

In Pursuit Of Excellence



Central Region
School Insurance Group

*Protecting Students
Advocates for Staff
Safety & Health for All*

2011 Medical Plan Open Enrollment

Employee Information

- √ CRSIG Renewal Fact Sheet (pages 1-2)
- √ Questions & Answers – Plan Specific and General (pages 3-6)
- √ Medical Plan Comparisons and Rates (pages 7-8)
- √ Plan Decision Tool:
 - This Bank Is Broken! How Can I Save My Paycheck? (pages 9-13)
- √ Plan Calculator Tool:
 - What is the best plan for me? (pages 14-19)

October 2010

2011 RENEWAL FACT SHEET

1) *Why did the rates increase so much for the PacifiCare HMO?*

The new rates are primarily based on the utilization that has occurred during the most recent underwriting cycle (12 month period). The premium paid is compared with the dollars paid out in benefits (loss ratio). A loss ratio over 100% means that there were more dollars paid out in benefits than there were premiums paid in. The typical target for an insurance carrier is 80-85%. The JPA's loss ratio for this renewal was 102%.

2) *Did the JPA look at offering coverage through other insurance carriers?*

Yes, the Ad Hoc Committee determined to take the entire JPA out to the market place for the 2011 renewal in early 2010. Declinations based on the carrier's inability to compete with the CRSIG rates was received from Aetna, Anthem Blue Cross, Blue Shield, CIGNA and HealthNet.

3) *Were other options explored?*

Yes, an actuarial evaluation was obtained to evaluate the potential for returning to a self-insured program. In addition, quotations were requested from four stoploss carriers and quotations for plan administration were requested from six agencies. While this option was not promising for 2011, additional work will be completed in order to evaluate it as a 2012 option. Further, the Ad Hoc Committee evaluated options such as eliminating the PacifiCare HMO altogether and offering only Kaiser plans for the 2011 year. Both options were rejected due to the need for Sutter providers for many covered members and the impact on costs to other plans.

4) *What about joining other large pools such as CalPERS, California's Valued Trust (CVT) or Self-Insured Schools of California (SISC)?*

Both CVT and SISC require 100% participation of all full-time employees even if employees have coverage elsewhere. Currently, the JPA does not require 100% participation of all full-time employees as those that can prove they are covered by another group health plan can opt out. A change to these agencies means no employee would have the ability to opt out.

CalPERS HMO does not contract with most of the Sutter facilities; therefore, access to Sutter Gould would not be allowed. Currently, the JPA's PacifiCare and United Healthcare plans offer access to the Sutter facilities. CalPERS also does not offer a HDHP/HSA plan.

5) *Were different benefit designs considered for renewal?*

Yes. The United Healthcare HDHP/HSA plan is changing to lower the maximum deductible and out-of-pocket maximums for individuals covered within families.

6) *What is the CRSIG Ad Hoc Health Committee?*

It is a group made up of representatives from all districts who participate in the medical program. Each year, CRSIG collects the names of the bargaining unit representatives for each district. These individuals along with the administrators and support staff at the district are invited to participate. Each also receives agendas and minutes for each meeting that is held throughout the year. The Committee begins by setting annual goals that address employee concerns brought forward and develops a strategy for each annual renewal. Strategies may include looking at other models, carriers, benefit modifications and regular monitoring of the usage and cost for benefits provided to covered employees and their dependents. Any interested employees are welcome to participate.

7) How do the JPA rates compare with CalPERS and CVT?

RENEWAL COMPARISON WITH CVT AND CALPERS

August 12, 2010

KAISER	CRSIG Renewal	CVT (Empire)		CalPERS
	Active & Early Retiree	Active	Early Retiree	Active & Early Retiree
	Traditional	Plan 2		Traditional
Single	\$481.79	\$650.00	\$845.00	\$574.32
Two-Party	\$1,016.57	\$1,118.00	\$1,454.00	\$1,148.64
Family	\$1,455.01	\$1,411.00	\$1,834.00	\$1,493.23
<i>Benefits</i>	<i>\$25 OV, \$100 ER, \$15/\$35 Rx</i>	<i>\$10 OV, \$35 ER, \$5/\$10 Rx</i>		<i>\$15 OV, \$50 ER, \$5/\$15 Rx</i>
	HDHP			
Single	\$403.48			No Second Plan Available
Two-Party	\$851.34			
Family	\$1,218.50			
<i>Benefits</i>	<i>\$2500/\$5000 Ded</i>			
<i>Rate Ratios</i>	<i>1 : 2.1 : 3</i>	<i>1 : 1.72 : 2.17</i>		<i>1 : 2 : 2.6</i>

HMO	CRSIG Renewal	CVT (Empire)		CalPERS (No Sutter Network)
	Active & Early Retiree	Active	Early Retiree	Active & Early Retiree
	PacifiCare			Blue Shield
Single	\$761.87	No Longer Offered		\$685.67
Two-Party	\$1,607.65			\$1,371.34
Family	\$2,301.00			\$1,782.74
<i>Benefits</i>	<i>\$20 OV, \$100 ER, \$15/\$35 Rx</i>			<i>\$15 OV, \$50 ER, \$5/\$15/\$45 Rx</i>

HDHP	CRSIG Renewal	CVT (Empire) Blue Cross Network		CalPERS
	Active & Early Retiree	Active	Early Retiree	Active & Early Retiree
	UHC HDHP	Plan 10, Rx-C		
Single	\$492.00	\$448.00	\$603.00	Not Offered
Two-Party	\$1,038.12	\$770.00	\$1,038.00	
Family	\$1,485.85	\$971.00	\$1,313.00	
<i>Benefits</i>	<i>\$2500/\$5000 Ded, 20%</i>	<i>\$2000/\$6000 Ded, 20%</i>		

CVT rates effective 10/1/10 and requires 100% participation of full-time employees

CalPERS rates effective 1/1/11

2011 Plan Specific Questions & Answers

PACIFICARE – HMO

- Q. Do I need to complete a new enrollment form?
- A. Only if you are electing this coverage for the first time or if you want to add or terminate dependents.

UNITED HEALTHCARE – HDHP/HSA

- Q. Do I need to complete a new enrollment form?
- A. Only if you are electing this coverage for the first time or if you want to add or terminate dependents. Your current enrollment information will be transferred to the new HDHP/HSA plans unless you complete a new enrollment form electing another plan.
- Q. Will my deductible and out-of-pocket maximum be changing?
- A. Yes, Effective January 1, 2011, the calendar year deductible for an individual will be the same at \$2,500 and the family maximum deductible will be the same at \$5,000. However, in the family setting, once \$5,000 in deductibles has been satisfied by combining all family members, the deductible will be satisfied for all family members. Once the individual or family deductible has been satisfied, the plan will pay at 80% for the individual or family.

In the case of the out-of-pocket maximum: 1) Once the co-insurance for an individual reaches \$3,500 including the deductible, the plan will pay 100% for the rest of the calendar year. (For 2010 it was \$3,500) In the case of family coverage, once the co-insurance for family members combined reaches \$7,000, the plan will pay 100% for the rest of the calendar year for all family members (For 2010 it was \$10,000). Please refer to the benefit summary included with this packet.

- Q. Are there any other benefit changes?
- A. No. The rest of the benefits will remain the same.
- Q. Will these changes affect my HSA account?
- A. No. The changes keep the plan benefits in compliance with IRS rules.

KAISER – HMO

- Q. Do I need to complete a new enrollment form?
- A. Only if you are electing this coverage for the first time or if you want to add or terminate dependents.
- Q. Can I keep my current doctor if I enroll with Kaiser?
- A. No. You must select a personal physician from one of Kaiser's primary care departments.

- Q. I previously had Kaiser and used providers and facilities who were not Kaiser Plan physicians or Plan facilities, can I use these providers and facilities again?
- A. No. With the opening of the new Kaiser hospital, your provider access will be limited to Kaiser Plan physicians, labs, pharmacies, and hospitals.
- Q. If I enroll with Kaiser, can I use any provider or any hospital?
- A. Only if it is an emergency. An emergency medical condition is (1) a medical or psychiatric condition that manifests itself by acute symptoms of sufficient severity (including severe pain) such that you could reasonably expect the absence of immediate medical attention to result in serious jeopardy to your health or serious impairment or dysfunction of your bodily functions or organs; or (2) when you are in active labor and there isn't enough time for safe transfer to a Plan hospital before delivery, or if transfer poses a threat to you or your unborn child's health and safety.
- Q. I'm currently enrolled in the PacifiCare HMO plan and want to change to Kaiser, but I am taking prescriptions and have scheduled treatments with my PacifiCare provider. What do I need to do?
- A. The new Kaiser plan won't take effect until January 1, 2011. If your scheduled treatments are planned before January 1, 2011 you can continue to use your PacifiCare providers. If they are scheduled after January 1, 2011, you will want to attend one of the open enrollment meetings and speak directly with a Kaiser representative who can walk you through the various transition of care issues you may face by switching to Kaiser.
- Q. I'm currently covered under the United Healthcare HDHP/HSA plan. Can I continue to contribute money to my HSA account if I elect Kaiser?
- A. Yes. If you enroll in Kaiser's high deductible health plan (HDHP). If you enroll in the Kaiser Traditional HMO plan you will not be able to contribute to the HSA as this plan is not considered a high deductible health plan (HDHP) and consequently is not HSA compatible.
- Q. Can I use my HSA money for services provided by Kaiser?
- A. Yes. You can use your HSA money for any legitimate medical expenses obtained from Kaiser.
- KAISER – HDHP/HSA
- Q. Do I need to complete an enrollment form?
- A. Yes. You will need to complete an enrollment form if you would like to be on this plan. You can obtain enrollment information from any one of the open enrollment meetings or from your District Office.
- Q. I'm currently covered under the United Healthcare HDHP/HSA plan. Can I continue to contribute money to my HSA account if I elect the Kaiser HDHP/HSA?
- A. Yes. You can still contribute money to the HSA account since you will still be enrolled in a HDHP.
- Q. Can I use my HSA money for services provided by Kaiser?
- A. Yes. You can use your HSA money for any legitimate medical expenses obtained from Kaiser.

Medical Program – General Questions & Answers

1. What is the basic differences between the HMOs (and Kaiser HDHP/HSA) and the United Healthcare PPO High Deductible Health Pan?

	HMOs & Kaiser HDHP/HSA	United Healthcare HDHP/HSA
	Health Maintenance Organization	Preferred Provider Organization
All medical care is managed by:	The <u>PCP</u> (Primary Care Physician) When a person enrolls, he/she selects a PCP for each person covered	The <u>covered member</u> . The member goes to the provider list and makes appointments with providers on the list
Specialists:	The <u>PCP refers</u> the patient to specialists and for hospital care after setting it up with the HMO	The <u>covered member goes to the provider list</u> , selects a specialist and makes an appt. (Hopefully at the advice of the regular MD)
Patient Out Of Pocket Payments:	Uses a <u>Copayment</u> by the patient: (eg. Kaiser & PacifiCare \$250 for inpatient hospitalization and \$20-\$40 for each visit for outpatient services) Note: The Kaiser HDHP uses an annual deductible followed by no co-pays.	Uses a <u>Deductible</u> and <u>Coinsurance</u> : The 1 st dollars are paid as a deductible by the patient (eg. \$2,500) then the plan pays a % (eg. 80%) and the patient pays Coinsurance (eg. 20%)
Penalties:	If the patient does not use the PCP for referrals or uses non-HMO providers there is <u>NO</u> coverage. Exception: Emergency care is covered – (Sudden onset of serious injury or illness) Patient should always check in with PCP's office.	If the patient does not use a PPO provider, there is some coverage but the patient is penalized and pays <u>more</u> out of pocket

2. If our family has more than one insurance policy which one pays first?

Spouses: The policy that is provided by the employer is 1st for the employee and 2nd for the employee's spouse if he/she has other coverage (no exceptions).

Children: The parent whose birthday is first in the calendar year (eg. March) covers children 1st and the parent whose birthday is 2nd in the calendar year (eg. June) covers the children 2nd.

3. We are expecting a new baby or adopted/step child this year. How are new children enrolled?

The new child must be enrolled within 30 days of birth or their qualification as your dependent. This must be done by completing and submitting the proper form to your school district. (Note: Even though it appears that a new born is covered because the hospital bill has been paid, it does NOT mean the child has been enrolled, the insurance company will pay this bill from the mother's coverage)

4. I may marry this year, how do I enroll a new spouse?

New spouses must be enrolled on your plan within 30 days of the marriage. This must be done by completing and submitting the proper form to your school district.

5. What is an Annual Out-Of-Pocket Limit?

An annual out-of-pocket limit is the point where the covered individual or family has paid the most money out of their pocket that will be required. Once this limit has been reached, the policy pays 100% of the medical care (not prescriptions) for the rest of the calendar year. When the next January comes around, the covered member/family limit starts all over again.

6. Why is it important to use Mail-Order for prescription drugs?

Using mail order drugs saves your plan around 50% of the cost of your prescription drugs. This in turn, controls your monthly insurance premium costs. Your out of pocket expense is also less because you get a larger supply for a lower overall co-pay (eg. \$15 for each local retail 30 day supply times 3 prescriptions, or \$30 for a 90-100 day mail-order supply) .

Note: The mail-order program should be used for routine medications you take, not for one-time prescriptions such as antibiotics and pain medication. If your doctor has ordered a new medication for you, it is wise to fill the prescription locally the first 1-2 months so that you can make sure the medication works for you. If you find success after trying the new medication, then the mail order program should be used. Note: Be sure to give yourself time for mailing.

7. How do you use the Mail Order Program?

You submit the written prescription from the doctor along with the mail order form, (You can get one from your district office) and your co-pay by mail to the company. In around 2 weeks, the prescription will be delivered by mail to your address. When you need to refill the prescription, you can 1) Re-order over the phone, or 2) Re-order by internet, or 3) Mail in the form that was sent with your first prescription along with another co-pay. The refilled prescription is then delivered to your address again.

8. Do generic drugs really save money?

Yes. When drugs are first introduced into the marketplace, they are given approval by the FDA to market as brand name for a set number of years. When this approval expires, other companies are allowed to produce a generic version of the medication which in almost all cases, costs much less than the brand name version. A generic version includes all of the same medication components that create the treatment the drug offers, but there may be differences in color, packaging, etc.

9. How can I make a difference in the cost of my medical care and insurance premiums? Each of us can take steps to curb the costs of our own care.

→ Be a conscious consumer: If you do not understand what the doctor is explaining to you, ask for clarification or an explanation. If a service is being suggested that you think may not be necessary, ask your doctor why he/she feels it is important.

→ Do not neglect your annual physical: Although it may seem unnecessary if you are feeling well, annual physicals can detect problems before they are noticeable to you. Early detection and treatment can prevent and correct medical conditions at a much lower cost to the plan, your time, energy and out of pocket expense.

→ Search for self-care information – Many times, you can provide your own self care by knowing when to go to the doctor, how to treat a condition without having to see a doctor. You can get good medical information by reading the newsletters sent to your home, and signing up on your insurance company's website.

→ Use generic and preferred medications when possible and use Mail-Order programs when possible.

CRSIG - HMO Benefit Summaries

	Kaiser \$25 HMO	Pacificare \$20/\$40 HMO
Annual Deductible (individual/family)	None	None
Annual Maximum Copayments (individual / family)	\$1,500 / \$3,000	\$2,000 / \$6,000
Lifetime Maximum	Unlimited	Unlimited
Physician Office Visits/Specialist Office Visit	\$25 copay	\$20 copay / \$40 copay
Well Child Preventive Care	\$5 copay	No charge
Adult Preventive Care	\$25 copay	\$20 copay / \$40 copay
Room & Board Hospital Inpatient (semi-private)	\$250 copay per admit	\$250 copay per admit
Outpatient Surgery	\$25 copay per procedure	\$125 copay
Diagnostic X-Ray and Lab Tests	No charge	No charge / \$50 copay diagnostic testing
Emergency Room Services	\$100 copay <i>waived if admitted</i>	\$100 copay <i>not waived if admitted</i>
Urgent Care Services	\$25 copay	\$100 copay
Ambulance Services	\$50 copay	\$50 copay
Skilled Nursing Facility	No charge up to 100 days per benefits	\$125 copay per admit up to 100 consecutive calendar days from the first treatment per disability
Durable Medical Equipment	20% coinsurance up to \$5,000 per calendar year	\$50 copay up to \$5,000 per calendar year
Prescription Drugs - Retail	\$15 G / \$35 B - up to a 30 day supply; \$30 G / \$70 B - 31-60 day supply; \$45 G / \$105 B - 61-100 day supply	\$15 G / \$35 B up to a 30 day supply
Prescription Drugs - Mail Order	\$15 G / \$35 B - up to a 30 day supply; \$30 G / \$70 B - 31-100 day supply;	\$30 G / \$70 B up to a 90 day supply
Self-Administered Injectibles	No Charge for certain injectibles	\$50 copay per 30 day supply or treatment plan, whichever is shorter
Chiropractic Care	Not covered	Not covered
Vision Exam	\$25 copay - Exam Only	\$20/\$40 copay - Exam Only
Monthly Premium Rates		
Employee Only	\$481.79	\$761.87
Employee + One Dependent	\$1,016.57	\$1,607.65
Employee + Two or More Dependents	\$1,455.01	\$2,301.00

The information presented in the chart is a summary only. The information does not include all of the detailed explanation of benefits, exclusions and limitations. Plan participants should refer to the Evidence of Coverage (EOC) document for coverage details. In the event information in this summary differs from the EOC, the EOC will prevail.

CRSIG - HSA Benefit Summaries

	Kaiser HSA	United Healthcare HSA 7PD	
		In Network	Out of Network
Annual Deductible (individual/family)	\$2,500 / \$5,000 Individual deductible applies for self only or any one member in a family	\$2,500 / \$5,000	\$4,500 / \$9,000
Annual Maximum Copayments (individual / family)	\$2,500 / \$5,000 includes deductible Individual OOP max applies for self only or any one member in a family	\$3,500 / \$7,000 includes deductible	\$5,500 / \$11,000 includes deductible
Lifetime Maximum	Unlimited	\$5,000,000	
Physician Office Visits/ Specialist Office Visit	No charge	20%	40%
Well Child Preventive Care	No charge (deductible waived)	No charge (deductible waived)	Not covered
Adult Preventive Care	No charge (deductible waived)	No charge (deductible waived)	Not covered
Room & Board Hospital Inpatient (semi-private)	No charge	20%	40%
Outpatient Surgery	No charge	20%	40%
Diagnostic X-Ray and Lab Tests	No charge (deductible waived for preventive screenings only)	20%	40%
Emergency Room Services	No charge	20%	
Urgent Care Services	No charge	20%	40%
Ambulance Services	No charge	20%	
Skilled Nursing Facility	No charge up to 100 days per benefit period	20% up to 60 days per year	40%
Durable Medical Equipment	No charge up to \$2,500 per calendar year	20% up to \$2,500 per year	40%
Prescription Drugs - Retail	No charge up to a 100 day supply	\$10 T1 / \$30 T2 / \$50 T3 up to a 31 day supply	\$10 T1 / \$30 T2 / \$50 T3 up to a 31 day supply
Prescription Drugs - Mail Order	No charge up to a 100 day supply	\$25 T1 / \$75 T2 / \$125 T3 up to a 90 day supply	Not covered
Self-Administered Injectibles	No charge	Covered under Medical benefit	
Chiropractic Care	Not covered	20% up to 24 visits per year	40%
Vision Exams	No charge - Exam Only	20% - Exam Only (once every 2 years)	Not covered
Monthly Premium Rates			
Employee Only	\$403.48	\$492.00	
Employee + One Dependent	\$851.34	\$1,038.12	
Employee + Two or More Dependents	\$1,218.50	\$1,485.85	

The information presented in the chart is a summary only. The information does not include all of the detailed explanation of benefits, exclusions and limitations. Plan participants should refer to the Evidence of Coverage (EOC) document for coverage details. In the event information in this summary differs from the EOC, the EOC will prevail.

* All benefits including prescriptions are subject to the deductible unless otherwise noted.

This Bank Is Broken!

How Can I Save My Paycheck?



Today I am in the PacifiCare HMO Plan and I pay the (S) single rate for coverage: \$581.02

**I'm in the PacifiCare HMO -
-Single-
WHAT ARE MY OPTIONS ??**

On January 1, 2011, I will have the following choices:

	2011 My Single Rate	Increase/Decrease To Me Per Month Jan 2011	Increase/Decrease To Me Per Year Jan 2011	
PacifiCare HMO	\$761.87	\$180.85	\$2,170.20	(2011 rate minus 2010 PacifiCare HMO rate of \$581.02)
United Health Care H.S.A.	\$492.00	(\$89.02)	(\$1,068.24)	(2011 rate minus 2010 PacifiCare HMO rate of \$581.02)
Kaiser HMO	\$481.79	(\$99.23)	(\$1,190.76)	(2011 rate minus 2010 PacifiCare HMO rate of \$581.02)
Kaiser H.S.A.	\$403.48	(\$177.54)	(\$2,130.48)	(2011 rate minus 2010 PacifiCare HMO rate of \$581.02)

If I stay in the PacifiCare HMO Plan:

- 1) My premium cost will go up \$180.85 per month from \$581.02 (today) to \$761.87 per month January 2011
- 2) My payroll deduction will go up from \$ _____ plus \$180.85 = \$ _____ total payroll deduction/month (You can find your payroll deduction on your paycheck stub)
- 3) My benefits and co-pays will stay the same
- 4) My medical providers will stay the same

If I move to the United Health Care H.S.A. (Health Savings Account) Plan:

- 1) My premiums will go down (\$89.02) from \$581.02 (today) to \$492.00 per month January 2011
- 2) My payroll deduction will go down from \$ _____ less (\$89.02) = \$ _____ total payroll deduction/month
- 3) My network provider choice will be the same or expanded and more flexible (PPO plan - no primary care provider or referrals to specialists required- I choose providers from the network list)
- 4) I will be responsible to pay the first \$2,500 in all costs out of my pocket (my deductible), including prescriptions. After my deductible is taken, the plan pays 80% for medical care and I have co-pays for prescriptions
- 5) I could face an out-of-pocket maximum of \$3,500 between my deductible and my 20% co-insurance share if I have a big claim year and/or need expensive medications. After that, the plan pays 100% for medical care I receive through December 31st

Trading a lower premium plan for higher out of pocket expenses - How can I protect myself if I have to pay the deductible and out-of-pocket maximum?

- 1) Rather than take the money I am saving by moving from the HMO (my payroll deduction will decrease (\$89.02) per month), I can bank those dollars in an H.S.A. to cover part of my out of pocket expenses
- 2) To do this, I need to take the following steps:
 - a. Review the materials provided on Health Savings Accounts and attend a training if possible
 - b. Complete the paperwork to enroll in the United Health Care H.S.A. plan with my school district
 - c. Set up an H.S.A. account via United Health Care or my own bank and have at least the \$89.02 automatically deposited in the account from my checking account each month (NOTE: I cannot contribute to an H.S.A. account until after I am covered in the H.S.A. plan)
 - d. Use the funds accumulated in my H.S.A. to pay out of pocket costs or use the H.S.A. to accumulate a balance for future medical costs
 - e. Account for the pre-tax H.S.A. dollars when my 2010 taxes are prepared. Note: H.S.A. pre-taxed dollars are allowed for Federal but not State wages

NOTE: Net Impact to my paycheck: \$0.00
NOTE: Minimum savings to my H.S.A. account under this scenario would be \$89.02 per month, \$1,068.24 per year, more can be set aside if I want
- 3) I can use the United Health Care website tools to see what various tests and treatments cost, and work with my physician to control my health care costs
- 4) I can participate in wellness programs at my school site and on the United Health Care website to improve my health and prevent future medical conditions

Risks I Need To Be Sure To Think About:

- 1) If I have medical care other than the preventive annual physical (covered @ 100%), I may have to pay up to \$3,500 out of my pocket during the calendar year. (\$1,068.24 could be used from my H.S.A.)
- 2) If I take prescription drugs, I will have to pay for my prescriptions until I satisfy my \$2,500 deductible. After that, I will have a co-pay for each prescription
- 3) When I have medical care or prescriptions, I will have to monitor the billing statements and insurance payments to determine what I must pay for out of my pocket and to whom it must be paid

Today I am in the PacifiCare HMO and I pay the (D) dependent rate for coverage: \$1,226.02

**- 1 Dependent -
I'm in the PacifiCare HMO -
WHAT ARE MY OPTIONS ??**

On January 1, 2011, I will have the following choices:

	2011 My Dependent Rate	Increase/Decrease To Me Per Month Jan 2011	Increase/Decrease To Me Per Year Jan 2011	
PacifiCare HMO	\$1,607.65	\$381.63	\$4,579.56	(2011 rate minus 2010 PacifiCare HMO rate of \$1,226.02)
United Health Care H.S.A.	\$1,038.12	(\$187.90)	(\$2,254.80)	(2011 rate minus 2010 PacifiCare HMO rate of \$1,226.02)
Kaiser HMO	\$1,016.57	(\$209.45)	(\$2,513.40)	(2011 rate minus 2010 PacifiCare HMO rate of \$1,226.02)
Kaiser H.S.A.	\$851.34	(\$374.68)	(\$4,496.16)	(2011 rate minus 2010 PacifiCare HMO rate of \$1,226.02)

If my dependent and I stay in the PacifiCare HMO Plan:

- 1) My premium cost will go up \$381.63 per month from \$1,226.02 (today) to \$1,607.65 per month January 2011
- 2) My payroll deduction will go up from \$_____ plus \$381.63 = \$_____ total payroll deduction/month (You can find your payroll deduction on your paycheck stub)
- 3) My benefits and co-pays will stay the same
- 4) My medical providers will stay the same

If I move myself and my dependent to the United Health Care H.S.A. (Health Savings Account) Plan:

- 1) My premiums will go down (\$187.90) from \$1,226.02 (today) to \$1,038.12 per month January 2011
- 2) My payroll deduction will go down from \$_____ less (\$187.90) = \$_____ total payroll deduction/month
- 3) My network provider choice will be the same or expanded and more flexible (PPO plan - no primary care provider or referrals to specialists required- I choose providers from the network list)
- 4) I will be responsible to pay the first \$2,500 in all costs out of my pocket (deductible), including prescriptions for each person that is covered.
After each person's deductible has been taken, the plan pays 80% for that person and that person will have co-pays for prescriptions
- 5) For each person, I could face an out-of-pocket maximum of \$3,500 between each person's deductible and 20% co-insurance share if either of us have a big claim year and/or need expensive medications.
Once each person reaches the \$3,500 maximum, the plan pays 100% for that person for medical services through December 31st. If both of us have a big claim year, the out-of-pocket maximum will be a total of \$7,000 for both of us

Trading a lower premium plan for higher out of pocket expenses - How can I protect myself if I have to pay the deductible and out-of-pocket maximum?

- 1) Rather than take the money I am saving by moving from the HMO (my payroll deduction will decrease (\$187.90) per month), I can bank those dollars in an H.S.A. to cover part of my out of pocket expenses
 - 2) To do this, I need to take the following steps:
 - a. Review the materials provided on Health Savings Accounts and attend a training if possible
 - b. Complete the paperwork to enroll in the United Health Care H.S.A. plan with my school district
 - c. Set up an H.S.A. account via United Health Care or my own bank and have at least the \$187.90 automatically deposited in the account from my checking account each month (NOTE: I cannot contribute to an H.S.A. account until after I am covered in the H.S.A. plan)
 - d. Use the funds accumulated in my H.S.A. to payout of pocket costs or use the H.S.A. to accumulate a balance for future medical costs
 - e. Account for the pre-tax H.S.A. dollars when my 2010 taxes are prepared. Note: H.S.A. pre-taxed dollars are allowed for Federal but not State wages
- NOTE: Net Impact to my paycheck: \$0.00
NOTE: Minimum savings to my H.S.A. account under this scenario would be \$187.90 per month, \$2,254.80 per year, more can be set aside if I want
- 3) I can use the United Health Care website tools to see what various tests and treatments cost, and work with our physician/s to control out health care costs
 - 4) I can participate in wellness programs at my school site and on the United Health Care website to improve my health and prevent future medical conditions

Risks I Need To Be Sure To Think About:

- 1) If both of us has medical care other than the preventive annual physical (covered @ 100%), we may have to pay up to \$7,000 out of pocket during the calendar year. (\$2,254.80 could be used from my H.S.A.)
- 2) If we take prescription drugs, we will have to pay for prescriptions until each of us satisfy the \$2,500 deductible. After that, each of us will have a co-pay for each prescription
- 3) When we have medical care or prescriptions, I will have to monitor the billing statements and insurance payments to determine what we must pay for out of our pocket and to whom it must be paid

Today I am in the PacifiCare HMO and I pay the (F) family rate for coverage:

\$1,754.78

**- Family -
I'm in the PacifiCare HMO -
WHAT ARE MY OPTIONS ??**

On January 1, 2011, I will have the following choices:

	2011 My Family Rate	Increase/Decrease To Me Per Month Jan 2011	Increase/Decrease To Me Per Year Jan 2011	
PacifiCare HMO	\$2,301.00	\$546.22	\$6,554.64	(2011 rate minus 2010 PacifiCare HMO rate of \$1,754.78)
United Health Care H.S.A.	\$1,485.85	(\$268.93)	(\$3,227.16)	(2011 rate minus 2010 PacifiCare HMO rate of \$1,754.78)
Kaiser HMO	\$1,455.01	(\$299.77)	(\$3,597.24)	(2011 rate minus 2010 PacifiCare HMO rate of \$1,754.78)
Kaiser H.S.A.	\$1,218.50	(\$536.28)	(\$6,435.36)	(2011 rate minus 2010 PacifiCare HMO rate of \$1,754.78)

If my family and I stay in the PacifiCare HMO Plan:

- 1) My premium cost will go up \$546.22 per month from \$1,754.78 (today) to \$2,301.00 per month January 2011
- 2) My payroll deduction will go up from \$_____ plus \$546.22 = \$_____ total payroll deduction/month (You can find your payroll deduction on your paycheck stub)
- 3) My benefits and co-pays will stay the same
- 4) My medical providers will stay the same

If I move myself and my family to the United Health Care H.S.A. (Health Savings Account) Plan:

- 1) My premiums will go down (\$268.93) from \$1,754.78 (today) to \$1,485.85 per month January 2011
- 2) My payroll deduction will go down from \$_____ less (\$268.93) = \$_____ total payroll deduction/month
- 3) My network provider choice will be the same or expanded and more flexible (PPO plan - no primary care provider or referrals to specialists required- I choose providers from the network list)
- 4) I will be responsible to pay the first \$2,500 in all costs out of my pocket (deductible), including prescriptions for each person that is covered up to a maximum of \$5,000.00 in deductibles for the family. This is an increased benefit for 2011. After each person's deductible has been taken, the plan pays 80% for that person and that person will then have co-pays for prescriptions. Once the family maximum deductible of \$5,000.00 has been met, the plan pays 80% for each family member and each family member will have co-pays for prescriptions.
- 5) For each person, I could face an out-of-pocket maximum of \$3,500 for the person's deductible and 20% co-insurance share if one of us has a big claim year and/or need expensive medications. Once each person reaches the \$3,500 out-of-pocket maximum, the plan pays 100% for that person for medical services through December 31st
For the family, the out-of-pocket maximum will be a total of \$7,000 for all family members combined, including deductibles and co-insurance payments

Trading a lower premium plan for higher out of pocket expenses - How can I protect myself if I have to pay the deductible and out-of-pocket maximum?

- 1) Rather than take the money I am saving by moving from the HMO (my payroll deduction will decrease (\$268.93) per month), I can bank those dollars in an H.S.A to cover part of my out of pocket expenses
- 2) To do this, I need to take the following steps:
 - a. Review the materials provided on Health Savings Accounts and attend a training if possible
 - b. Complete the paperwork to enroll in the United Health Care H.S.A plan with my school district
 - c. Set up an H.S.A account via United Health Care or my own bank and have at least the \$268.93 automatically deposited in the account from my checking account each month (NOTE: I cannot open an H.S.A account until after I am covered in the H.S.A plan)
 - d. Use the funds accumulated in my H.S.A to pay out of pocket costs or use the H.S.A to accumulate a balance for future medical costs
 - e. Account for the pre-tax H.S.A dollars when my 2010 taxes are prepared. Note: H.S.A pre-taxed dollars are allowed for Federal but not State wages

NOTE: Net Impact to my paycheck: \$0.00
NOTE: Minimum savings to my H.S.A account under this scenario would be \$268.93 per month, \$3,227.16 per year, more can be set aside if I want
- 3) I can use the United Health Care website tools to see what various tests and treatments cost, and work with our physician/s to control out health care costs
- 4) I can participate in wellness programs at my school site and on the United Health Care website to improve my health and prevent future medical conditions

Risks I Need To Be Sure To Think About:

- 1) If any of us has medical care other than the preventive annual physical (covered @ 100%), we may have to pay up to \$7,000 out of pocket during the calendar year. (\$3,227.16 could be used from my H.S.A)
- 2) If we take prescription drugs, we will have to pay for prescriptions until each of us satisfy the \$2,500 deductible or the family deductibles add up to \$5,000. After that, each of us will have a co-pay for each prescription
- 3) When we have medical care or prescriptions, I will have to monitor the billing statements and insurance payments to determine what we must pay for out of our pocket and to whom it must be paid

What about the Kaiser HMO?

You can save a significant amount of premium by utilizing the Kaiser HMO but you need to consider the following:

- 1) You must live or work in a Kaiser zip code (Stanislaus, San Joaquin, Merced Counties)
- 2) Kaiser delivers care through its Kaiser Medical Center - the local center is located in Modesto
- 3) There are no benefits available outside the Kaiser system except for emergency care (No Sutter providers)

(Please refer to the benefit summary for more detailed coverage information)

What about the Kaiser H.S.A.?

- 1) I must live or work in a Kaiser zip code (Stanislaus, San Joaquin, Merced Counties)
- 2) I need to know that Kaiser delivers care through its Kaiser Medical Center - the local center is located in Modesto
- 3) I need to know that there are no benefits available outside the Kaiser system except for emergency care (No Sutter providers)
- 5) I will be responsible to pay the first \$2,500 in all costs out of my pocket (deductible), including prescriptions for each person that is covered
After each person's deductible has been taken, the plan pays 100% for that person including prescriptions
- 6) Once the family maximum deductible of \$5,000.00 has been met, the plan pays 100% for each family member including prescriptions

(Please refer to the benefit summary for more detailed coverage information)



In Pursuit Of Excellence

Central Region
School Insurance Group

- *Protecting Students*
- *Advocates for Staff*
- *Safety & Health for All*

Plan Calculator Tool

How Can I Figure Out The Best Plan for Me?



Evaluating the Costs - HMO vs HSA/HDHP

In order to help you evaluate the financial impact between the Kaiser or PacifiCare HMO and Kaiser or United Healthcare HSA plans, the attached cost sheet and paper calculators were developed.

Evaluating the Costs - Sheet

- Box 1 Includes the total monthly and annual premium costs for the HMO and HSA plans for each coverage tier--Single, Two-Party, Family
- Box 2 Highlights the major benefit/copay differences between the HMO and HSA plans
- Box 3 Highlights the deductible, out of pocket maximums and pharmacy costs between the HMO and HSA plans

Sample Calculators - HMO vs HSA

Illustrates and compares what the approximate maximum out-of-pocket expenses (contribution and claims) for family coverage between the Kaiser HMO and Kaiser HSA or PacifiCare HMO and United Healthcare HSA

Blank Calculator

Provided for your own calculation based on your coverage tier-- Single, Two-Party, Family-- and your District contribution

Definitions

- Single Coverage for the employee only
- Two-Party Coverage for the employee plus one dependent (spouse or child)
- Family Coverage for the employee plus two dependents (spouse and child(ren) or two or more children)

Item

- A Enter the monthly premium from Box 1 associated with your coverage tier for either the Kaiser HMO or PacifiCare HMO
- B Enter the contribution (CAP) made by your District for medical coverage
- C Subtract the monthly premium (A) from the District contribution (B)
- D Multiply the result from C by 12 (this will be your premium contribution annually)
- E Enter the HMO Annual Out-of-Pocket Maximum (See Box 3) for your coverage tier
- F Add the result of D and E. This represents your maximum Out-of-Pocket expenses (contribution and claims) for the HMO plan

THIS RESULT GETS COMPARED WITH THE NEXT CALCULATION

- G Enter the monthly premium from Box 1 associated with your coverage tier for the HSA plan
- H Subtract the monthly premium (G) from the District contribution (B)
- I Multiply the result from H by 12 (this will be your premium contribution annually)
- J Enter the HSA Annual Out-of-Pocket Maximum (See Box 3) for your coverage tier
- K Add the result of I and J. This represents your maximum Out-of-Pocket expenses (contribution and claims) for the HSA plan

Comparing the two amounts F (HMO) and K (HSA) should help you evaluate which plan works best for you and your family

Evaluating the Costs - Kaiser HMO vs Kaiser HSA

1) PREMIUM:

	Single	Two-Party	Family
HMO Monthly Premiums	\$481.79	\$1,016.57	\$1,455.01
HSA Monthly Premiums	\$403.48	\$851.34	\$1,218.50
Dollar Difference (Savings) HSA over HMO			
<i>Monthly</i>	\$78.31	\$165.23	\$236.51
<i>Annual</i>	\$939.72	\$1,982.76	\$2,838.12

2) BENEFIT HIGHLIGHTS - IN NETWORK EVALUATION:

	HMO	HSA In Network
Out of Pocket Max	\$1,500 individual / \$3,000 family	\$2,500 individual / \$5,000 family (includes deductible)
Annual Deductible	None	\$2,500 / \$5,000
Office Visit	\$25 copay	No charge (after deductible)
Preventive Care	No charge	No charge (deductible waived)
Retail Pharmacy (31 day supply)	\$15 G / \$35 B - up to a 30 day supply; \$30 G / \$70 B - 31-60 day supply; \$45 G / \$105 B - 61-100 day supply	No charge up to a 100 day supply (after deductible)
Mail Order Pharmacy (90 day supply)	\$15 G / \$35 B - up to a 30 day supply; \$30 G / \$70 B - 31-100 day supply;	No charge up to a 100 day supply (after deductible)

Refer to Plan Documents for more detailed benefit summaries

3) MAXIMUM OUT-OF-POCKET (OOP):

	Single	Two-Party	Family
HMO			
Annual Deductible	None	None	None
Annual Out of Pocket Max	\$1,500	\$3,000	\$3,000
Office Visit	No Maximum	No Maximum	No Maximum
Retail Pharmacy	<u>No Maximum</u>	<u>No Maximum</u>	<u>No Maximum</u>
Total	\$1,500	\$3,000	\$3,000
HSA In Network			
Annual Deductible	\$2,500	\$5,000	\$5,000
Annual Out of Pocket Max (includes annual deductible)	\$2,500	\$5,000	\$5,000
Office Visit	Up to OOP	Up to OOP	Up to OOP
Retail Pharmacy	<u>Up to OOP</u>	<u>Up to OOP</u>	<u>Up to OOP</u>
Total	\$2,500	\$5,000	\$5,000

Kaiser Calculator - Example

HMO Coverage:	Example:	My Scenario:
My coverage is (single, two-party, family):	<u>Family</u>	_____
A The monthly premium is (see Box 1):	+ <u>\$1,455.01</u>	+ _____
B Per month my Distirct contribution is: May include other benefits	- <u>\$500.00</u>	- _____
C I pay monthly:	<u>\$955.01</u> (A - B)	_____ (A - B)
D I pay annually:	<u>\$11,460.12</u> (C x 12)	_____ (C x 12)
E Annual Out-of-Pocket Maximum (Box 3):	\$3,000.00	
F Total	\$14,460.12 (D + E)	_____ (D + E)
If I select the HSA:		
G The monthly premium is (See Box 1):	+ <u>\$1,218.50</u>	+ _____
H I would pay monthly:	<u>\$718.50</u> (G - B)	_____ (G - B)
I I would pay annually:	<u>\$8,622.00</u> (H x 12)	_____ (H x 12)
J Annual Out-of-Pocket Maximum (Box 3): Includes deductible	\$5,000.00	
K Total	\$13,622.00 (I + J)	_____ (I + J)

The results of Line F and Line K illustrate the annual contribution and annual maximum claim cost (out of pocket expenses) differences between the PacifiCare HMO plan and the United Healthcare HSA plan

Total Annual Savings for a family:	\$838.12	
------------------------------------	----------	--

Evaluating the Costs - Pacificare HMO vs United Healthcare HSA

1) PREMIUM:

	Single	Two-Party	Family
HMO Monthly Premiums	\$761.87	\$1,607.65	\$2,301.00
HSA Monthly Premiums	\$492.00	\$1,038.12	\$1,485.85
Dollar Difference (Savings) HSA over HMO			
<i>Monthly</i>	\$269.87	\$569.53	\$815.15
<i>Annual</i>	\$3,238.44	\$6,834.36	\$9,781.80

2) BENEFIT HIGHLIGHTS - IN NETWORK EVALUATION:

	HMO	HSA In Network
Out of Pocket Max	\$2,000 individual / \$6,000 family	\$3,500 individual / \$7,000 family (includes deductible)
Annual Deductible	None	\$2,500 / \$5,000
Office Visit	\$20 copay / \$40 copay	20% (after deductible)
Preventive Care	No charge	No charge
Retail Pharmacy (31 day supply)	\$15 Generic / \$35 Brand	\$10 Tier 1 / \$30 Tier 2 / \$50 Tier 3 (after deductible)
Mail Order Pharmacy (90 day supply)	\$30 Generic / \$70 Brand	\$25 Tier 1 / \$75 Tier 2 / \$125 Tier 3 (after deductible)

Refer to Plan Documents for more detailed benefit summaries

3) MAXIMUM OUT-OF-POCKET (OOP):

	Single	Two-Party	Family
HMO			
Annual Deductible	None	None	None
Annual Out of Pocket Max	\$2,000.00	\$4,000.00	\$6,000.00
Office Visit	No Maximum	No Maximum	No Maximum
Retail Pharmacy	<u>No Maximum</u>	<u>No Maximum</u>	<u>No Maximum</u>
Total	\$2,000.00	\$4,000.00	\$6,000.00
HSA In Network			
Annual Deductible	\$2,500.00	\$5,000.00	\$5,000.00
Annual Out of Pocket Max (includes annual deductible)	\$3,500.00	\$7,000.00	\$7,000.00
Office Visit	Up to OOP	Up to OOP	Up to OOP
Retail Pharmacy	<u>Up to OOP</u>	<u>Up to OOP</u>	<u>Up to OOP</u>
Total	\$3,500.00	\$7,000.00	\$7,000.00

Pacificare/United Healthcare Calculator - Example

HMO Coverage:	Example:	My Scenario:
My coverage is (single, two-party, family):	<u>Family</u>	<u> </u>
A The monthly premium is (see Box 1):	+ <u>\$2,301.00</u>	+ <u> </u>
B Per month my Distirct contribution is: May include other benefits	- <u>\$500.00</u>	- <u> </u>
C I pay monthly:	<u>\$1,801.00</u> (A - B)	<u> </u> (A - B)
D I pay annually:	<u>\$21,612.00</u> (C x 12)	<u> </u> (C x 12)
E Annual Out-of-Pocket Maximum (Box 3):	\$6,000.00	
F Total	\$27,612.00 (D + E)	<u> </u> (D + E)
If I select the HSA:		
G The monthly premium is (See Box 1):	+ <u>\$1,485.85</u>	+ <u> </u>
H I would pay monthly:	<u>\$985.85</u> (G - B)	<u> </u> (G - B)
I I would pay annually:	<u>\$11,830.20</u> (H x 12)	<u> </u> (H x 12)
J Annual Out-of-Pocket Maximum (Box 3): Includes deductible	\$7,000.00	
K Total	\$18,830.20 (I + J)	<u> </u> (I + J)

The results of Line F and Line K illustrate the annual contribution and annual maximum claim cost (out of pocket expenses) differences between the PacifiCare HMO plan and the United Healthcare HSA plan

Total Annual Savings for a family:	\$8,781.80	
------------------------------------	------------	--