
San Benito County 2017 Open Enrollment

Alliant Employee Benefits
October 2016



Agenda

- Overview
- CSAC EIA Medical Plans
 - Kaiser HMO
 - Anthem Choice PPO
 - Anthem Safety PPO
 - Anthem HDHP 1300/2600
- Pharmacy Benefits
- Next Steps

- Closer Look at the HDHP

Overview

- Effective January 1, 2017 the County will offer medical coverage through the EIAHealth Program
 - The goal is to match the County's current plan designs and networks offered under CalPERS as closely as possible
- Plans will be offered under EIAHealth
 - Non-Medicare Retirees:
 - Kaiser HMO
 - Anthem Choice PPO
 - Anthem Safety PPO
 - Anthem HDHP 1300/2600
 - New plan offering
 - Includes option to open a tax-advantaged Health Savings Account (HSA)
 - Medicare Retirees:
 - Kaiser KPSA HMO
 - Anthem Choice PPO Supp

Overview: Plan Migration & Default Plans

Non-Medicare Retirees

Current Plan	EIAHealth Proposed
PERSCchoice	EIA Anthem Choice PPO
PORAC	EIA Anthem Safety PPO
PERSCare	EIA Anthem Choice PPO
PERS Select	EIA Anthem Choice PPO
UnitedHealthcare HMO	EIA Anthem Choice PPO
Blue Shield Access+ HMO	EIA Anthem Choice PPO
Anthem Traditional HMO	EIA Anthem Choice PPO
Kaiser Permanente (PERS)	EIA Anthem Choice PPO

***Individuals may select any EIAHealth plan offered for which they are eligible**

Overview: Plan Migration & Default Plans

Medicare Retirees

Current Plan	EIAHealth Proposed
PERSCare Supp	EIA Anthem Choice PPO Supp
PERSCchoice Supp	EIA Anthem Choice PPO Supp
KPSA (PERS)	EIA KPSA
Unitedhealthcare Medicare	EIA Anthem Choice PPO Supp
*Individuals may select any EIAHealth plan offered for which they are eligible PERS Select Medicare	EIA Anthem Choice PPO Supp

Overview: Plan Migration & Default Plans

- All retirees must complete and return an enrollment or waiver form to Human Resources
- The County default plans will be as follows:
 - Non-Medicare Retirees: Choice PPO and Safety PPO
 - Medicare Retirees: Choice PPO Supp
- Important note: enrollment in the EIAHealth plans requires SSNs to be provided
 - If an enrollment or waiver form is not received and there is no SSN on file for a retiree, they will be defaulted into waived coverage

Overview: Premiums

Non-Medicare Retirees

Plan by Tier	Retiree Monthly Cost	Retiree Bi-Weekly Cost
EIA Kaiser HMO		
Single	\$199.00	\$99.50
Two Party	\$433.00	\$216.50
Family	\$609.00	\$304.50
EIA Anthem Safety PPO		
Single	\$95.00	\$47.50
Two Party	\$241.00	\$120.50
Family	\$335.00	\$167.50
EIA Anthem Choice PPO		
Single	\$184.00	\$92.00
Two Party	\$418.00	\$209.00
Family	\$593.00	\$296.50
EIA Anthem HDHP		
Single	\$118.00	\$59.00
Two Party	\$285.00	\$142.50
Family	\$421.00	\$210.50

Overview: Premiums

Medicare Retirees

Plan by Tier	Retiree Monthly Cost	Retiree Bi-Weekly Cost
EIA KPSA HMO		
Single	\$0.00	\$0.00
Two Party	\$0.00	\$0.00
Family	\$0.00	\$0.00
EIA Anthem Choice PPO Supp		
Single	\$0.00	\$0.00
Two Party	\$34.00	\$17.00
Family	\$233.50	\$116.75

***For split rates and contributions, visit the County website**



Kaiser HMO

Kaiser HMO

- The County will continue to offer coverage through Kaiser Permanente
 - Kaiser Permanente Senior Advantage (KPSA) for Medicare retirees

Kaiser HMO

Medical Plan Benefits
Calendar Year Deductible Individual / Family
Annual Out-of-Pocket Maximum Individual / Family
Physician Office Visit
Specialist Copay
Preventative Care
Lab and X-Ray Diagnostic CT, MRI, PET scans Other lab and x-ray tests
Hospitalization Inpatient Outpatient
Emergency Room
Durable Medical Equipment
Chiropractic Care
Acupuncture Care
PRESCRIPTION DRUGS
Rx Copay Out-of-Pocket Maximum Retail - 30 day supply Mail Order - 90 day supply

Kaiser HMO (CSAC EIA) Current / Renewal In-Network
None
\$1,500 / \$3,000
\$15 / Visit
\$15 / Visit
No Charge
No Charge No Charge
No Charge \$15 / Surgery
\$50 (waived if admitted)
No Charge
\$15 / visit (20 visits per CY combined w/ Acupuncture)
\$15 / visit (20 visits per CY combined w/ Chiro)
Generic / Brand
Combined with Medical \$5 / \$20 \$10 / \$40

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the even information in this summary differs from the Plan Document, the Plan Document will prevail.

Kaiser HMO

Medical Plan Benefits	Kaiser KPSA (CSAC EIA) Current / Renewal	
	In-Network	Out-of-Network
Calendar Year Deductible Individual / Family Embedded / Aggregate	N/A N/A	
Annual Out-of-Pocket Maximum Individual / Family Embedded / Aggregate	\$1,500 individual / \$3,000 family Embedded	
Physician Office Visit	\$10 / visit	
Specialist Copay	\$10 / visit	
Preventative Care	No charge	
Lab and X-Ray Diagnostic CT, MRI, PET scans Other lab and x-ray tests	No charge No charge	
Hospitalization Inpatient Outpatient	No charge \$10 copay	
Emergency Room	\$50 / visit (waived if admitted)	
Durable Medical Equipment	No charge	
Chiropractic Care	\$15 / visit (20 visits per calendar year combined with acupuncture)	
Acupuncture Care	\$15 / visit (20 visits per calendar year combined with chiropractic)	
PRESCRIPTION DRUGS	Generics / Preferred / Non-preferred	
Rx Copay Out-of-Pocket Maximum	N/A	
Retail - 30 day supply	\$5 / \$20	
Mail Order	\$10 / \$40 (100 day supply)	

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the even information in this summary differs from the Plan Document, the Plan Document will prevail.

Kaiser HMO

- EIA has matched the current plan design as closely as possible
 - CalPERS has some customized benefits that are not made available outside of the CalPERS pool

Durable Medical Equipment	CalPERS KP HMO offers Out-of-Area purchasing. EIA KP HMO does not.
Rx	CalPERS KP HMO has an Out-of-Pocket Maximum (OOPM) of \$5,350 individual and \$10,700 Family. There is no OOPM for EIA KP HMO.
Emergency	CalPERS KP HMO offers a \$0 Copay if Member is placed in an "observation" status outside confines of the Emergency department. EIA KP HMO will charge the \$50 copay.
Hearing Aids	CalPERS offers \$1,000 Allowance every 36 months up to 2 Devices every 36 Months. EIA KP HMO offers \$500 allowance per device (1 device per ear), up to 2 Devices every 36 Months.
Home Care	CalPERS KP HMO offers \$0 per visit, unlimited visits. EIA KP HMO offers \$0 per visit on part time intermittent care, up to 3 visits per day; total of 100 visits per year.
Optical	CalPERS KP HMO offers eyewear for post cataract surgery at no cost. EIA KP HMO does not offer this coverage.
Prosthetics and Orthotics	CalPERS KP HMO offers Out-of-Area purchasing and Specialty "Non-Formulary" footwear. EIA KP HMO does not.
Provider Visits	CalPERS KP HMO offers a \$0 Copay if the Member needs Dialysis Treatment. EIA KP HMO does not.

Anthem Choice PPO

Anthem Choice PPO

- The County will offer a PERSCochoice PPO look-alike plan for 2017
 - PERSCochoice PPO Supp look-alike for Medicare retirees
- Pharmacy benefits will be managed through Express Scripts (ESI)
 - More information on this later in the presentation

Anthem Choice PPO

Medical Plan Benefits	Anthem Choice PPO (CSAC EIA)	
	Current / Renewal	
	In-Network	Out-of-Network
Calendar Year Deductible Individual / Family	\$500 / \$1,000	
Annual Out-of-Pocket Maximum Individual / Family	\$3,000 / \$6,000	N/A
Physician Office Visit	\$20 (Ded. Waived)	40%
Specialist Copay	\$20 (Ded. Waived)	40%
Preventative Care	No Charge (Ded. Waived)	40%
Lab and X-Ray Diagnostic CT, MRI, PET scans Other lab and x-ray tests	20% 20%	40% 40%
Hospitalization Inpatient Outpatient	20% 20%	40% 40%
Emergency Room	\$50 + 20% (Waived if Admitted)	\$50 + 20% (Waived if Admitted)
Durable Medical Equipment	20%	40%
Chiropractic Care	\$15 20 Visits (Combined with Acupuncture / Calendar Year)	40%
Acupuncture Care	\$15 20 Visits (Combined with Chiro / Calendar Year)	40%
PRESCRIPTION DRUGS		
Rx Copay Out-of-Pocket Maximum	\$2,000 Individual / \$4,000 Family	
Retail - 30 day supply	\$5 / \$20 / \$50	
Mail Order - 90 day supply	\$10 / \$40 / \$100	

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the even information in this summary differs from the Plan Document, the Plan Document will prevail.

Anthem Choice PPO

Medical Plan Benefits	Anthem CHOICE PPO EGWP (CSAC EIA)	
	Current / Renewal	
	In-Network	Out-of-Network
Calendar Year Deductible Individual / Family Embedded / Aggregate	None N/A	
Annual Out-of-Pocket Maximum Individual / Family Embedded / Aggregate	None N/A	None N/A
Physician Office Visit	No charge	No charge
Specialist Copay	No charge	No charge
Preventative Care	No charge	No charge
Lab and X-Ray Diagnostic CT, MRI, PET scans Other lab and x-ray tests	No charge No charge	No charge No charge
Hospitalization Inpatient Outpatient	No charge No charge	No charge No charge
Emergency Room	No charge	No charge
Durable Medical Equipment	No charge	No charge
Chiropractic Care and Acupuncture	\$15 / visit (20 visits per calendar year combined Chiro/Acu.)	
PRESCRIPTION DRUGS	Generic / Brand / Non-Formulary	
Rx Copay Out-of-Pocket Maximum	\$1000 Mail Order	
Retail - 30 day supply	\$5 / \$20 / \$50	
Mail Order	\$10 / \$40 / \$100	

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the even information in this summary differs from the Plan Document, the Plan Document will prevail.

Anthem Safety PPO

Anthem Safety PPO

- The County will offer a PORAC look-alike plan in 2017 for non-Medicare retirees
- Pharmacy benefits will be managed through Express Scripts (ESI)
 - More information on this later in the presentation

Anthem Safety PPO

Medical Plan Benefits	Anthem Safety PPO (CSAC EIA) Current / Renewal	
	In-Network	Out-of-Network
Calendar Year Deductible Individual / Family	\$300 / \$900	\$600 / \$1,800
Annual Out-of-Pocket Maximum Individual / Family	\$4,500 / \$9,000	\$4,500 / \$9,000
Physician Office Visit	\$20 (ded waived)	10%
Specialist Copay	\$20 (ded waived)	10%
Preventative Care	No Charge (ded waived)	10%
Lab and X-Ray Diagnostic CT, MRI, PET scans Other lab and x-ray tests	10% 10%	10% 10%
Hospitalization Inpatient Outpatient	10% 10%	10% 10%
Emergency Room	10%	10%
Durable Medical Equipment	20%	20%
Chiropractic Care	\$20 / Visit (20 Visits per year)	\$35 / Visit
Acupuncture Care	\$20 / Office Visit 10% all other services	10%
PRESCRIPTION DRUGS		
Rx Copay Out-of-Pocket Maximum	\$2,650 / \$5,300	
Retail - 30 day supply	\$10 / \$25 / \$45	
Mail Order - 90 day supply	\$20 / \$40 / \$75	

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the even information in this summary differs from the Plan Document, the Plan Document will prevail.

**Anthem
HDHP
1300/2600**

Anthem HDHP 1300/2600

What is a High Deductible Health Plan (HDHP)?

- The terms of a qualified HDHP are as follows:
 - Insurance that does not cover first dollar medical expenses (including prescriptions) until the deductible is reached except for Preventive Care,
 - Important: Full Family Deductible must be met before plan coinsurance and/or copays apply
- A HDHP may be combined with a Health Savings Account (HSA)
- Together, the HDHP and the HSA can help achieve lower healthcare costs, which ultimately translates into lower premiums for employees retirees and employers
- A Health Savings Account may also provide an individual with the opportunity to:
 - Save “pre-tax” dollars (Federal only)
 - Roll over unused funds from year to year – no use it or lose it!
 - Earn interest
 - Invest funds in the market
 - Use funds as retirement vehicle after turning 65 and enrolling in Medicare

Anthem HDHP 1300/2600

Medical Plan Benefits
Calendar Year Deductible Individual / Family
Annual Out-of-Pocket Maximum Individual / Family
Physician Office Visit
Specialist Copay
Lab and X-Ray Diagnostic CT, MRI, PET scans Other lab and x-ray tests
Hospitalization Inpatient Outpatient
Emergency Room
Chiropractic and Acupuncture Care
PRESCRIPTION DRUGS
Rx Copay Out-of-Pocket Maximum Retail - 30 day supply Mail Order - 90 day supply

Anthem HDHP PPO (CSAC EIA) Plan 1300/2600	
In-Network	Out-of-Network
Aggregate	
\$1,300 / \$2,600	\$2,600 / \$7,800
\$4,000 / \$8,000	\$8,000 / \$16,000
\$25 Copay	30%
\$250 Copay / day (up to 3 day)	30%
\$250 Copay / day (up to 3 day)	30%
10%	
10%	30%
Combined with medical	
\$15 / \$25 / \$35	Not Covered
\$30 / \$50 / \$70	Not Covered

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the even information in this summary differs from the Plan Document, the Plan Document will prevail.

Anthem HDHP 1300/2600

What is a Health Savings Account?

- A Health Savings Account (HSA) is a special “tax-advantaged” account that allows individuals to put away tax-free dollars that are used to pay for Qualified Medical Expenses
- You must have a qualified High Deductible Health Plan in order to open and contribute to an HSA
 - Only retirees who are not enrolled in Medicare may contribute to the HSA
 - Contributions made by a retiree are tax-deductible
 - Any funds deposited in the HSA belong to the retiree



Pharmacy Benefits

Pharmacy Benefits

- Express Scripts (ESI) will be the new Pharmacy Benefit Manager (PBM) for the EIA Anthem Choice, Safety PPO and Choice Supp plans
 - Accredo Health (a subsidiary of ESI) will manage specialty medications
- Copayments for the plans are not changing, however due to formulary changes, coverage and cost share for some drugs may be different, which may impact your out-of-pocket cost
- Choice PPO members can obtain a 90-day supply at Walgreens locations as well as via mail order
 - Not available to Safety members
- Anthem will manage the pharmacy benefits for the HDHP plan
- Kaiser will continue to manage their pharmacy benefits

Pharmacy Benefits

- ESI will send a welcome kit to members in December which includes a copy of formulary exclusions (excerpt of larger list shown below)

2017 Express Scripts National Preferred Formulary

Excluded Medications	Covered Preferred Alternative(s)	Excluded Medications	Covered Preferred Alternative(s)
ABSTRAL	fentanyl citrate lozenges, LAZANDA	KOMBIGLYZE XR	JANUMET, JANUMET XR, JENTADUÉTO, JENTADUÉTO XR
ACCU-CHEK METERS/STRIPS	ONETOUCH METERS/STRIPS	LEVITRA	CIALIS, VIAGRA
ACUVAIL	bromfenac, diclofenac, ketorolac, ILEVRO, NEVANAC, PROLENSA	MESALAMINE 800 MG DELAYED-RELEASE	balsalazide disodium, sulfasalazine, APRISO, LIALDA, PENTASA
ADVOCATE METERS/STRIPS	ONETOUCH METERS/STRIPS	MIRCERA	PROCRIT
		NATESTO	ANDROGEL 1.62%. AXIRON



Next Steps

Next Steps

- Open Enrollment is October 3 – October 21, 2016
- All retirees must return an election/waiver form to Human Resources by 5pm on October 21st
 - Retirees currently enrolled in medical coverage who fail to return an election/waiver form will be defaulted into the Choice PPO or Safety PPO plan (non-Medicare) or Choice PPO Supp (Medicare)
 - Important note: enrollment in the EIAHealth plans requires SSNs to be provided
 - If an enrollment or waiver form is not received and there is no SSN on file for a retiree, they will be defaulted into waived coverage
 - Retirees who currently waive coverage and fail to return an election/waiver form will be defaulted to “waived coverage”
 - Note: Should you waive coverage now, you cannot rejoin the plan unless you provide proof of loss of other group coverage

**Anthem
HDHP
1300/2600**

More About How a
High Deductible
Health Plan and
Health Savings
Accounts Work

Anthem HDHP 1300/2600

How do funds get contributed to the Health Savings Account?

HSA Contributions

- Pre-tax payroll deductions
- Individual contributions
- IRA transfer
- Transfer/Rollover from another HSA



Qualified medical expenses



Contributions are tax-deductible or pre-tax going in

Interest grows tax-free

Qualified withdrawals are tax-free

Anthem HDHP 1300/2600

2017: HSA IRS Annual Contribution Limit



Individual only	\$3,400
-----------------	---------



Individual + spouse, children or family	\$6,750
---	---------

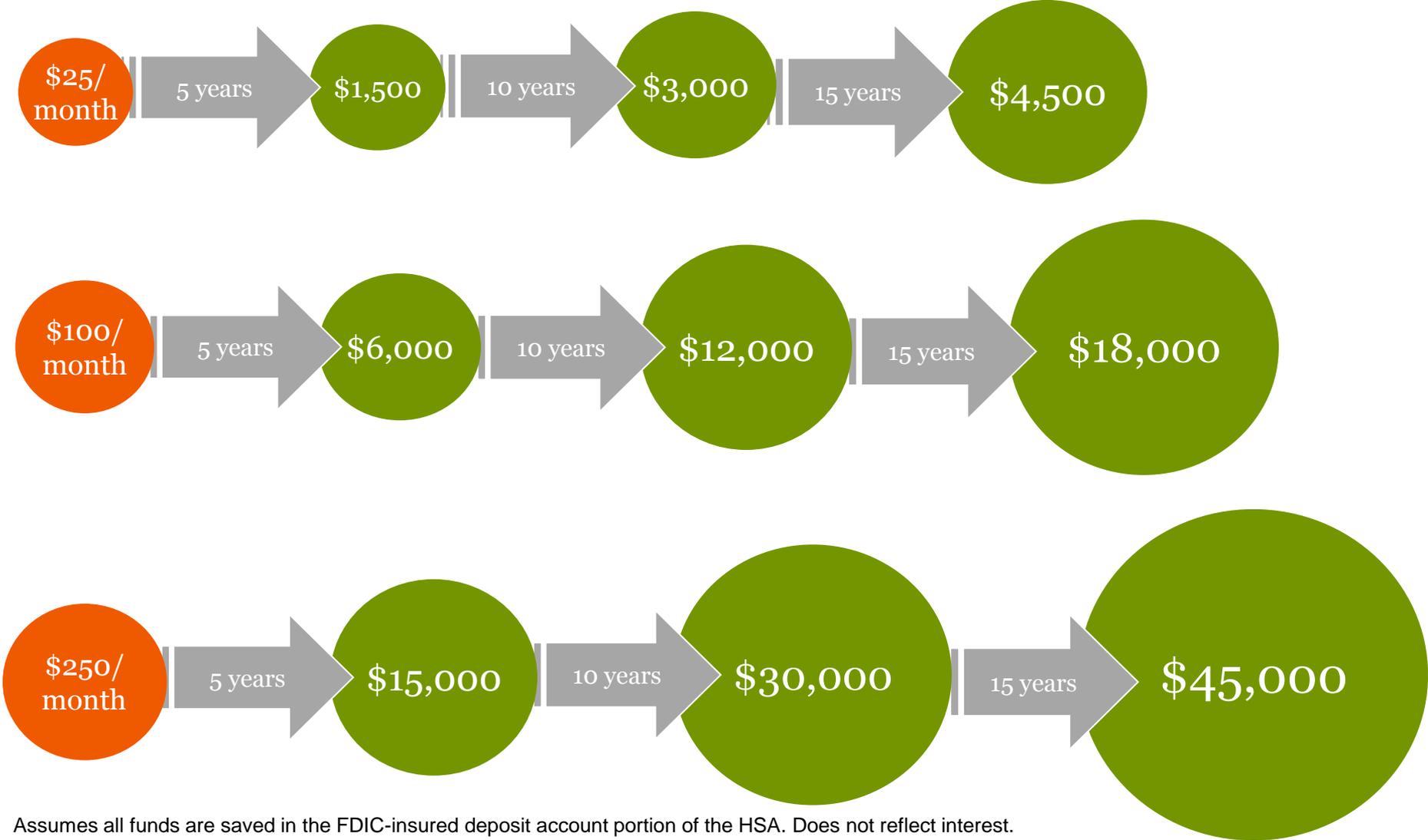
These limits typically increase slightly each year



Annual age 55+ catch up contribution	\$1,000
--------------------------------------	---------

Note that annual HSA limits include any contributions made by your employer or any other source

Anthem HDHP 1300/2600



Assumes all funds are saved in the FDIC-insured deposit account portion of the HSA. Does not reflect interest.

Anthem HDHP 1300/2600

Qualified Medical Expenses

- Doctor's office
- Lab work
- Hospitalization
- Vision (contacts, glasses)
- Prescriptions
- Dental work and braces
- Acupuncturist
- Chiropractor



Note that over the counter medications are not considered qualified expenses unless you have a prescription.



This is a sample list. Individuals are responsible for determining if expenses are eligible under the Internal Revenue Code.



Did you know?

You can use your HSA to pay for qualified healthcare expenses for your spouse or tax dependents – even if they're not covered by your health plan.

Anthem HDHP 1300/2600

- Other Qualified Medical Expenses include:
 - Weight Loss Programs
 - Smoking Cessation Programs
 - COBRA Premiums
 - Medicare Premiums – Special Rules apply
 - Long Term Care Premiums
- It is the Account Holder's responsibility to ensure that the funds used from the HSA are for qualified expenses only, or penalties will apply
- Can Individuals use the HSA to pay for anything other than Qualified Medical Expenses?
- Yes, but if the individual uses the funds in the HSA to pay for anything other than qualified expenses, it will be subject to income tax, as well as a 20% penalty
- This penalty is waived upon death or once the individual turns 65 and becomes eligible for Medicare
- Upon death, funds may transfer to a spouse tax-free, all other transfers are taxable

Anthem HDHP 1300/2600

What are the advantages of the HDHP and HSA?

- High Deductible Health Plan (HDHP)
 - Lower insurance premiums
 - Lower trend factors than traditional plans, which translates to lower renewal increases
 - \$0 preventive care
- Health Savings Account (HSA)
 - HSA's encourage individuals to be more engaged and take on a more empowered approach to their own healthcare
 - This engagement can lead to smarter utilization and lower healthcare costs
 - Tax savings (Federal level only)
 - Account is portable
 - Funds can grow from year to year and earn interest income – no use it or lose it
 - Funds can be invested
 - Potential retirement vehicle, as funds can be used for anything after the individual turns 65 with no penalties

Anthem HDHP 1300/2600

What are the disadvantages of the HDHP and HSA?

- High Deductible Health Plan (HDHP)
 - The Aggregate Deductible must be met before any services are paid (except preventive care)
 - On a two-party or family plan, the full family deductible must be met before plan coinsurance/copays apply
 - Individuals on this plan are sometimes not used to paying out of pocket costs at the doctors office or pharmacy
 - Individuals may experience large out-of-pocket costs if the balance in the HSA is not sufficient enough to cover the medical expenses
- Health Savings Account (HSA)
 - The individual is responsible for making sure expenses are “qualified” or penalties can apply
 - The individual cannot be enrolled in both a Full Purposes FSA and HSA at the same time

Anthem HDHP 1300/2600

Can you give me an example of how the HSA could work for Single Coverage?

Year 1		Susan Smith's HSA Plan \$1,300 Deductible	
\$2,000 employee contribution		\$2,000	
Expenses:	Ob/Gyn office visit & lab tests - \$350 Prescription drugs - \$150	\$500	
Paid by Preventive Care benefit at 100%		\$350	
Paid from HSA (Susan's choice)		(\$150)	
HSA Balance		\$1,850	

Preventive Care
100% In-Network

HSA
\$2,000 employee
contribution

\$1,300 Deductible
This is your annual deductible, but
can be reduced by HSA dollars
you use for covered services

After Deductible
Applicable Copay or
Coinsurance to the Annual OOP
of \$4,000

Anthem HDHP 1300/2600

Year 2		Susan Smith's HSA Plan \$1,300 Deductible	
HSA Balance: \$1,850			
\$1,500 employee contribution			\$3,350
Expenses:	Ob/Gyn visit & lab tests - \$150		
	Physician visits - \$100		\$450
	Prescription drugs - \$200		
Paid by Preventive Care benefit at 100%			\$150
Paid from HSA (Susan's choice)			(\$300)
HSA Balance			\$3,050

Preventive Care
100% In-Network

HSA
\$1,500 employee contribution

\$1,300 Deductible
This is your annual deductible, but can be reduced by HSA dollars you use for covered services

After Deductible
Applicable Copay or Coinsurance to the Annual OOP of \$4,000

Anthem HDHP 1300/2600

Can you give me an example of how the HSA could work for Family Coverage?

Year 1		The Jones' HSA Plan
\$3,500 employee contribution		\$3,500
Expenses:	Preventive visits & lab tests - \$500 Physical therapy - \$800 Prescription drugs - \$200	\$1,500
Paid by Preventive Care benefit at 100%		\$500
Paid from HSA (the Jones' choice)		(\$1,000)
HSA Balance		\$2,500

Preventive Care
100% In-Network

HSA
\$3,500 employee
contribution

\$2,600 Deductible
This is your annual deductible, but
can be reduced by HSA dollars
you use for covered services

After Deductible
Applicable Copay or
Coinsurance to the Annual OOP
of \$8,000

Anthem HDHP 1300/2600

Year 2		The Jones' HSA Plan	
HSA Balance: \$2,500			\$5,500
\$3,000 employee contribution			
Expenses:	Preventive visits & lab tests - \$500 Hospital and surgery fees - \$10,000 Office visits - \$500 Prescription drugs - \$200		\$11,200
Paid by Preventive Care benefit at 100%			\$500
Remaining balance due			\$10,700
Paid from HSA (the Jones' choice) toward \$2,600 deductible			\$2,600
10% Coinsurance paid by Jones' after Health plan pays 90%			\$810
\$8,100 (90% x \$8,100 = \$7,290)		(10% Coinsurance)	
Total amount Plan pays			\$7,790
Total amount Jones' pay			(\$3,410)
HSA Balance			\$2,090

Preventive Care
100% In-Network

HSA
\$3,000 employee contribution

\$2,600 Deductible
This is your annual deductible, but can be reduced by HSA dollars you use for covered services

After Deductible
Applicable Copay or Coinsurance to the Annual OOP of \$8,000

Questions and Answers

