

Department of Civil Service
Employee Benefits Division
PO Box 30002
Lansing, Michigan 48909
EMPLOYEE BENEFITS BULLETIN

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Benefits Bulletins are issued to employees and others to communicate general benefits information.

FROM:

Employee Benefits Division

TELEPHONE NUMBER:

(800) 505-5011 or (517) 373-7977

SUBJECT:

“Moving on to a New Health Plan”
For Members of the State Police Enlisted Unit

This bulletin has been written to address questions that you may have regarding your New Health Plan.

What is a PPO?

A PPO is a health benefit plan where you can choose to go in or out-of-network for covered services. A network is a group of physicians, hospitals and other provider types who have agreed to join the network.

By going to network providers, you will receive maximum benefits with the lowest out-of-pocket costs. That is because network providers have agreed to accept Blue Cross-Blue Shield of Michigan's approved amount as payment in full for covered services.

Do I have to sign up for the PPO?

Although the State Health Plan PPO will replace State Health Plan Advantage effective October 1, 2004, you will have the opportunity to sign up for coverage under an HMO during the open enrollment period between August 16 and August 31, 2004, if one is available in your area.

What is the difference between an HMO and a PPO?

- An HMO requires that you choose a primary care physician who coordinates and approves all services and refers you to other providers as needed. The PPO allows you to go to any network provider without a referral.
- HMOs require that you notify them when you change physicians. Under the PPO, you can change physicians whenever you want without notifying Blue Cross-Blue Shield of Michigan.
- There are no deductibles under the HMOs. Under the PPO, the deductible is \$200 per person and \$400 per family for in-network services (effective 1/1/05) and \$500 per person and \$1,000 per family for out-of-network services (effective 1/1/05). Deductibles in-network **cannot** be used to meet out-of-network deductibles and vice versa.

What is the difference between the PPO and the current State Health Plan Advantage?

- Deductibles under the current plan are \$150 per individual and \$300 per family. The annual out-of-pocket maximum is \$1,000 per individual. Under the PPO, effective January 1, 2005, the deductible will be \$200 per individual and \$400 per family for in-network services and \$500 per individual and \$1,000 per family for out-of-network services. The annual out-of-pocket maximum is \$1,000 per individual and \$2,000 per family for in-network services and \$2,000 per individual and \$4,000 per family for out-of-network services.
- Under the PPO, all preventive services, including the health annual physical, will be covered at 100% up to \$750 in charges, as long as a member seeks these services from in-network providers. PPO subscribers will be able to receive the screening tests from their own physicians and can ensure that the tests are conducted every 12 months by making their own appointments. Under the PPO, the preventive services are available to all covered dependents.
- The attached chart is a high level comparison of the current State Health Plan, the new State Health Plan PPO and HMO option.

What is next?

In August, you will receive Open Enrollment information, which will include the bi-weekly rates for all state-sponsored insurance programs being offered during Open Enrollment.

If you have questions concerning the new State Health Plan PPO, you may call BCBSM at (800) 843-4876 for additional information.