

Civil Service Commission
RETIREE BENEFITS BULLETIN

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CONTACT:

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SHIELD OF MICHIGAN**

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SUBJECT:

**IMPORTANT
MEDICAL INSURANCE CHANGE
FOR MEDICARE ELIGIBLE RETIREES AND DEPENDENTS
EFFECTIVE JANUARY 1, 2008**

Please retain this Bulletin for future reference

FOR RETIREES AND THEIR DEPENDENTS WHO ARE MEDICARE ELIGIBLE

The State Health Plan PPO is converting to a Medicare Advantage plan for Medicare eligible members on January 1, 2008. The plan is called Medicare Plus Blue Group and is administered by Blue Cross and Blue Shield of Michigan (BCBSM). If you wish to continue your current State Health Plan coverage, you do not need to do anything; **you will be automatically enrolled** in the Medicare Plus Blue Group on January 1, 2008. Retirees and their dependent's who are not yet Medicare eligible will remain the State Health Plan PPO.

WHAT IS A MEDICARE ADVANTAGE PLAN

Medicare Advantage plans are health plans that are approved through Medicare and run by private insurance companies such as BCBSM. Medicare Advantage plans provide all of your Part A (hospital) and Part B (medical) coverage. The new Medicare Plus Blue Group plan combines the State Health Plan PPO and the original Medicare coverage under one plan administered by BCBSM.

HEALTH CARE COVERAGE

There are few differences between the State Health Plan PPO and the new Medicare Plus Blue Group. Enhancements include using one new ID card and receiving one simplified Explanation of Benefits Statement describing how your claims were paid.

Be sure to show your new insurance card to your Medicare provider before receiving services. The Medicare Plus Blue Group coverage does not include prescription drug, dental or vision benefits. You will continue to access these benefits using your Express Scripts, Delta Dental or BCBSM Vision ID card depending on the benefit. If you are enrolled in the Medicare Plus Blue Group plan, your Mental Health and Substance Abuse benefits will be administered through BCBSM.

ENROLLMENT

On January 1, 2008, Medicare eligible retirees will be automatically enrolled in the Medicare Advantage, Medicare Plus Blue Group plan with the following exceptions:

- Current Medicare eligible retirees not enrolled in Medicare Part B will not be eligible and will continue coverage under the State Health Plan PPO with responsibility for the Medicare portion of Part B services.
- Medicare guidelines mandate that participants can only be enrolled in one Medicare Advantage plan at a time. Retirees who are not eligible for Medicare Part A and B (e.g. State Police not eligible to participate in Medicare) will continue to be covered under the State Health Plan PPO.
- If you have other health coverage that pays claims after Medicare Part A and B, but before the State Health Plan PPO, you will not be enrolled in the Medicare Plus Blue Group. You will remain in the State Health Plan PPO.

Please remember that once you become eligible for Medicare, you will be enrolled in Medicare Part A and B. According to Medicare Advantage guidelines, if you decide to opt out of Part B, you will not be eligible for the new Medicare Plus Blue Group plan and will remain in the State Health Plan PPO with responsibility for the Medicare portion of Part B services. To find out information about enrolling in Medicare Part B services, please contact the Social Security office at (800) 772-1213.

OUT-OF-STATE COVERAGE

The Medicare Plus Blue Group coverage for retirees living out of state is the same as retirees living in Michigan. Retirees living out of state should seek services from providers who participate with Medicare and are willing to accept the Medicare Plus Blue Group terms and conditions of payment. When you go to a doctor or hospital, be sure to show them your Medicare Plus Blue Group ID card before receiving services.

PREMIUMS AND DEDUCTIBLES

Medicare eligible retiree premiums under the new plan will not change effective January 1, 2008. The SOM will continue to pay the full premium. Retirees will continue to pay the monthly Medicare Part B premium and any deductible, coinsurance or copayment amounts.

The individual annual deductible amount has not changed. The annual deductible in 2008 is \$200 per member per year. This is applied from January 1, 2008 through December 31, 2008. A family deductible does not apply under the Medicare Plus Blue Group plan.

ADDITIONAL INFORMATION REGARDING MEDICARE PLUS BLUE GROUP

Informational meetings are currently underway for Medicare eligible retirees. You will soon receive an invitation from BCBSM listing the dates and locations of Medicare Advantage Seminars. You will also receive a detailed informational packet containing a summary of benefits and other important information.

A new Medicare Plus Blue Group insurance card will be sent to you in a separate mailing by the end of the year which you will use in place of your original Medicare card and your State Health Plan PPO card. Be sure to retain your original Medicare (red, white and blue) card, even though you will not be using it to access services under the new Medicare Plus Blue Group plan.

A special telephone center at BCBSM is available if you have any questions. The toll-free number is (888) 322-5557, TTY/TTD (800) 579-0235. Remember, Medicare eligible retirees will automatically be enrolled for the Medicare Plus Blue Group on January 1, 2008.