FOOTHILL-DE ANZA
Community College District

2010 Open Enrollment Workshop for Retirees

APRIL 9, 2010

Presented by

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And

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Agenda

- Open Enrollment Information
- Plan Design Changes
- Mandatory Retiree Monthly Contribution
- Retiree Billing
- Medicare Changes for 2010
- Healthcare Reform
- Surviving Spouse Benefits Program
- Dependent Verification
- Questions

Open Enrollment

- Annual Open Enrollment
  - **April 5** through **30**
  - Changes are effective July 1, 2010
- Retirees may:
  - Reinstate previously waived coverage without proof of loss
  - Add eligible dependents without proof of loss
  - Remove dependents
  - Change medical plan
  - Waive benefits (evidence of other coverage is required by April 30)
    - Benefits for Plan Year 09/10 (Medical/Rx, Dental, Vision, and Medicare Premium Part B reimbursement will end on June 30, 2010)

Retiree Communications

- Newsletter mailed April 2:
  - Newsletter includes:
    - Plan Comparisons
    - 2010/11 Rates
    - Dependent verification reminder
- Forms
  - Available on website for download
    - For Employees/Retirees: http://hr.fhda.edu/benefits/
  - Retirees will receive their Benefits Confirmation Statement for PY 10/11 on May 20.
    - A new Benefits Confirmation Statement is sent anytime there is a change, including premium changes.

Rule Changes

- Dependent Coverage
- Michelle's Law
- Healthcare Reform

Retirees and Dependent Coverage

- Beginning July 1, 2010
  - Eligible retirees are required to have other comprehensive group coverage when removed from District-paid benefits
- The following have not changed:
  - Subscribers enrolling eligible dependents during a special open enrollment must provide proof of loss of other comprehensive group coverage
  - Subscribers enrolling eligible dependents during annual open enrollment are not required to provide proof of loss of other comprehensive group coverage

Michelle's Law

- If a student enrolled in District coverage:
  - Becomes seriously ill, and
  - Requires a medically necessary leave of absence from attending school
- District coverage may continue if the leave of absence qualifies under and is in accordance with the federal Michelle's Law *(Public Law 110-381)*
  - Michelle's Law allows a seriously ill or injured college student to take up to one year of medical leave without losing health insurance

Healthcare Reform

- Reconciliation Process
- Administrative Guidance, Notification, and Processes are needed from the feds to ensure proper implementation of various provisions
- Reconciliation Bill must passed before we know when changes will become effective
- When Reform takes place: most likely July 1, 2011

Medicare Changes

- Possible Medicare eligibility changes in the coming years
- Part B Premium
- MAGI continues to climb
- Medicare Part D ????

Benefit Changes

Premium Changes

- Monthly Retiree Contributions over 12 months periods: July 2010 – June 2011

PLAN OF COVERAGE	Retiree Only	Retiree + One DEP	Retiree + Two of 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.

RETIREE PREMIUM PAYMENT INFORMATION

- All retirees are required to contribute towards the cost of healthcare regardless which plan you choose and the level of coverage. Everyone will be billed.
- Premium invoices will be issued by UnitedHealthcare Benefit Services.
- July 2010 premium will be mailed out on June 10.
- Premium is due no later than the last day of the month of coverage. i.e. July premium must be received by July 31.
- May elect to pay by **check** or via **ACH** (electronic fund transfer)
- All checks should be made payable to: **UnitedHealthcare**
- **Customer Service Phone: (866) 747-0048**

Cost Sharing

- All medical plans will cover the same benefits, but
- Some benefits will have higher costs at point-of-service
- Both self-funded plans and HMO increased:
  - **Annual Deductible (except Kaiser)**
  - **Annual Out-of-Pocket Maximum**
  - **Copayment and Coinsurance**

KAISER HMO:

- What's Changing Effective July 1, 2010:
  - Primary and Specialist Office Visits: increase from $10 to **$20**
  - Urgent Care Office Visits: increase from $10 to **$20**
  - Mental Health/Substance Abuse Outpatient Office Visit Co-pay:
    - Increase from $10 to **$20** for individual visit
    - Increase from $5 to **$10** for group visit
  - Outpatient Surgery Procedure: increase from $10 to **$20**
  - Chiropractic Care Co-pay: increase from $10 to **$15**
  - **ROUTINE PREVENTATIVE CARE:**
    - Physical Exams Co-pay: reduce from $10 to **$0**

Kaiser Prescription Program - Effective July 1, 2010

- **Tier 1 (Generics): pick up from Plan Pharmacy**

  Old: $5/up to 100-day supply

  New: **$5** Co-pay for **30-day** supply

  $10 Co-pay for **31 to 60-day** supply

  $15 Co-pay for **61 to 100-day** supply

  - **Tier 2 (Brand-name drugs): pick up from Plan Pharmacy**

    Old: $5/up to 100-day supply

    New: **$10** Co-pay for **30 days** supply

  - **NEW Prescription Mail Order:**

    - **Tier 1(Generics):** **$5** Co-pay up to 30 days supply or **$10** for 31 to 100-day supply
    - **Tier 2 (Brand-name Drugs):** **$10** Co-pay up to 30 days supply or **$20** for 31 to 100-day supply

Kaiser Senior Advantage Plan: 65+

- If you are Medicare-eligible and insured under Kaiser Plan, you must enroll for Kaiser Senior Advantage Plan. This Plan is identical to District Plan.
- Failure to sign up for Kaiser Senior Advantage Plan immediately upon Medicare-eligibility results disqualification from **all** District-paid benefits for you and the dependent(s).

Eligibility for Kaiser Coverage

- In order to select the Kaiser Plan you **must** reside within the **Kaiser service area**.
- ***Live-n-work rule is not applicable for retirees***.
- *If you reside outside of the Kaiser service area, you are not eligible to be insured under the Kaiser Program.* You may only select the Preferred Provider Organization (PPO) or the Exclusive Provider Organization (EPO) Medical Plan.
- If you are currently a Medicare recipient enrolled in the Kaiser Senior Advantage Program and wish to transfer your coverage to the District EPO or PPO Plan for the Plan Year 2010/2011, you must request a **Senior Advantage Disenrollment Form** and return to the District by April 30, 2010.

Self-Funded Plan Changes

Medical Changes: EPO and PPO (In-Network only) 90/10 plan

- **In-Network Only: Starting July 1, 2010**
  - Annual Calendar Year *Deductible* (EPO)
    - Single – increase from $150/person to **$350**/person
    - Family - increase from $400/family to **$1,050**/family
  - Annual Calendar Year *OOP Maximum* (EPO)
    - Single – increase from $600 to **$1,000**
    - Family - increase from $1,800 to **$3,000**
  - Co-Insurance: increase from ZERO to **10%**
  - Co-Pays: **OLD** ($20/office visit)
    - NEW - Primary Care/Chiropractor/Acupuncturist Office Visit: **$25 Co-Pay**
    - NEW - Specialist and Urgent Care Office Visit: **$30 Co-pay**

Medical Changes: EPO and PPO (In-Network Only) continued….

- **Inpatient Hospital Services:**
  - EPO (OLD): $50 Co-pay, deductible applies
  - PPO (OLD – In-network only): $0
    - **New:** increase to **$100 Co-pay, 10% after Deductible applies**
- **Emergency Services (level 1):**
  - OLD: $50 Co-pay, if admitted waived, deductible applies
    - **New:** increase to **$100 Co-pay** (waived if admitted)**, 10% after Deductible**
- **Non-Emergency Services (not level 1):**
  - OLD: 80% coverage if emergency criteria not met, deductible applies
    - **New: $100 Co-pay**, **10% after Deductible**
- **Hearing Benefits**: increase from 80% to **90%** up to $1,000 max annually

Medical Changes: EPO and PPO (In-network Only) continued….

- **MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT**
  - **OLD:** Restricted to 25 visits annually at 50% coverage (under EPO Plan), Deductible applies, $2,000 max coverage per year.
  - **OLD:** Restricted to 25 visits annually at 50% coverage (under PPO Plan), 100% of U&C, $2,000 max coverage per year.
    - **NEW:** Effective July 1, 2010, district health plans that offer substance abuse and mental health treatment benefits guarantee that the scope of the benefits is equal to the plans coverage of medical and surgical benefits.
- **PREVENTATIVE CARE: New Enhancements (restricted to In-Network Service Only)**
  - **Routine Health Screenings including Well Baby Care:** 100% paid for by the Plan including Annual Physicals, Mammography, labs and x-rays services in accordance to the US Preventative Services Task Force.
  - **Immunization:** removed age restrictions and 100% coverage

Medical Changes: PPO (Out-of-Network)

70/30 Plan

- **Open Access – Starting July 1, 2010**
  - **Annual Calendar Year *Deductible* (PPO-In Network)**
    - Single – increase from $0/person to **$350**/person
    - Family - increase from $0/family to **$1,050**/family
  - **Annual Calendar Year *Deductible* (PPO-Out of Network)**
    - Single – increase from $0/person to **$700**/person
    - Family - increase from $0/family to **$2,100**/family

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  - **Annual Calendar Year *OOP Maximum* (PPO In-Network)**
    - Single – increase from $400 to **$1,000**
    - Family - increase from $1,200 to **$3,000**
  - **Annual Calendar Year *OOP Maximum* (PPO Out-Network)**
    - Single – increase from $2,000 to **$3,000**
    - Family - increase from $6,000 to **$9,000**

Medical Changes: PPO (Out-of-Network) Continued….

70/30 Plan

- Co-Insurance: **OLD** (80/20 plan/office visit subject to U&C charges)
  - **What is new? Plan pays 70% of U&C, after Deductible, for the following office visits**
    - **Primary Care**
    - **Specialist**
    - **Urgent Care**
    - **Chiropractic Care**
    - **Acupuncture Care**
    - **Preventative Care**
    - **Outpatient Mental Health**
    - **Outpatient Substance Abuse**

Medical Changes: PPO (Out-of-Network) Continued….

- Emergency Services: increase from $50 to **$100 Co-Pay** (waived if admitted) + **10% coinsurance.**
- Non Emergency Room Services (Not Level 1) – **Plan pays 70% of U&C, after Deductible and $100 Co-Pay**

Three-Tier Prescription Drugs Plan – Advantage PDL

– **Starting July 1, 2010**

Tier 1: Preferred Generic Drugs (on the FORMULARY) - $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 few side effects.

- Lowest out-of-pocket expense

Tier 2: Formulary Brand-Name Drugs - $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: Non-Preferred (NON-FORMULARY) - $50 Co-pay/30 days

- Made up of drugs that the plan has not included in Tier 1 or Tier 2.

NOTE: Mail Order for 90-day supply provided through Medco cost 2 X 30 days Co-pays

Specialty Drugs – UnitedHealth Pharmaceutical Solutions

- **Starting July 1, 2010**
- Specialty medications are designed to address the most complex and life threatening diseases such as: Parkinson's, Growth Hormone Deficiency, Hepatitis C, HIV/AIDS, Oral Oncology, Rheumatoid Arthritis, Transplant, Cystic Fibrosis, etc….

Specialty medications broadly defines as having one or more of the following attributes:

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

- **Restricted to 30 days supply via mail order provided by Pharmaceutical Solutions.**

DRUGS THAT WILL NOT BE COVERED EFFECTIVE JULY 1, 2010

- NEXIUM
- COREG CR
- VERAMYST
- PREVACID
- DORYX
- CADUET
- ALLEGRA-D 24 HOUR
- ALLEGRA-D 12 HOUR
- TREXIMET
- REQUIP XL
- TRIAZ
- SOMA

- **Starting July 1, 2010**
- Maximum calendar year allowance for dental benefits through the **Delta Dental's PPO Incentive Plan** is reduced to **$1,700.**
  - **If you select a dentist from the Delta Dental PPO Network, you will pay fewer out-of-pocket expenses**
- **Premier Delta Dental Plan's** maximum annual allowance is also reduced to **$1,500.** This plan allows you to select the dentist of your choice

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

Survivor Benefits

SELF-PAY BENEFITS

- **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 reimbursements**
- **May qualify for COBRA if under age 65 (maximum coverage 36 months)**

SELF-PAYS MONTHLY PREMIUM FOR PY 10/11

- **KAISER MEDICAL/DENTAL/VISION (pre-65): $608.72 (est)**
- **KAISER MEDICAL/DENTAL/VISION (65+) $429.88 (est)**
- **EPO/DENTAL/VISION $700.38**
- **PPO/DENTAL/VISION $724.98**

Dependent Verification

Dependent Verification

- Eligibility is being verified for dependent's of all actives and retirees
- Letters will be mailed to all subscribers with dependents on their account on May 17 by Secova, on-line benefits carrier
- Members should send **copies** of the documents used for proof, not originals *(e.g., a copy of a 2009 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

Resources

HR contacts:

1. Patience McHenry, Benefits and Legal Compliance Assistant, phone: 650-949-6224, email: McHenryPatience@fhda.edu

2. Amanda Robinson, Technical Specialist, phone: 650-949-6103, email: RobinsonAmanda@fhda.edu

3. Christine Vo, Benefits Manager, phone: 650-949-6225, email: VoChristine@fhda.edu

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

Resources

Insurance contacts:

Kaiser Permanente, group 857, customer service: 1-800-464-4000

https://www.kaiserpermanente.org/

UnitedHealthcare, group 708611, customer service: 1-800-510-4846

https://www.myUHC.com

Delta Dental of CA, group 603, customer service: 1-888-336-8227

http://www.deltadentalins.com/

Vision Service Plan (VSP), group 12075742, customer service: 1-800-877-7195

https://www.vsp.com/

What to expect after OE?

- By July 1, 2020, 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, Dental and Vision
  - HIPPA Certificates will be issued by Kaiser and UnitedHealthcare to all members who made changes during Open Enrollment, i.e. transfer from PPO to EPO or Self-funded plan 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.

Closing

- Thank you
- Questions and Answers