

# A summary of 2009 Blue Cross Blue Shield health coverage for Michigan public school retirees not eligible for Medicare

*Effective January 1, 2009*

## About the health plan

When you retire, you and your family are eligible for health coverage through Blue Cross Blue Shield of Michigan. If you're not yet eligible for Medicare, you'll have coverage through the Blues' nationwide preferred provider organization (PPO), which allows you additional savings when you use our preferred providers. That includes hospital, medical and surgical care, emergency care, diagnostic services, hearing care and prescription drugs.

When you become eligible for Medicare, the Retirement System provides Medicare Advantage coverage with prescription drugs. Be sure to enroll in Medicare Part A and Part B when you first become eligible. We will automatically enroll you in Part D. If you delay enrollment, you may pay additional out-of-pocket costs.

## Using preferred providers saves money, offers convenience

The national Blue PPO network offers providers selected for their quality of care and ability to provide cost-effective health care services. In Michigan, Blue Preferred® offers the largest statewide network of physicians, specialists and other providers — including every acute care hospital in the state. Outside Michigan, you have access to network providers through the BlueCard® PPO program. Your out-of-pocket costs are lower when you use network providers and it's convenient because you never have to file a claim.

For most services, you're free to choose your own physicians and hospitals and still have coverage. But, if you select a provider that's not part of the PPO network, you share a greater portion of the cost.

In Michigan, in addition to the Blue Preferred network, you'll also have:

- **Quest Diagnostics**, offering a network of independent labs within the state of Michigan.
- **The SUPPORT Program**, offering a statewide network of suppliers of medical equipment and supplies, and prosthetic and orthotic devices in the state of Michigan.
- **Medco By Mail™** nationwide pharmacy service will dispense up to a three-month supply of your maintenance medication and ship it directly to your home.
- **The Preferred Pharmacy network**, which includes nearly 2,300 pharmacies in Michigan, including independent pharmacies and all major chains.

## What you pay

The health plan has cost-sharing features in which you pay a portion of the cost of services through copays and a deductible. The annual deductible in 2009 is \$250 for individuals, or \$500 for a family.

The following summary indicates your out-of-pocket cost for covered services. Covered services will cost you less when you use a network provider. When you don't use network providers, you pay more: an additional 20 percent copay for most services.

<b>Your health coverage</b>	<b>What you pay</b>	
<b>Hospital care</b>	<b>In network</b>	<b>Out of network</b>
<b>Inpatient care</b> Covered up to 365 days	Deductible plus 10% copay	Deductible plus 30% copay
<b>Outpatient care</b>	Deductible plus 10% copay	Deductible plus 30% copay
<b>Emergency services</b>	<b>At a Blue-participating provider</b>	<b>At a non-Blue provider</b>
<b>Emergency medical care</b>	Deductible plus 10% copay	Deductible plus 10% copay
<b>Ambulance</b>	Deductible plus 10% copay	Deductible plus 10% copay
<b>Surgical services</b>	<b>In network</b>	<b>Out of network</b>
<b>Inpatient or outpatient surgery</b>	Deductible plus 10% copay	Deductible plus 30% copay
<b>Organ and tissue transplants</b> Covered at Blue Cross Blue Shield of Michigan designated transplant facilities	Deductible plus 10% copay	All charges
<b>Doctor visits and services</b>	<b>In network</b>	<b>Out of network</b>
<b>Inpatient visits</b>	Deductible plus 10% copay	Deductible plus 30% copay
<b>Office visits</b> For diagnosis and treatment of general medical conditions	Deductible plus 10% copay	Deductible plus 30% copay
<b>Annual gynecological exam</b> — Covered once every 12 months	Deductible plus 10% copay	Deductible plus 30% copay
<b>Diagnostic services</b>	<b>At a Quest Diagnostics lab</b>	<b>At a non-Quest lab</b>
<b>Laboratory and pathology services</b>		
At a physician's office	Covered in full	20% copay
In an outpatient hospital setting	Deductible plus 10% copay	Deductible plus 30% copay
At a laboratory	Covered in full	75% copay
<b>Routine annual Pap Smears</b> — Covered once every 12 months		
At a physicians office	Covered in full	20% copay
In an outpatient hospital setting	Deductible plus 10% copay	Deductible plus 30% copay
At a laboratory	Covered in full	75% copay
<b>Prostate Specific Antigen screening</b> — Covered once every 12 months		
At a physician's office	Covered in full	20% copay
In an outpatient hospital setting	Deductible plus 10% copay	Deductible plus 30% copay
At a laboratory	Covered in full	75% copay
<b>Diagnostic imaging services</b>	<b>In network</b>	<b>Out of network</b>
<b>Routine mammograms</b> Covered once annually	Deductible plus 10% copay	Deductible plus 30% copay
<b>Imaging services</b> Includes X-ray, and CAT, MRI, PET scans	Deductible plus 10% copay	Deductible plus 30% copay
<b>Alternatives to hospital care</b>	<b>At a Blue-participating provider</b>	<b>At a non-Blue provider</b>
<b>Skilled nursing care</b> Covered up to 100 days	Deductible plus 10% copay	All charges
<b>Home health care</b>	Deductible	All charges
<b>Hospice</b> Covered up to 210 days	Deductible	All charges
<b>Private duty nursing</b> 24-hour continuous care	Deductible plus 10% copay	All charges
<b>Other covered services</b>	<b>In network</b>	<b>Out of network</b>
<b>Allergy testing and treatment</b>	Deductible plus 10% copay	Deductible plus 30% copay
<b>Blood and blood products, covered after the first two units</b>	Deductible plus 10% copay	Deductible plus 30% copay
<b>Cardiac rehabilitation</b>	Deductible plus 10% copay	Deductible plus 30% copay

The Michigan Public School Employees Retirement System health plan is administered by Blue Cross Blue Shield of Michigan under an agreement with the Michigan Office of are not yet eligible for Medicare. The information provided here does not include all covered and noncovered services or conditions of coverage. If you enroll in the health plan,

Your health coverage	What you pay	
<b>Other covered services</b> <i>continued</i>	<b>In network</b>	<b>Out of network</b>
Chemotherapy services	Deductible plus 10% copay	Deductible plus 30% copay
Chiropractic visits Covered up to 26 visits per year for spinal manipulations, X-rays	Deductible plus 10% copay	Deductible plus 30% copay
Dental services (due to injury)	Deductible plus 10% copay	Deductible plus 30% copay
Hemodialysis Covers services at a hospital outpatient department or in your home from an approved provider	Deductible plus 10% copay	Deductible plus 30% copay
Physical, occupational and speech therapy	Deductible plus 10% copay	Deductible plus 30% copay
<b>Other covered services</b>	<b>At a Blue-participating provider</b>	<b>At non-Blue provider</b>
Hearing care and hearing aids, covered every 36 months at an approved provider	Deductible plus 10% copay	You pay all charges
<b>Mental health and substance abuse treatment</b>	<b>At a Blue-participating provider</b>	<b>At a non-Blue provider</b>
Outpatient mental health services		
At an outpatient mental health facility	Deductible plus 50% copay	All charges
Mental health services in a physician's office	Deductible plus 50% copay	Deductible plus 70% copay
Substance abuse care	Deductible plus 10% copay	All charges
<b>Medical equipment and supplies, prosthetics and orthotics</b>	<b>At a SUPPORT network supplier</b>	<b>At a non-SUPPORT supplier</b>
From an independent medical supplier	Covered in full	20% copay plus difference in cost
<b>Medical equipment and supplies, prosthetics and orthotics (Outside of Michigan)</b>	<b>At a Blue-Participating Provider</b>	<b>Non-Blue Participating Provider</b>
From an independent medical supplier	Deductible plus 10% copay	Deductible plus 10% coinsurance plus difference in approved amount and charged amount
<b>Medical equipment and supplies, prosthetics and orthotics</b>	<b>In network</b>	<b>Out of network</b>
From a physician's office or outpatient hospital	Deductible plus 10% copay	Deductible plus 30% copay

## Formulary drugs

The formulary is updated as new drugs become available or existing ones are removed from the market. Formulary updates are printed in the Best of Health newsletter and on your prescription drug Explanation of Benefits statement. Formulary information is also available to you and your physician on the Web at **bcbsm.com**, or by calling Customer Service at 800-422-9146, 8:30 a.m. to 5 p.m., Monday through Friday. TTY users should call 800-807-4670. The formulary contains provisions that ensure the quality and safety of your drug therapy. These programs include:

**Step Therapy**, which encourages doctors to try proven, lower cost drug therapies before trying new or more potent medications. The idea is to 'step up' to the next medication only when medically necessary for coverage under the plan.

**Prior Authorization**, which requires that your doctor contact BCBSM for approval before prescribing certain medications for coverage under the plan.

**Quantity Limits**, which limit the number of doses you can receive of a medication at any one time.

**Brand-name drug to alternate generic interchange** program, which identifies instances where a generic can safely substitute for a brand-name drug.

**Brand-name drug to alternate brand interchange** program, which identifies instances where certain brand-name drugs can be substituted with a lesser cost brand-name medication.

**DOSE Optimization** program, which identifies situations where a single, larger dose of a medication can be safely substituted for multiple, lower-strength doses.

Certain Specialty Medication may require prior authorization or distribution through a designated facility.

Your prescription drug coverage	What you pay	
Formulary	The plan uses the Blue Cross Blue Shield of Michigan Custom Formulary. To learn if a drug is on the formulary, visit <a href="http://bcbsm.com">bcbsm.com</a> or call 800-422-9146.	
Covers FDA-approved prescription medications in quantities up to three months (Note: certain prescription drugs may be limited to lesser quantities)	Formulary drug	Nonformulary drug
	20% copay	<ul style="list-style-type: none"> <li>For brand-name drugs with no generic equivalent: 40% copay.</li> <li>For brand-name drugs with a generic equivalent: 20% copay plus the difference in cost between the brand-name and generic products.</li> </ul>
Up to a one-month supply	Minimum copay \$7; maximum \$36	Minimum copay of \$7; no maximum
Three-month supply	Minimum copay \$17.50; maximum \$90	Minimum copay of \$17.50; no maximum
Annual drug copay maximum	When your 20% copays (up to the plan limits) total \$800, your 20% drug copay is waived for the remainder of the calendar year.	Only half of the 40% nonformulary drug copay is applied towards the annual drug copay maximum (up to the plan limits). When these copays total \$800, your 20% copay, up to the copay maximum amount, is waived for the remainder of the calendar year. You continue to pay any additional costs, including the additional copay for nonformulary drugs and the cost difference between brand-name and generic drugs.
Pharmacy networks	<p>The plan features pharmacy networks both in Michigan and elsewhere in the U.S. Most pharmacies are in the network, but they can change over time:</p> <ul style="list-style-type: none"> <li>In Michigan, use the Blue Cross Blue Shield of Michigan pharmacy network.</li> <li>Outside Michigan, use the Blue Cross Blue Shield MedImpact pharmacy network.</li> </ul> <p>You may choose a pharmacy outside the network, but you'll pay the difference in cost between the pharmacy's charge and the Blue Cross-approved amount.</p> <p>For a current list of network pharmacies near you, visit <a href="http://bcbsm.com">bcbsm.com</a> or call 800-422-9146.</p>	
Maintenance drugs	Medco By Mail® offers Retirement System members the most convenience and lowest cost for maintenance drugs. Purchase maintenance drugs in the most cost-effective setting or pay the difference in cost.	
Benefit maximums		
Annual copay maximums	<p>After you reach the copay maximum, your copay is waived for the remainder of the calendar year:</p> <p>Health coverage: \$500 per member for services subject to a 10% copay.</p> <p>Prescription drugs: \$800 per member on 20% copay up to plan limits</p>	
Lifetime benefit maximums	\$1 million lifetime maximum per member for outpatient services Separate \$1 million maximum per organ for specific organ transplants	

## Coverage outside of Michigan

Whether you're traveling or live outside Michigan, the BlueCard® program provides coverage without added cost. As part of the national Blue Cross Blue Shield Association of health plans, you'll find Blue Preferred PPO providers in every state. Using BlueCard will minimize your cost and, in most cases, eliminate the need to file a claim. If you need prescriptions filled outside Michigan, the MedImpact network offers 59,000 pharmacies throughout the U.S.

## Helping to keep you in the best of health

The health plan is designed to help you stay well, and provide quality care when you're not. Blue hospitals and physicians are selected for their commitment to providing high quality care. As a health plan member, you have access to the Cardiac Centers of Excellence, a statewide collection of hospitals specializing in treating heart disease.

You'll also have access to free health information via BlueHealthConnection®, a comprehensive health and information program. You can speak directly with a health coach for answers to your health questions, listen to the 1,600 topics offered in its audio health library or get a referral to resources in your community.

The member newsletter, *Best of Health*, keeps you up to date about your health plan, shows you how to make the most of your health coverage and offers information on wellness and important health issues.

Have questions? Call Blue Cross Blue Shield Customer Service toll-free at 800-422-9146, 8:30 a.m. to 5 p.m., Monday through Friday. For current information about providers participating in the network, visit our Web site at [bcbsm.com](http://bcbsm.com) or call Customer Service.