

Office of Human Resources and Equal Opportunity
12345 El Monte Road, Los Altos Hills, CA 94022

TO: All Retirees, Surviving Spouses and COBRA Enrollees
FROM: Christine Vo, Benefits Manager
DATE: April 5, 2008
RE: **Annual Benefits Open Enrollment (April 7-30, 2008)**

1) BENEFITS ELECTION FOR JULY 2008– JUNE 2009

OPEN ENROLLMENT for Plan Year 2008/2009 is **April 7 to April 30**. During this time you have the opportunity to elect to change from one medical plan to another. The District offers three options: 1) Kaiser Foundation Health Plan (HMO), 2) District Combined Coverage Medical Plan (PPO+), and 3) the District Network Only Medical Plan (PPO).

The changes are effective **July 1, 2008** and will be applicable for a **twelve (12) month period ending June 30, 2009**.

IMPORTANT: If you make no election to change medical coverage, and/or add/delete dependent(s) your coverage will default automatically to your current coverage on July 2008.

To insure under the PPO Network Only Medical Plan, you must have access to contracted PPO providers and facilities within a 30 miles radius from your home residence. Otherwise, you must select the PPO+ Plan.

Members who reside outside of the U.S. territory or in non-PPO service areas will default automatically to the PPO+ Plan and premiums will be billed accordingly.

Pursuant to the agreements with the bargaining units you are required to sign up for Medicare Part B if you are eligible. Each retiree and every eligible dependent shall, upon obtaining eligibility for Medicare, notify the District of his/her eligibility. **It is the sole responsibility of the retired employee and his or her eligible dependents to apply for and satisfy the requirements of Medicare.** The District will reimburse retired employees and eligible dependents for the cost of optional Medicare, Part B on a quarterly basis (March, June, September, and December).

NOTE: The signed Request to Change Benefit Plan form authorizes changes to your account and the monthly billing, if required for your selection. UHCDirectBill will bill retirees with one or more dependents who select the PPO+ Plan accordingly. Also understand that you cannot change your selections until the next annual open enrollment (April 2009) unless you have a qualifying “change in family status”.

If you add or delete a dependent you must provide documentation (marriage license, legal divorce decree signed by the judge, birth/death certificate, or legal adoption papers and copies of social security card) for each newly enrolled dependent or change in status to Human

Resources before the updates/changes can be completed. All required documents must be submitted to the Human Resources Office by April 30, 2008. We cannot process benefit requests for the new Plan Year 2008/2009 without the required information. Your added dependent(s) will not be covered effective July 1, 2008 if we do not receive the necessary documents.

For ALL programs, it is the retiree's responsibility to notify the District of any changes regarding eligibility. Failure to act in a timely manner may disqualify you from receiving District paid benefits and/or denial of your benefits claim. You are required to notify the District's Human Resources office in writing within **31 days** whenever there is a change in dependent status and within **10 days** if there is a change in address. Your prompt cooperation in this matter is greatly appreciated.

NOTE: All retirees will receive an official benefits confirmation statement from Secova by May 15th for verification.

2) UHCDirectBill BUSINESS UNIT – Billing Service provided by UnitedHealthcare

Retirees who elect to continue the PPO+ Medical Plan are required to contribute for dependent coverage. For retirees with one dependent, the monthly contribution is **\$122.00**. For retirees with two or more dependents, the monthly contribution is **\$199.00**. UHCDirectBill will bill you directly for these costs beginning July 1, 2008.

For information regarding retirees' billing or Automated Clearing House (ACH), which is a nationwide electronic funds transfer (EFT) system, please contact **UHCDirectBill, P. O. Box 224708, Dallas, TX 75222, Customer Service Phone (866) 747-0048**. Surviving Spouses and COBRA enrollees will continue to be billed by the District.

IMPORTANT: For the July 2008 premium, if you have already authorized ACH service from the prior year, your premium will be deducted accordingly via electronic fund transfer with UHCDirectBill based on the current financial information on records. Thus, you do not need to do anything.

For retirees who are newly enrolled in the PPO+ Plan effective July 2008, you must pay the bill with a regular check. Thereafter, an ACH service will be available. An ACH form will be provided along with the initial billing for your convenience.

Please ensure that the check or money order is signed, properly dated, and references your account number on the lower left corner of check. Make the check payable to: **UHCDirectBill**.

Via www.uhcdirectbill.info, you may also obtain information, print Premium Statements and communicate with UHCDirectBilling Service. You will need your Social Security Number and birth date for your initial log in. You should receive a password from UHCDirectBill within two days of your initial log in. This password should be retained for future log in purposes.

3) HALF TABLET PROGRAM – provided by UnitedHealthcare

Effective May 1, 2008, the District self-funded medical plan participants may participate in a **voluntary** Half Tablet (pill-splitting) program. Simply, the program provides an opportunity for you to reduce your prescription medication co-payments by using double-strength tablets and splitting them in half. Medications included in the program were evaluated by physicians and pharmacists at UnitedHealthcare and it was determined that pill splitting did not have an

adverse effect or medical status. Both members and the District self-funded Prescription Drug Plan will save when the member split pills.

UHC will be mailing the Half-Tablet information to the members who are currently taking drugs such as ACE inhibitors, Angiotensin Receptor Blockers (ARBs), Antidepressants, and Lipid-lowering medications to advise them of the option.

◆ **Before you participate, consider the following:**

If you feel you are unable or unsure about pill splitting, think about asking a friend or relative for assistance. This is especially important if you have vision problems or dexterity difficulty due to arthritis or another medical condition. If you have any questions concerning your ability to safely and effectively split pills, please talk to your physician.

Even tablets with scores, those small grooves down the center, do not always split evenly. That is acceptable. In fact, it is common that one half pill is slightly larger than the other, and that is no problem. For the medications included in the program, small changes in dosage from day to day will not impact the overall therapy.

◆ **Follow These Steps to Participate:**

A. Discuss the program with your physician at your next regularly scheduled appointment.

B. Get a new prescription from your doctor

If you want to participate in the **voluntary** pill-splitting program, your doctor must write a new prescription for:

- Half the usual supply of medications (for example, 15 pills for 30 days, or 45 pills for 90 days)
- Twice the usual dosage (for example, 10mg doubled to 20mg)
- Patient instructions should include “take one-half tablet daily”

If you are currently taking 10mg of Lipitor, one tablet daily, for 30 days (a total of 30 tablets) your new prescription will need to be written as 20mg of Lipitor, one-half tablet daily, and 15 tablets in total for a 30-day period. The new tablets will be split in half, and one-half of a tablet will be taken each day. This will ensure that you receive the same prescribed dose per day as you have in the past.

C. Fill your new prescription at the network pharmacy of your choice

If you prefer 90-days supplies received through mail order, send your new prescription to MEDCO. Your co-payment for pill splitting medications will be 50% of the normal charge.

D. One Pill Splitter Allowance per Year – provided exclusively through UHC (refer to UHC mailing in the coming month)

WARNING: Half Tab (pill splitting) is not appropriate for every type of medication. Use only an approved pill splitter provided by UnitedHealthcare. We do not recommend that you pill split with a knife, razor blade or any other object. Do not make any changes in your medications or the way you take your medications without first consulting your physician.

4) CLAIMS PROCESS FOR PPO PLANS – Administered by UnitedHealthcare

Effective July 1, 2008, to improve claims payment processing, UHC will be enforcing the ninety (90) days claims submission for all PPO contracted providers under the UnitedHealthcare CHOICE and CHOICE PLUS Health Plans - meaning if you are a member of the PPO Network Only or the PPO+ Medical Plans, your PPO contracted physician(s) is/are required by contractual agreement to bill the insurance carrier within the 90 day limits.

It is important to note for you as the consumer that failure to bill timely means denials of benefits payment, your physician is required to write off those late claims and they may not bill you for those services.

Non-PPO contracted providers are allowed up to one year from the date of service to request claims for payment.

5) KAISER MEDICAL PLAN

A. ELIGIBILITY RULE: Please note: Members who reside outside of the Kaiser service area are not qualified to be insured under the Kaiser Program. You can only select the District Combined Coverage Medical Plan (PPO+) or the District Network Only Plan (PPO). Retirees who reside within the greater Santa Cruz and Monterey counties, or part of the Pope Valley and Bells Station communities, which lie within the zip codes 94567 and 95020 are not in the Kaiser service area.

B. SENIOR ADVANTAGE PROGRAM: Retirees who are insured under Kaiser Foundation Health Plan must notify Kaiser Permanente as soon as they become eligible for Medicare and must sign up for the Kaiser Senior Advantage Plan. The Plan is identical to the District Kaiser Plan.

This action is necessary to authorize Kaiser to do direct billing for all your medical claims with Medicare as primary. In return, the District receives a reduced premium for your medical coverage. Failure to comply may disqualify you from all District paid benefits.

C. HOW TO TRANSFER FROM KAISER PLAN TO PPO PLAN: If you are currently a Medicare recipient enrolled in the Kaiser Senior Advantage Program and wish to transfer your coverage to the District PPO or PPO+ Plan for the Plan Year 2008/2009, you must request a **Senior Advantage Disenrollment Form** from Christine Vo to disallow Kaiser the right to bill Medicare effective July 1, 2008.

For information regarding group health plans or claim forms, you can now access the information via our web site: <http://hr.fhda.edu/benefits>.

IMPORTANT: This is a summary of the most frequently used benefit provisions. Please refer to the Evidence of Coverage or the Summary Plan Description for complete details of benefit limitations, exclusions and general program parameters.

**THE DEADLINE FOR OPEN ENROLLMENT FOR PLAN YEAR 2008-2009 is
Wednesday April 30, 2008 – 5:00 P.M.**