatient basis at a Hospital or Alternate Facility or in a Physician's office, including but not limited to dialysis (both hemodialysis and peritoneal dialysis), intravenous chemotherapy or other intravenous infusion therapy and radiation oncology. Benefits will be subject to annual deductible and coinsurance.

FOOTHILL-DE ANZA
Community College District

Monthly Contributions

FOOTHILL-DE ANZA
Community College District

Premium For Plan Year 11/12

Monthly Retiree Contributions over 12 months periods: July 2011– June 2012

PLAN OF COVERAGE	Employee Only	Employee + One DEP	Employee + Two or More DEP
KAISER	$48.00	$96.00	$144.00
EPO	$48.00	$96.00	$144.00
PPO	$120.00	$240.00	$360.00

NOTE: Please be advised that the retiree contribution rates include $1/mo for Vision and $4/mo for Dental, and the remainder belong to Medical care.

IMPORTANT: All retirees are required to contribute towards the cost of healthcare regardless which plan you choose and the level of coverage.

Electronic fund transfers via ACH process provided through UnitedHealthcare Benefit Services for retiree contributions are deducted from your checking or savings account on a post-tax basis.

FOOTHILL-DE ANZA
Community College District

RETIREE PREMIUM PAYMENT INFORMATION

Effective July 1, 2011:

- **A**utomated **C**learing **H**ouse (**ACH**) or electronic fund transfer is mandatory to fund your retiree contributions toward health care cost must be arranged through **UnitedHealthcare Benefit Services**.
- Personal online payment via your bank, and personal checks are no longer accepted for payment of retiree contributions.
- Members who have not assign ACH to UnitedHealthcare Benefit Services must do so by May 31, 2011 to ensure July 1, 2011 implementation date.
- **If you have already arranged for ACH withdraws with UHC, then no further action is required**! It is an auto rollover for the benefits Plan Year 2011/2012.
- Payment is due on first of the month. For example, July 2011 retiree contributions will be deducted from checking or savings account on July 1, 2011.
- If your retiree coverage is terminated due to insufficient fund balances, you will be permitted to re-enroll in the plan 12 months after the date of termination. **Once a lapse occurs, a lapsed retiree has to wait for 12 months before reinstatement via Special Open Enrollment**.
- Appeals will only be considered due to extenuating circumstances such as hospitalization or incapacitated. Bank errors must be certified by the branch manager in writing .
- **Reinstatement will not be available to any retiree following a second termination from the plan. Thereafter, you will be permanently removed from all district-paid benefits as a retiree.**

FOOTHILL-DE ANZA
Community College District

RETIREE PREMIUM PAYMENT INFORMATION

Effective July 1, 2011:

- **A**utomated **C**learing **H**ouse (**ACH**) or electronic fund transfer is mandatory to fund your retiree contributions toward health care cost must be arranged through **UnitedHealthcare Benefit Services**.
- Personal online payment via your bank, and personal checks are no longer accepted for payment of retiree contributions.
- Members who have not assign ACH to UnitedHealthcare Benefit Services must do so by May 31, 2011 to ensure July 1, 2011 implementation date.
- **If you have already arranged for ACH withdraws with UHC, then no further action is required**! It is an auto rollover for the benefits Plan Year 2011/2012.
- Payment is due on first of the month. For example, July 2011 retiree contributions will be deducted from checking or savings account on July 1, 2011.
- If your retiree coverage is terminated due to insufficient fund balances, you will be permitted to re-enroll in the plan 12 months after the date of termination. **Once a lapse occurs, a lapsed retiree to wait for 12 months before reinstatement via Special Open Enrolment**.
- Appeals will only be considered due to extenuating circumstances such as hospitalization or incapacitated. Bank errors must be certified by the branch manager in writing .
- **Reinstatement will not be available to any retiree following a second termination from the plan. Thereafter, you will be permanently removed from all district-paid benefits as a retiree.**

FOOTHILL-DE ANZA
Community College District

Think About Your Coverage

- Coverage - The covered service are nearly the same for all medical plans
- Provider Access - Only self-funded plans give you full access to Stanford hospital and clinics, PAMF, El Camino Hospital, other private physicians and other multi-specialty clinics.
- **COST – Your total cost is what you pay out for monthly retiree contributions, PLUS what you pay when you receive care.**

FOOTHILL-DE ANZA
Community College District

Survivor Benefits

FOOTHILL-DE ANZA
Community College District

Self-Pay Benefits - Survivors

- Survivors must notify the District within 31 days of life qualifying event to request continuation of coverage under the district benefits program (NO EXCEPTIONS!)
- Self-pay for benefits
- Coverage may be continued for life
- Must pre-paid for benefits quarterly
- Premium will be billed by the District
- Net 30 days due
- May exercise changes in plan coverage through open enrollment
- Qualify for Medicare Part B premium reimbursements
- May qualify for COBRA if under age 65 (maximum coverage 36 months)

FOOTHILL-DE ANZA
Community College District

SURVIVORS MONTHLY PREMIUM FOR PY 2011/2012

- KAISER MEDICAL/DENTAL/VISION (pre-65): $629.80
- KAISER MEDICAL/DENTAL/VISION (65+) $399.62
- EPO/DENTAL/VISION $708.25
- PPO/DENTAL/VISION $778.08

FOOTHILL-DE ANZA
Community College District

COBRA
Benefit Continuation

FOOTHILL-DE ANZA
Community College District

COBRA Benefits

COBRA Continuation Coverage

- Retirees who qualify for COBRA will be contacted by the District
- Dependent(s) must notify the District within 60 days of life qualifying event to request continuation of coverage. ***NO EXCEPTIONS!***
- Coverage may be continued for either 18 months or 36 months depending on life qualifying event(s)
- Premium will be billed by the District
  - Monthly premium is due on the first of the month.
- May exercise changes in plan coverage through open enrollment

FOOTHILL-DE ANZA
Community College District

COBRA Cost

Monthly COBRA PREMIUM FOR PY 11/12

Single coverage rate:

- Kaiser Medical/Rx $553.75
- EPO Medical/Rx $681.23
- PPO Medical/Rx $1,013.15
- DENTAL/VISION $ 81.21

FOOTHILL-DE ANZA
Community College District

Dependent Verification

FOOTHILL-DE ANZA
Community College District

Secova DEPENDENT VERIFICATION PROCESS

- Eligibility will be being verified for dependents of all actives and retirees
- Letters will be mailed to all plan members with dependents on their account on May 18 by Secova, the District's on-line eligibility administrator
- Members should send **copies** of the documents requested as proof, not originals *(e.g., a copy of a 2010 Federal Tax Return)*
  - ✓ Any financial information may be blacked out by the member
  - ✓ Information is private, as per the law
  - ✓ Hard copies will be shredded by Secova after 60 days

FOOTHILL-DE ANZA
Community College District

FHDA Benefits Team

The FHDA Benefits Team

- Trained on FHDA benefits choice program
- Coordinates the enrollment/change process
- Answers employee questions regarding FHDA benefits program
- Will direct you to online resources for detailed information
- Help with issues not answered by your plan

FOOTHILL-DE ANZA
Community College District

RESOURCES

HR contacts:

Employee Benefits Hot Line: **650-949-6224**

Benefits Inquiry Email Address: **MyBenefits@fhda.edu**

District Benefits Website: **http://hr.fhda.edu/benefits/**

FOOTHILL-DE ANZA
Community College District

RESOURCES

Insurance Carrier/Plan Administrator Contacts:

Kaiser Permanente Group# 857 Customer service: 1-800-464-4000 wwww.KaiserPermanente.org	Delta Dental of CA Group# 603 Customer service: 1-888-336-8227 www.deltadentalins.com
UnitedHealthcare Group# 708611 Customer service: 1-800-510-4846 www.myUHC.com	Vision Service Plan (VSP) Group# 12075742 Customer service: 1-800-877-7195 www.vsp.com

FOOTHILL-DE ANZA
Community College District

After Open Enrollment?

By July 1, 2011, the following will be mailed to you home:

- New ID cards will be issued to all UHC members
- New Summary Plan Descriptions for EPO, PPO and Out-of-Network (OOA) will be mailed by UHC to the *retirees' homes only*.
- HIPPA Certificates will be issued by Kaiser and UnitedHealthcare to all members who made changes during Open Enrollment, i.e., transfer from Self-funded plan (EPO/PPO) to KAISER and vice versa
  - ✧ DO NOT PANIC!!!
  - ✧ This Cert is required by law – please keep it in a safe place just in case the insurance carriers request proof of prior coverage to give you credits to avoid pre-existing conditions exclusion.

FOOTHILL-DE ANZA
Community College District

REMEMBER…

APRIL 29, 2011, 5pm

- **Automatic rollover** for health insurance if no action is taken by the retiree.

- You must submit the **ACH form** to **UnitedHealthcare Benefit Services** to initiate the electronic fund transfers to pay for your monthly retiree contributions effective July 1, 2011.

- Request for change in choice of medical plan selection or level of coverage for the benefits PY 11/12 must be made by the deadline of April 29, 2011, 5pm or your coverage will remained the same as PY 10/11.

- You may submit your request for change by fax: **650-949-2831** or pdf/email to **MyBenefits@fhda.edu**.

FOOTHILL-DE ANZA
Community College District

Closing

Thank you!

Questions and Answers