



**Office of Group Benefits**

**ANNUAL ENROLLMENT  
2009**



**ACTIVE  
EMPLOYEES**



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 also consult other OGB and plan administrators' publications.

# Welcome....



## This presentation will cover:

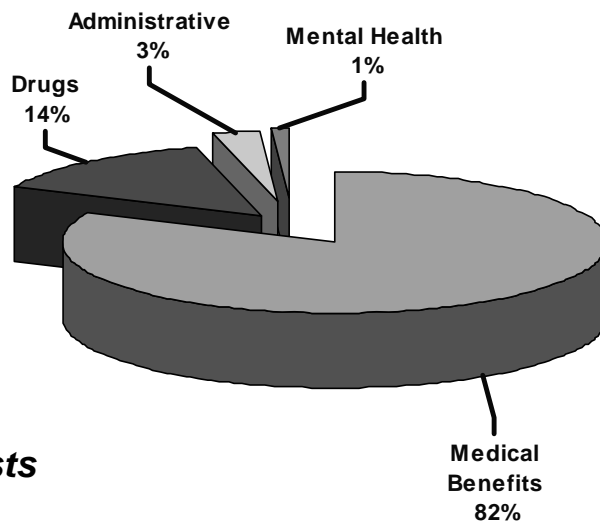
- Ways to Save & Plan Changes
- Eligibility & Pre-Existing Conditions
- Overview of Health Plans
- Flexible Benefits
- Life Insurance

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## Office of Group Benefits...

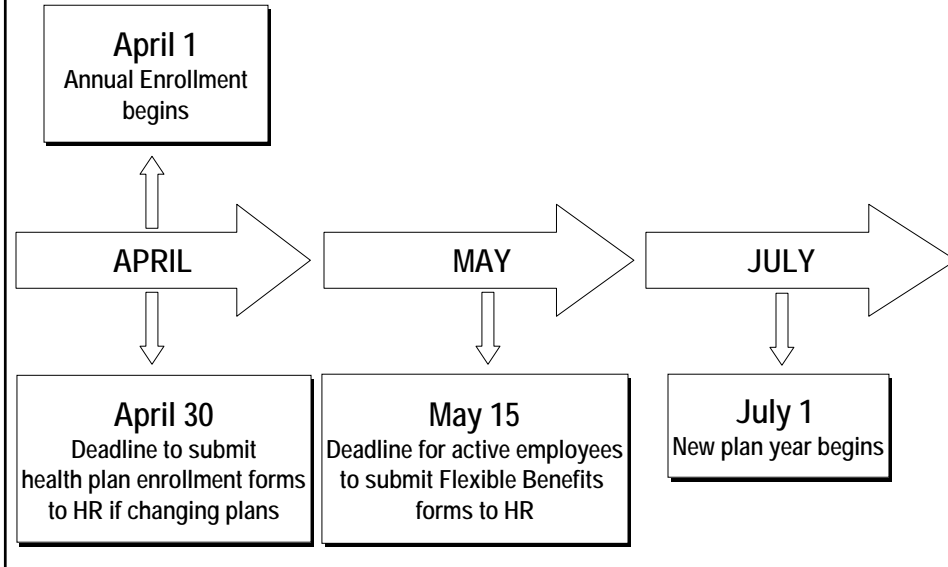


*Serving State Agencies, Universities & School Boards*



***Administrative costs are only 3% of total costs***

## Annual Enrollment 2009 – Timeline



## Ways to Save & Plan Changes

## Live Well...Make Healthy Decisions 7 Ways to Save



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### Choose best plan for you & your family

- *Out-of-state coverage differs by plan*
- *Out-of-state dependent, job transfer, travel*
- *Are your providers in the plan?*
- *All plans accessible via OGB website at [www.groupbenefits.org](http://www.groupbenefits.org)*

### Stay in plan network

- *Avoid balance billing*

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### Utilize pre-procedure checklist

- *Essential before-surgery tool*

### Request generic drugs

- *Same chemical formulas & big savings*
- *Check preferred drug list at [www.CatalystRx.com](http://www.CatalystRx.com)*

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## Live Well...Make Healthy Decisions 7 Ways to Save



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### Get wellness exams

- *Prevention*
- *Early diagnosis*

### Participate in Flexible Benefits Plan

- *Pre-tax deductions save money*
- *More take-home pay*

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### Sign up for Diabetic Sense Program

- *Get free test supplies*
- *1.888.341.8582*
- *Free glucometer*
- *Administered by CatalystRx*

## Live Well...Make Healthy Decisions



### 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

## Make Healthy Decisions...Utilize Generic Drugs



Brand Drug	Average Cost per Prescription*	Generic Alternative	Average Cost per Prescription*
Xanax	\$34.77	Alprazolam	\$7.39
Ambien	\$42.99	Zolpidem	\$3.33
Zithromax	\$23.59	Azithromycin	\$9.33
Protonix	\$43.72	Pantoprazole	\$33.26
Neurontin	\$64.49	Gabapentin	\$13.95
Zocor	\$47.00	Simvastatin	\$5.18
Mevacor	\$49.76	Lovastatin	\$10.04
Pravachol	\$48.53	Pravastatin	\$6.60
Norvasc	\$34.50	Amlodipine	\$7.71
Zoloft	\$45.14	Sertraline	\$3.74
Fosamax	\$40.00	Alendronate	\$15.57
Flonase	\$33.75	Fluticasone	\$20.98
Allegra	\$29.43	Fexofenadine	\$17.46
Paxil	\$49.44	Paroxetine	\$7.94
Prozac	\$47.79	Fluoxetine	\$5.28

\*Average costs as of 2/09/2009, subject to change

Source: CatalystRx

## Live Well...Make Healthy Decisions



### Utilize Generic Drugs... Save on Out-of-Pocket Expenses

	Prozac	Generic
30-day fill	\$47.79	\$5.28
90-day fill	\$143.37	\$15.84

## Live Well...Make Healthy Decisions



### Premium Cost 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

## Live Well...Make Healthy Decisions



### Changes for 2009-10

- ✓ No plan changes
- ✓ Only a minimal 3% premium increase
- ✓ United Behavioral Health is now OptumHealth

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## Live Well...Make Healthy Decisions



### OGB Cost Containment Measures

**In the face of state budget cuts and rising health care costs, OGB continues to work diligently to keep premiums as low as possible:**

- Reducing & combining Annual Enrollment meetings
- Printing one Annual Enrollment newsletter for both active & retired employees
- No printed provider directories for 2009-10... instead, OGB website offers links to current provider listings for each plan—accessible any time

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## Live Well...Make Healthy Decisions



### [www.groupbenefits.org](http://www.groupbenefits.org)

- ❖ Step-by-step instructions to access current provider listings for each health plan (PPO, EPO, HMO) via OGB website
- ❖ Searchable by...
  - ✓ Provider or facility name
  - ✓ Specialty
  - ✓ Region
  - ✓ City
  - ✓ State

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## Make Healthy Decisions



### *Living Well Louisiana* Health Management Program

Administered by Health Dialog

- Free health management program for plan members who have been diagnosed with these 5 ongoing health conditions:
  - Diabetes
  - Heart disease
  - Heart failure
  - Asthma
  - Chronic obstructive pulmonary disease (COPD)

## Make Healthy Decisions



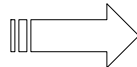
### *Living Well Louisiana* Health Management Program

- **Once enrolled, you have access to...**
  - Health coaches – 24 hours a day, 7 days a week
  - Online health information & resources
- **OGB will offer reduced co-payments to eligible *LWL* participants for prescription drugs used to treat these 5 chronic conditions**
  - Details will be mailed to eligible *LWL* participants

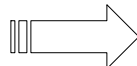
## Medicare & OGB Coverage...All Plans



**If you are retired and you reached age 65 on or after July 1, 2005, AND are eligible for free Medicare Part A, then...**



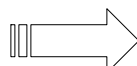
**You MUST enroll in Medicare Part B to receive OGB health benefits**



**Applies to active employees over age 65 when they retire**



**Applies to spouse also**



**You must submit Social Security verification to OGB:**

- Eligible – submit copy of Medicare card
- Not eligible – submit letter from Social Security



## Eligibility & Pre-Existing Conditions

### Eligibility...Same for All Health Plans



#### Full-Time Employees & Eligible Dependents

- ✓ **Legal spouse**
  - Louisiana does not recognize common-law marriages or same-sex marriages regardless of laws in other states
- ✓ **Never-married child under age 21 whom you support**
- ✓ **Never-married child up to age 24 who is full-time student**
  - Must provide proof 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*

## Live Well...Make Healthy Decisions



### Dependent Verification Required

- ✓ Plan member must provide proof of legal relationship of covered dependent within 30 days of date of application for coverage
- ✓ Proof: Official documents
  - Marriage certificate
  - Birth certificate
  - Other court records or legal documents

## **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**
  
- ✓ **Notify OGB prior to dependent's 21st birthday**

## **Eligibility...Retirees**



- ✓ **Coverage in effect prior to retirement date**
  
- ✓ **Participation schedule applies to...**
  - **Employees who joined program on or after 1-1-02**
  - **Dependents who joined program on or after 7-1-02**

## Eligibility...Retiree Participation Schedule



<b>Years of OGB Participation</b>	<b>State-Subsidized Premium %</b>
10 years or less	<b>19%</b>
More than 10 years; less than 15 years	<b>38%</b>
15 years or more; less than 20 years	<b>56%</b>
20 years or more	<b>75%</b>

*Schedule not affected when members change OGB plans*

## 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**



## Overview of Health Plans

### Health Plans for 2009-2010



Health Plan	Administrator
PPO	Office of Group Benefits
EPO	UnitedHealthcare
HMO	Humana

## Key Points



**Can change plans during Annual Enrollment**

**Balance costs, benefits & restrictions in choosing plan**

**Active employees & retirees who keep same plans  
do not have to fill out form**

**Active employees who want to change plans  
should notify their HR Department**

## Key Points



**Retirees who want to change plans should...**

✓ **Fill out GB-01 form...or**

✓ **Write a letter & include**

- **Your plan choice**
- **Your name**
- **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 bring to any OGB Customer Service office**

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



	PPO	EPO	HMO
Coverage In-Network	All Regions	All Regions & Nationwide Network	All Regions
Administrator	OGB	UnitedHealthcare	Humana
Lifetime Maximum per Person	\$5 million for ALL eligible health care expenses		
Deductible	\$500 active \$300 retiree 3 person maximum	\$300 active & retired 3 person maximum	None
Out-of-Pocket Maximum	\$1,000 per person**	No maximum	\$1,000 per person \$3,000 per family
Hospital In-Network	10% of contracted rate* Pre-cert required	\$100 per day \$300 max per admit Pre-cert required	\$100 per day \$300 max per admit Pre-cert required
Doctor Visits	10% of contracted rate* No referral required	Co-pay \$15 PCP \$25 specialist No referral required	Co-pay \$15 PCP \$25 specialist No referrals required PCP required
*Subject to plan year deductible and/or applicable co-insurance **Active employees & retirees without Medicare			

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



Services	PPO	EPO	HMO
Maternity MD Visits	10% of contracted rate*	\$90 co-pay / one time only	\$90 co-pay / one time only
MRI or CAT Scans	10% of contracted rate*	\$50 co-pay	\$50 co-pay
Sonograms	10% of contracted rate*	\$25 co-pay	\$25 co-pay
Chemical or Radiation Therapy	10% of contracted rate*	No co-pay*	\$15 co-pay
Routine Mammograms	10% of contracted rate	No co-pay	100% covered
Routine PSAs	10% of contracted rate	No co-pay	100% covered
Cardiac Rehabilitation	10% of contracted rate* Complete within 6 months	\$15 co-pay Complete within 6 months	\$15 co-pay 48 visits/plan year
Emergency Care	\$150 deductible	\$100 co-pay	\$100 co-pay
*Subject to plan year deductible and/or co-insurance			

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



<b>Out-of-Network</b>			
	<b>PPO</b>	<b>EPO</b>	<b>HMO</b>
<b>Louisiana residents</b>	30% of fee schedule*	30% of reasonable & customary* Separate \$300 deductible	30% of reasonable & customary* \$1,000 deductible
<b>Out of Louisiana Residents</b>	10% of fee schedule*	Same as Louisiana resident*	Same as Louisiana resident* Wellness not covered
*Plan member will owe deductible, co-pay, co-insurance & balance of billed charges			

**Plan Overview...Prescription Drug Benefit**  
*Administered by CatalystRx (All Plans)*



<b>Prescription Drug Benefit In-Network</b>	
<b>Payments</b>	Member pays 50% Maximum \$50 per 30-day fill After \$1,200 per person per plan year, co-pay \$15 brand drug, \$0 generic
<b>Formulary</b>	None
<b>Mail Order Program</b>	Same as above 1-866-358-9530

## Plan Overview...Coverage for Mental Health & Substance Abuse Treatment (All Plans)

Administered by OptumHealth Behavioral Solutions



### Member Out-of-Pocket Expenses

Inpatient	Outpatient
Maximum 45 days per person per year Pre-certification required	Maximum 52 visits per year Pre-certification required
20% of contracted rate in-network 30% of contracted rate out-of-network* \$50 per day - maximum 5 days	20% of contracted rate in-network 30% of contracted rate out-of-network*
\$200 mental health/substance abuse deductible applies	
\$1,000 + deductibles = out-of-pocket maximum	
*Member will owe deductible, co-pay, co-insurance & balance of billed charges	

### Sources of Information



OGB Website – [www.groupbenefits.org](http://www.groupbenefits.org)

Plan Comparison & Premium Rates

Annual Enrollment Materials

Agency Human Resources Office

OGB Customer Service Offices

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## Sources of Information...*Clip & Save*



- ✓ OGB Website Links to All Plans [www.groupbenefits.org](http://www.groupbenefits.org)
- ✓ OGB – 1.800.272.8451
- ✓ CatalystRx – 1.866.358.9530
- ✓ Diabetic Sense Program – 1.888.341.8582
- ✓ Humana – 1.888.393.6765
- ✓ OptumHealth Behavioral Solutions – 1.866.492.7143
- ✓ UnitedHealthcare – 1.866.336.9374
- ✓ *Living Well Louisiana* Program – 1.800.383.0115



**Flexible Benefits**

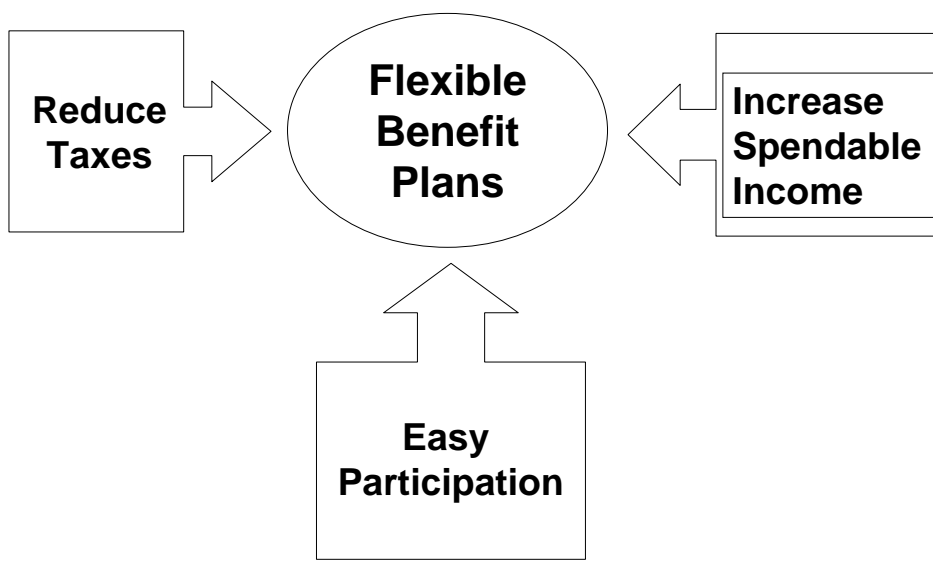
## Participating Agencies



*Find out if your agency is participating...*

- ✓ OGB website:  
[www.groupbenefits.org](http://www.groupbenefits.org)
- ✓ Agency HR department
- ✓ *Helpful Information Book*

## Why Are Flexible Benefits Plans Important?



## What Are Flexible Benefits?



### Flexible Benefits - 3 Options

Premium Conversion Option (No fee)	Use pre-tax dollars to pay eligible health care premiums via payroll deduction
	<b>AUTOMATICALLY CONTINUE</b> participation from year to year unless you choose to drop out during Annual Enrollment
Dependent Care FSA (\$3.50 per month)	Set aside pre-tax dollars from paycheck for dependent care expenses
	<b>MUST RE-ENROLL</b> in program each year during Annual Enrollment to continue participation
Health Care FSA (\$3.50 per month)	Set aside \$600 - \$5,000 for out-of-pocket medical expenses <u>before</u> federal & state taxes are computed
	<b>MUST RE-ENROLL</b> in program each year during Annual Enrollment to continue participation

## Flexible Benefits...Premium Conversion



### Premium Conversion Option

Category	With Flexible Benefits	Without Flexible Benefits
Monthly Taxable Salary	\$3,000.00	\$3,000.00
Pre-Tax Health Plan Premium (E & S)*	-420.00	-0.00
Taxable Income	2,580.00	3,000.00
Federal Taxes (25%)	-645.00	-750.00
After-Tax Premium	-0.00	-420.00
Monthly Spendable Income	\$1,935.00	\$1,830.00

\*E & S is health plan premium for employee plus spouse

## Dependent Care FSA



Parental/Tax Status	Maximum Amounts	Allowed Dependent
Single Parent Married Filing Separately	\$2,500	Child age 12 or younger or older dependent incapable of self-care
Single Head of Household	\$5,000	Child age 12 or younger or older dependent incapable of self-care
Married Person Filing Jointly	\$5,000	Child age 12 or younger or older dependent incapable of self-care and care of spouse who is incapable of self-care

*Note: DCFSA is good for employees who make \$25,000 or above*

## Dependent Care FSA



### Important Information to Remember

- ✓ Recurring Expense Service form
- ✓ Limited Reimbursement – account deposit
- ✓ Re-enrollment required every year

## Flexible Benefits...Did You Know...?



- ✓ You do not have to be enrolled in Premium Conversion to participate in a Flexible Spending Account
  
- ✓ You do not have to be enrolled in an OGB Health Plan to participate in an OGB Flexible Spending Account
  
- ✓ You can use FSAs for all dependents – even if not covered by your health plan

## Flexible Benefits...Health Care FSA



**Faye Deaux is an employee participating in a Health Care FSA**

- Earns \$2,000 per month (20% tax bracket)
  
- Single mother with children in Medicaid
  
- Uses Health Care FSA to buy over-the-counter medicines & prescription drugs for family

## Flexible Benefits...Health Care FSA

(Example: Faye Deaux)



Category	With Flexible Benefits	Without Flexible Benefits
Monthly Taxable Salary	\$2,000.00	\$2,000.00
Monthly Deduction Health Care FSA	-150.00	-0.00
Monthly HCFSAs Administrative Fee	-3.50	-0.00
Monthly Taxable Income	\$1,846.50	\$2,000.00
<b>Taxes (20%)</b>	<b>369.30</b>	<b>400.00</b>
After-Tax Expenses for Health Care	-0.00	-150.00
<b>SPENDABLE INCOME</b>	<b>\$1,477.20</b>	<b>\$1,450.00</b>
<b>\$27.20 Monthly Savings x 12 = \$326.40 Yearly Savings</b>		

## Flexible Benefits...Health Care FSA

### *Eligibility & Enrollment Rules*



- ✓ **Must be full-time active employee (as defined by employer) in a participating payroll system**
- ✓ **Must be continuously employed as an active, full-time employee in a participating payroll system at least 12 consecutive months July 1, 2008 through June 30, 2009**
- ✓ **Can only enroll during Annual Enrollment**
- ✓ **Must re-enroll each year to continue participation**

## Flexible Benefits...FSA Card



**Easy to participate by using FSA card...**

- ✓ **For Health Care and/or Dependent Care FSA eligible expenses**
- ✓ **At providers who accept MasterCard**

***Full amount of Health Care FSA funds available immediately (interest free loan)***

***Dependent Care FSA funds available on day of deposit***

## Flexible Benefits...FSA Card



- ✓ **Fax receipts within 2 weeks upon request**
- ✓ **No receipts needed for:**
  - Hospitals
  - Physician Providers
  - Dental Providers
  - Vision Providers
- ✓ **No receipts needed for prescriptions & FSA-eligible over-the-counter items at:**
  - Albertsons
  - CVS Pharmacy
  - Kroger
  - Sam's Club
  - Sav-A-Center
  - SuperFresh
  - Target
  - Walgreens
  - Walmart
  - Winn-Dixie
  - **drugstore.com**
  - IPS

## Flexible Benefits...HCFSA



### ***New Benefit....***

#### **Qualified Reservist Distribution (QRD)**

- Available to employee who is member of military reserve unit called to active duty for 180 days or more
  
- Distribution of all or part of balance of employee's Health Care Flexible Spending Account (HCFSA)

## Flexible Benefits...HCFSA



- ✓ Qualified reservist can request distribution any time during period that begins with date of order or call to active duty for 180 days or more and ends on last day of grace period for plan year
  
- ✓ Amount of distribution is limited to amount contributed to HCFSA as of date of the QRD request, *minus* any reimbursements as of date of QRD request
  
- ✓ QRD request forms can be downloaded from DataPath's website at [www.myrsc.com](http://www.myrsc.com)

## Flexible Benefits – Key Points



- ✓ No fee for Premium Conversion option
- ✓ Monthly administrative fee for Dependent Care FSA is \$3.50
- ✓ Monthly administrative fee for Health Care FSA is \$3.50 – covers employee, spouse and dependents
- ✓ Locked in for 12 months, except for a qualifying event as defined by IRS
- ✓ *“Use or lose” rule*

## Flexible Benefits... Grace Period & Run-Out Period



### Grace Period

*July 1, 2010 – September 15, 2010*

- ✓ Can incur eligible expenses during this period to be paid with money remaining in your prior year account

### Run-Out Period

*September 16, 2010 – October 30, 2010*

- ✓ Must receive claims for payment by October 30, 2010

## Flexible Benefits...Annual Enrollment



### **General Flexible Benefits Annual Enrollment Period**

**April 1, 2009 to May 15, 2009**

**May vary by agency...  
check with your HR Department!**

## Flexible Benefits...FSAs



**Administered by Data Path Administrative Services**

**Toll Free: 1.877.685.0655**

**E-mail: info@idpas.com**

**Fax: 1.888.472.6777**

**Website: www.myrsc.com**



## Life Insurance

## Life Insurance



### **Prudential Insurance Company of America**

- ❖ **Group term life insurance plan**
- ❖ **State pays half of premium for employees & retirees**
- ❖ **Employee pays premium for dependents' life insurance**
- ❖ **Reduction of 25% 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 <i>Helpful Information Book</i>	
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 \$50K (amount based on employee's annual salary)	Same	Same
Spouse	\$2,000	\$4,000
Each Child	\$1,000	\$2,000
Employee Premiums	Schedule in <i>Helpful Information Book</i>	
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

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