

2009 Retiree Option Change Period Presentation

(for Retired State Employees, Teachers, School
Personnel and Contract Groups)
August 2008



GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

DCH Mission

ACCESS



Access
to affordable,
quality health
care in our
communities

RESPONSIBLE



Responsible
health planning
and use of
health care
resources

HEALTHY



Healthy
behaviors and
improved
health
outcomes

DCH Initiatives

FY 2008 and FY 2009

FY 2008

Medicaid Transformation

Integrity of our Programs & Safety Net

Consumerism

Health Improvement & Resolving Disparities

Uninsured: Community Solutions

FY 2009

Medicaid Transformation

Health Care Consumerism

Financial Integrity

Health Improvement

Solutions for the Uninsured

Medicaid Program Integrity

Workforce Development

PeachCare for Kids™ Program Stability

SHBP Evolution

Customer Service and Communication

State Health Benefit Plan (SHBP)

- SHBP Plan Options (January 1, 2009)
- 2009 Benefit Options Defined
- SHBP Plan Option Changes (January 1, 2009)
- Health Reimbursement Account (HRA)
- Medicare Advantage Plans
- Eligibility Changes (January 1, 2009)
- Benefit Enhancements (January 1, 2009)
- Member Contribution Rates

Retiree Option Change Period

October 10 – November 10, 2008

- Retirees will make their health election at www.oe2009.ga.gov or via paper
- Web site will open at 12:01 a.m. on October 10 and close at 4:30 p.m. on November 10, 2008
- The Retiree Health Plan Decision Guide will be mailed to retirees' homes prior to October 6, 2008 and will be available at www.oe2009.ga.gov and www.dch.ga.gov/shbp_plans

SHBP Informed Enrollment

- To assist our members in making an informed election for their 2009 health benefits, in mid September SHBP members who are pre 65 will receive a letter from Thomson Reuters who manages SHBP's data
- This packet compares 2007 medical and prescription claims cost against the 2009 benefit structure
- The letter will then tell you which SHBP option would be the most cost effective for you based on your 2007 claims costs

SHBP Plan Options – January 1, 2009

As the result of SHBP's competitive procurement process this past Spring, **CIGNA and UnitedHealthcare (UHC)** were chosen to provide your medical and pharmacy benefits effective January 1, 2009.

CIGNA and UHC offer demonstrated expertise and innovation in wellness and consumerism. They both have strong statewide and national networks of participating providers and documented clinical excellence.

SHBP Plan Options – January 1, 2009

- These are the Plan Options CIGNA and UHC will offer:
 - Health Reimbursement Arrangement (HRA)
 - High Deductible Health Plan (HDHP)
 - Preferred Provider Organization (PPO)
 - Health Maintenance Organization (HMO)
 - Medicare Advantage Private-Fee-For-Service Plan (PFFS) (retirees age 65 or older and/or their spouses or those determined to be disabled by Social Security who are eligible for Medicare)

SHBP Plan Options – January 1, 2009

Types of Plan	CIGNA Options	UnitedHealthcare (UHC) Options
Health Reimbursement Account (HRA)	CIGNA Choice Fund HRA	UHC Definity HRA
High Deductible Health Plan (HDHP)	CIGNA Open Access Plus	UHC High Deductible Health Plan
Preferred Provider Organization (PPO)	CIGNA Open Access Plus	UHC PPO
Health Maintenance Organization (HMO)	CIGNA Open Access Plus In-Network	UHC Choice
Medicare Advantage Private Fee for Service Plan (PFFS) with RX coverage	CIGNA Medicare Access Plus RX	UHC Medicare Direct

My 2009 Benefit Options Defined

What is a:

- **Health Reimbursement Arrangement (HRA)** - consumer driven health plan option where SHBP puts dollar credits in your account each year and you choose how you spend your health care dollars
- **High Deductible Health Plan (HDHP)** - consumer driven health plan option that has a high deductible, co-insurance and allows you to set aside your own funds in a Health Savings Account (HSA) for future medical expenses
- **Preferred Provider Organization (PPO)** - provides coverage for in-network and out-of-network services

My 2009 Benefit Options Defined

What is a:

- **Health Maintenance Organization (HMO)** – allows you to receive services/benefits from participating providers in that HMO. No coverage out-of-network except for emergencies
- **Medicare Advantage Private Fee-for-Service Plan (PFFS)**– offered to retirees and/or spouses who are 65 or older and are enrolled in Medicare Parts A and B

SHBP Plan Option Changes –January 1, 2009

- The Indemnity, Blue Cross Blue Shield HMO, and Lumenos Options will no longer be offered as of January 1, 2009
- If you have one of these options, you must go online or complete your retiree form during the Retiree Option Change Period and make a new election
- If you do not make an election, your coverage will be moved to the UnitedHealthcare HRA to assure there is no loss of coverage

SHBP Plan Option Changes-January 1, 2009

- Kaiser members can continue their Kaiser coverage in 2009 but will need to select a new option for 2010 under either CIGNA or UnitedHealthcare. This will allow members an additional year to select new physicians
- Kaiser members do not have to take any action to continue their current coverage for 2009

SHBP Plan Option Changes-January 1, 2009

For Consumer Choice Option (CCO) Members only:

- SHBP will no longer offer the CCO option in 2009
- If you wish to keep your current plan option (without the CCO provision), you do not have to take any action. Your current option will roll over without the ability to nominate a physician
- If your current option won't be offered, you will need to make a new election. If no election is made, your coverage will roll over to the UnitedHealthcare HRA option to assure you continue to have health coverage

Transition of Care

- BlueCrossBlueShield HMO and Lumenos members who are receiving or anticipate the need to continue certain covered services and/or medical treatments beyond 2008, may request transition of care services. Transition of care may allow you to obtain certain ongoing services and/or treatments from your provider for an approved period of time
- You will need to contact customer service of your new plan option no later than December 31, 2008 to obtain specific instructions on how to submit your request for transition of care services

If my spouse and/or I are under age 65 what should we do?

If you and or your spouse have not yet reached 65, and are looking for low premiums and out-of-pocket expenses – you may want to consider an HRA or HDHP.

Why Should You Consider a HRA?

- Low premiums
- SHBP provides dollar credits to use for your medical and pharmacy expenses. SHBP dollar credits reduce your deductible and maximum out-of-pocket expenses
- Unused dollar credits roll over to the next year
- 100 percent coverage for preventive care (based on the national age and gender guidelines) and are not charged against your HRA account. If you have a diagnosis, not considered preventive care

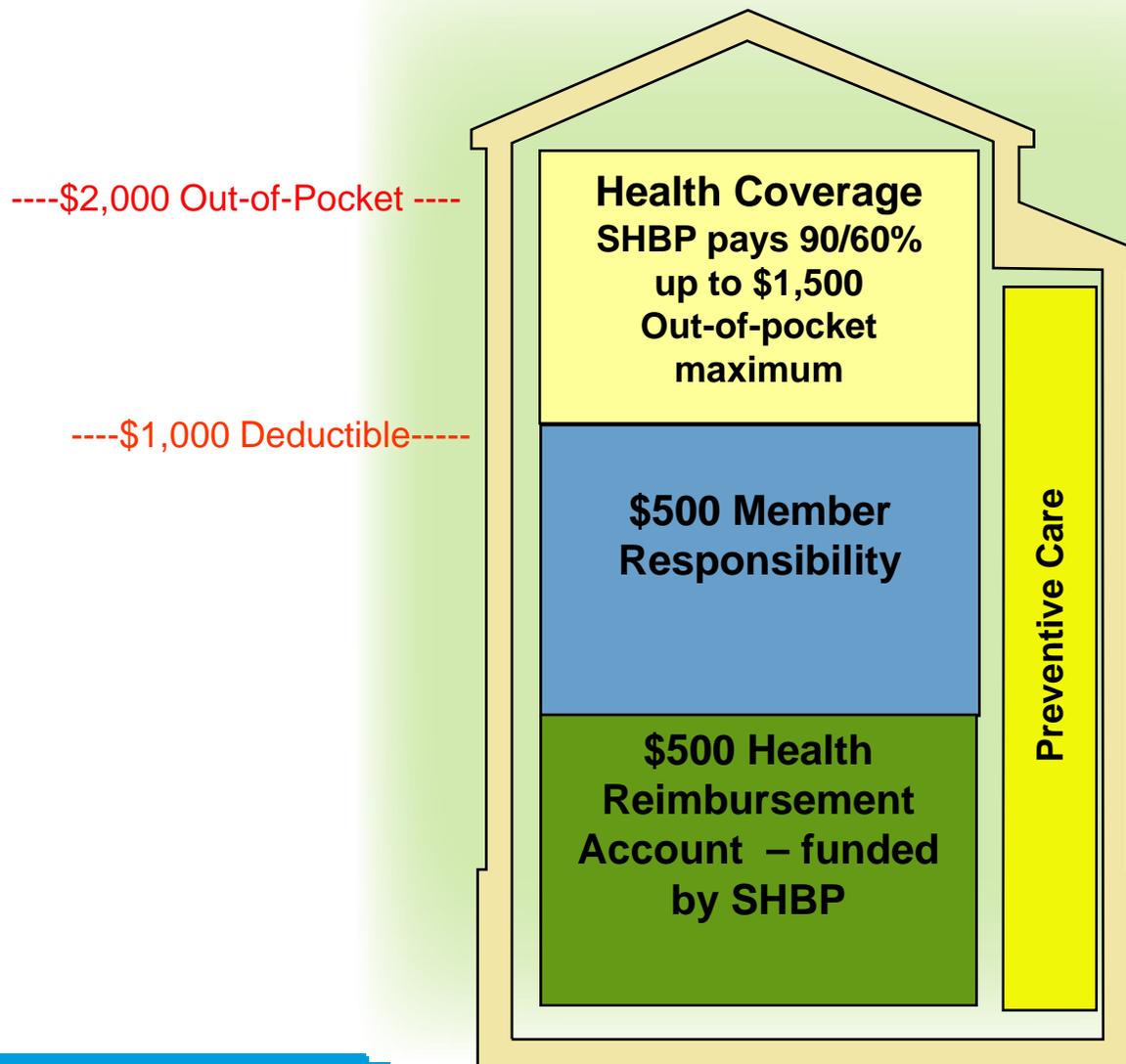
Why Should You Consider a HRA?

- Unlimited provider choice – uses a PPO network
- No Primary Care Physician designation or specialist referrals required
- No cost for certain asthma, diabetes and cardiac prescriptions for members SHBP pays primary benefits only and who are enrolled in and compliant with the disease state management program

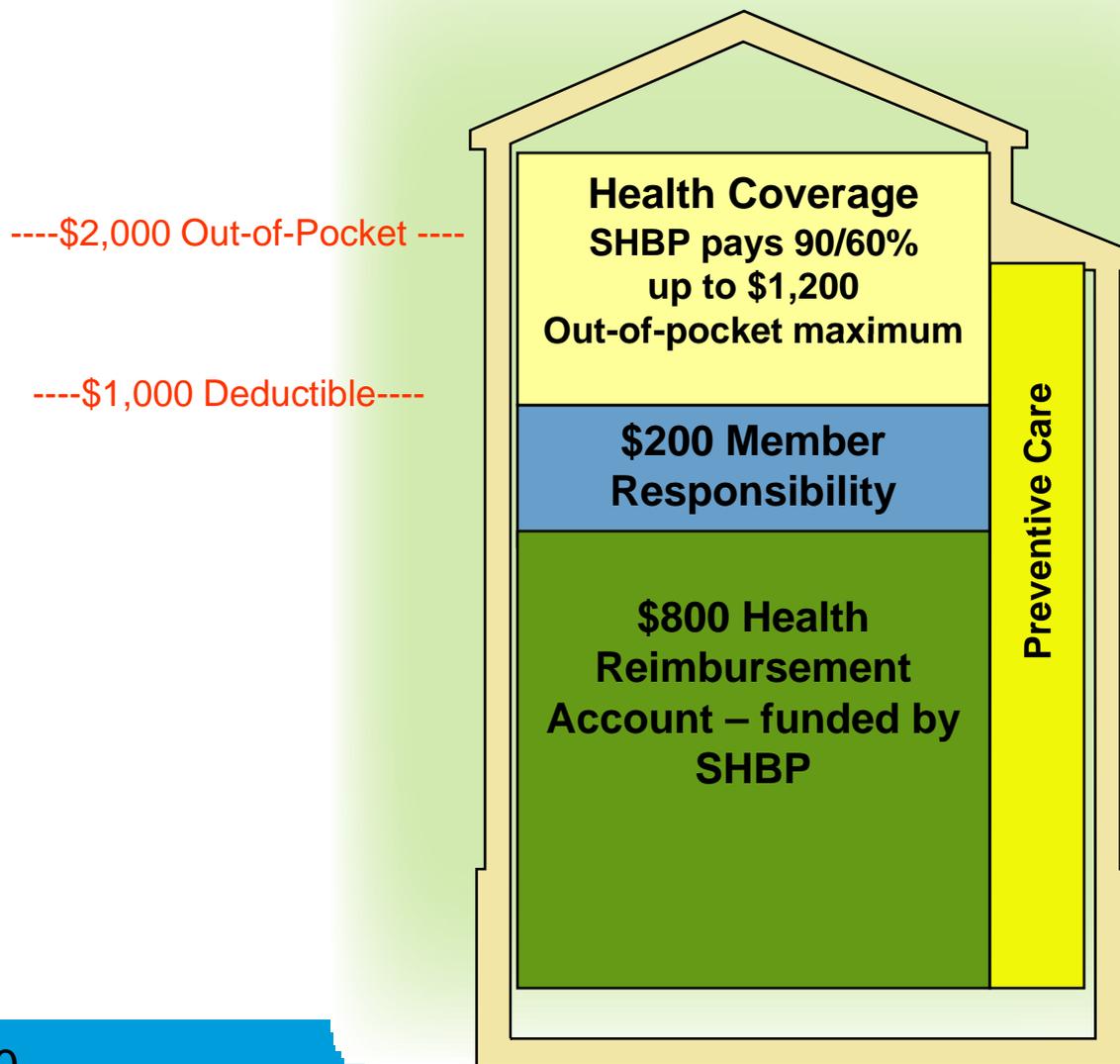
HRA Plan Design

- Health Reimbursement Arrangement (HRA)
 - \$ 500 – Retiree
 - \$1,500 – Family
- Plus \$125.00 credited by SHBP each year for annual physical and completing a health assessment. The retiree and spouse can each earn this
- SHBP credits your account each year to help pay for covered medical expenses
- Member responsibility – the deductible or co-insurance you must pay out of your pocket
- Health coverage – benefit paid under the HRA

How an HRA Works – Single Coverage



How an HRA Works – Year Two



- Member only had \$200 of non-preventive care medical expenses in year 1
- \$300 of non-used HRA dollar credits roll over to year 2
- SHBP credits another \$500 to HRA
- HRA balance at beginning of year 2 is \$800
- Member responsibility to meet deductible is now only \$200

Winners & Losers Analysis

- This analysis compares the out-of-pocket costs of two plans. Out-of-pocket costs include the member's deductible, co-payments, coinsurance and employee contribution
- The "win percentage" is the percentage of claim situations, across an entire claim distribution, where the HRA plan member's out-of-pocket cost is lower

	2008
HRA vs. HMO	75%
HRA vs. PPO	95%

- In 2008, the HRA plan will provide a better financial result for 75 percent of all members versus those in the HMO. The HRA plan will provide a better financial result for 95 percent of all members versus those in the PPO

If I and/or my spouse are age 65, what option should I select?

- At age 65, legislation requires that Medicare is the primary payer of benefits for SHBP retirees. We encourage all retirees to enroll in Medicare Part A and purchase Medicare Part B as soon as they are eligible
- SHBP provides **reduced** premiums for members with Parts A, B and D
- You have the same choices as active employees plus two additional options if you and/or your spouse have Medicare Parts A and B

If I and/or my spouse are age 65, what option should I select (continued)?

- If you and/or your spouse are age 65 and have Medicare Parts A and B, you may want to consider enrolling in one of the **NEW** Medicare Advantage (MA) Private-Fee-For-Service Plan (PFFS) Options
- **These options have enriched benefits that are structured to reduce/limit retirees out-of-pocket expenses and include your Part D prescription drug benefit**

Medicare Advantage Plan Options – Eligibility

What if I or my spouse are 65 and have Medicare Part A but aren't enrolled in Medicare Part B?

- You may enroll for Medicare Part B during the annual enrollment period of January 1 – March 31, 2009
- Part B Coverage will then become effective on July 1 of the same year

Medicare Advantage Plan Options – Eligibility

- **Isn't there a penalty if I didn't enroll for Part B when I first became eligible?**

Yes. However, the SHBP will pay the penalties on your behalf

- **Can I enroll in the MAPD MPFFS plan now if I or my spouse don't both have Medicare Part B?**

No but you can when you obtain Medicare Part B coverage

- **Do I have to have Medicare Part D to enroll?**

No, however, if you have a Part D plan you purchased on your own, this coverage will be automatically discontinued if you select a Medicare Advantage Option

How do I Enroll in a Medicare Advantage Plan Option if I have Part A and get Medicare Part B Coverage?

- You will need to send a **copy** of your Medicare Card showing you have Part B Coverage to:

State Health Benefit Plan
P. O. Box 38342
Atlanta, GA 30334

You should be sure to include your social security # when you send the information.

- Contact SHBP if you wish to change options to enroll in a Medicare Advantage Private Fee for Service option. You must make your election within 31 days of you obtaining Medicare Part B coverage

Medicare Advantage Plan Options - Eligibility

- **What if my spouse is not yet 65?**

If you enroll in the Medicare Advantage (MA) PFFS Plan, you will select family coverage and your spouse and/or dependents will be automatically enrolled in the corresponding HRA option (CIGNA or UHC)

- **What if my spouse is 65 but I'm not yet 65?**

Your spouse can enroll in the MA PFFS Plan. You will select family coverage in the MA PFFS plan but anyone in your family not eligible for the MA PFFS plan will be automatically enrolled in the corresponding, HRA options (CIGNA or UHC). The MA PFFS plan may contact your spouse for additional information.

What Happens if I drop my Medicare Coverage?

Coverage in Medicare Parts A and B must continue in order to stay enrolled in the CIGNA Medicare Access Plus Rx or UnitedHealthcare MedicareDirect options.

Medicare Advantage Plan Options- Eligibility

- You can only be in one Medicare Advantage plan at a time. If you currently have an existing Medicare Advantage Plan and enroll in one of the Medicare Advantage Plans offered by SHPB, Medicare will automatically cancel your existing Medicare Advantage Plan
- If you are enrolled in a Medicare Part D Prescription Drug Plan and choose one of the Medicare Advantage Plans with Part D coverage (MA) through SHBP, there is no need to notify your existing plan. Medicare will automatically cancel your enrollment in that MA plan once you are enrolled in the SHBP option

Medicare Advantage Private-Fee-For-Service

Medicare Advantage Plans (sometimes called Medicare Part C) are approved and funded by the U.S. Government:

- The Medicare Advantage PFFS Plan are Medicare approved plans that takes the place of your original Medicare (Part A Hospital, Part B Medical Insurance and any Part D plan you purchased on your own)
- The SHBP will contribute to the cost of this plan as we do with the other benefit plan options offered to you
- The Medicare Advantage MA PFFS Plans offered also contain your Part D Prescription Drug Coverage so you don't need to purchase a separate individual Medicare Part D plan and, if you have one, it will be dropped by CMS

Medicare Advantage MAPD PFFS Options - Benefits

- No deductibles
- \$1,000 annual out-of-pocket maximum (medical)
- Primary Care Physician co-pays - \$20 per visit
- Specialist co-pays - \$25 per visit
- Inpatient hospital -\$190 per day co-pay for days 1-4 then 100 percent coverage
- Worldwide emergency room coverage- 100 percent after \$50 co-pay
- Annual physicals -100 percent coverage after office visit co-pay

Medicare Advantage PFFS Options - Benefits

- Routine Podiatry (6 visits per calendar year)
- Annual routine eye exams- \$25 co-pay per visit
- Routine glasses, contact lenses and frames (\$125 maximum every 2 years)
- Routine hearing exams and hearing aid benefit (\$1,000 maximum every 4 years)
- Unlimited home health care visits
- Prescription drug coverage- \$10/\$25/\$50/\$50

Medicare Advantage PFFS Options - Benefits

How the MA PFFS Options Work

- Simplicity because you'll have one ID card, one customer service number and one Web site for your medical and pharmacy needs
- 100% coverage for covered medical expenses once your low, fixed out-of-pocket maximum has been met for the Plan year. This is important if you are faced with an expensive medical procedure
- No more coordination of benefits with Medicare as this is an all-inclusive plan in place of 'traditional' Medicare

Medicare Advantage PFFS Options - Benefits

How the MA PFFS Options Work (Medical)

- You are not required to use a specific network of doctors
- You can choose any Deemed Provider (a provider who is eligible to receive payment from Medicare and who agrees to the CIGNA Medicare Access Plus Rx or UnitedHealthcare Medicare Direct terms, conditions and payment rate) to receive care
- To receive service, you'll simply need to show your CIGNA or UnitedHealthcare ID card at **every** visit

How Does my Doctor Become Eligible to Participate in this Plan?

Your doctor must be eligible to receive payment from Medicare and agree to accept the terms, conditions and payment rate of the plan you are enrolled in. He/she will then be considered a Deemed Provider.

Medicare Advantage PFFS Options - Benefits

How the MA PFFS Options Work (Medical)

- If your doctor or hospital does not agree to be a Deemed Provider, any services received **will not** be covered under the Medicare Advantage MA PFFS options.
- But any time you need assistance in finding an eligible provider, help is just a phone call away. You can call CIGNA's or United Healthcare's Customer Service toll free number found on the Phone Numbers/Contact Information page of your Decision Guide

Medicare Advantage PFFS Options - Benefits

How the MA PFFS Options Work - (Prescription Drugs)

- Each plan has a drug list that outlines the drugs available under the plan (sometimes called a formulary). The formulary can be found on each plan's Web site or by calling the number shown on the inside cover of your Decision Guide
- The SHBP has elected to offer additional coverage on some drugs that are normally not covered by the PFFS plan's formulary. This gives you covered drugs **beyond the Medicare Part D drug coverage.**
- Your co-pay will be based on the type of drug you need

Medicare Advantage PFFS Options - Benefits

How the MA PFFS Options Work - (Prescription Drugs)

- Most Medicare Part D plans have a deductible and what's called a coverage gap commonly referred to as the "doughnut hole"
- **The SHBP has waived the deductible and will provide benefits through the coverage gap for you.** You will only pay your co-pay amount until you reach \$4350.00
- Once you reach the limit you will pay the greater of 5 percent coinsurance or reduced co-pays for generics and brand drugs (\$2.40 -\$6.00) for the remainder of the calendar year

Medicare Advantage PFFS Options - Benefits

How the MA PFFS Options Work - (Prescription Drugs)

- If you are taking a medication that may require a change (for instance it is not on the approved CIGNA or United Healthcare's drug list), you will receive a letter after you receive your first supply of that medication
- The letter will tell you what to do and the time period that you have to make a change. After that date, you will be required to change to an alternative medication or complete the necessary steps with your doctor to continue your current medication
- You should talk to your doctor and discuss if you should switch to a drug that is covered under your Plan option or request an exception so that the drug you take will be covered

What if I don't want to enroll in one of the Medicare Advantage PFFS Plans

- You may elect any of the other CIGNA or United Healthcare options
- Premiums at age 65 are based on the parts of Medicare Coverage you have, so you may want to consider enrolling in a Medicare Part D plan in addition to Parts A and B to reduce your SHBP premiums
- Benefits will be coordinated with Medicare; Medicare pays first, then your SHBP selected option
- Check with the option you have selected to see how they coordinate benefits with Medicare

SHBP Changes – January 1, 2009

Eligibility Changes

Surviving Spouse Coverage

- If a surviving spouse becomes eligible for coverage as an active employee, he/she must be covered under SHBP as an active employee through his/her employer and NOT as a surviving spouse
- When a surviving spouse leaves active employment, he/she must notify SHBP within 31 days to regain coverage as a surviving spouse

Benefit/Premium Enhancements – All Options

January 1, 2009

Enhanced Mental Health and Substance Abuse benefit.
Limitations no longer apply to the following:

- Inpatient Facility
- Professional Charges Inpatient
- Outpatient Visits
- Partial Day Hospitalization/Intensive Outpatient

Note: Number of days and/or visits authorized remain subject to health plan approval.

Benefit/Premium Enhancements – PPO and HMO Options January 1, 2009

- Out-of-Pocket maximums are changing
- HMO deductibles are increasing to be more in line with the other options
- HMO office co-pay is increasing to \$30
- HMO co-pay is increasing for preferred prescription drugs from \$25 to \$30 **AND**
non-preferred prescription drugs from \$50 to \$75

Benefit/Premium Enhancements – All Options

January 1, 2009

Option	HRA Credits	Deductibles*	In-Network Out-of-Pocket Maximum*	Out-of-Network Out-of-Pocket Maximum*	Actual In-Network Out of Pocket Maximum
HRA Retiree	\$ 500	\$1,000	\$ 2,000	\$2,000	\$1,500
Family	\$1,500	\$2,500	\$ 4,500	\$4,500	\$3,000
PPO Retiree		\$ 500	\$1,500 + co-pays	\$3,000 + co-pays	\$1,500 + co-pays
Family		\$1,500	\$3,000 + co-pays	\$6,000 + co-pays	\$3,000 + co-pays

*Note, your deductibles and out-of-pocket maximums will be reduced by your HRA dollar credits

Benefit/Premium Enhancements – All Options

January 1, 2009

Option	HRA Credits	Deductibles	In-Network Out-of-Pocket Maximum	Out-of-Network Out-of-Pocket Maximum	Actual In-Network Out-of-Pocket Maximum
HDHP					
Retiree		\$1,150	\$1,700	\$2,300	\$1,700
Family		\$2,300	\$2,900	\$4,600	\$2,900
HMO					
Retiree		\$ 400	\$1,500 + co-pays	(no benefits if you go out-of-network unless life-threatening)	\$1,500 + co-pays
Family		\$ 800	\$3,000 + co-pays		\$3,000 + co-pays

Member Contribution Rates

- Premium rates are expected to rise an average of 7.5 percent for SHBP members in 2009
- CDHP plans (HRA and HDHP) will receive a lower rate increase; non-CDHP plans will receive a larger rate increase

Things to Consider

- Carefully read the Decision Guide
- Confirm your option will be offered in 2009
- See if your providers are participating in the network of the option you are thinking of selecting
- Check the distance you will have to drive to see your providers
- Coverage for prescription drugs – review the Prescription Drug List, co-insurance, co-pays
- Review the data from the Thomson Reuters to determine the most cost effective plan choice for you and your family

If You Have Questions

- www.myuhc.com/groups/gdch (877) 246-4190
- www.CIGNA.com/SHBP (800) 942-6724
- Call SHBP Call Center at (800) 610-1863
- www.dch.ga.gov/shbp_plans

HAVE YOU MOVED?

- If SHBP does not have your correct address, you won't receive your Retiree Option Change Packet.
- Please send any change in address to:
 - » State Health Benefit Plan
 - » P.O. Box 38342
 - » Atlanta, GA 30334