

Office of the State Employer
Employee Benefits Division
PO Box 30026, 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:**
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SUBJECT:

“Moving on to a New Health Plan”

In January, an Employee Benefits Bulletin was mailed to all State employees announcing upcoming benefit changes. There have been questions concerning the State Health Plan PPO (Preferred Provider Organization). This bulletin has been written to address some of those issues. **NOTE: This bulletin does not apply to members of the Michigan State Police Troopers Association.**

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 January 1, 2003, you will continue to have the opportunity of signing up for coverage under an HMO 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 and \$500 per person and \$1,000 per family for out-of-network services. 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 \$300 per individual and \$600 per family. The annual out-of-pocket maximum is \$1,000 per individual. Under the PPO, the deductible is \$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.
- Screening services under the current State Health Plan are conducted in Health Screening Unit clinics around the State. Health screenings are available once every 12 months; however, depending on staffing and scheduling, there is sometimes up to a 24-month wait for individuals to receive a health screening. *Effective January 1, 2003, the Health Screening Unit as it currently exists will cease operations.* Under the PPO, all preventive services, including the health screening testing, will be covered at 100% up to \$500 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. Further, the current health screenings are only available to employees and their spouses. Under the PPO, the preventive services are available to all covered dependents.
- Under the current plan, services are either covered under Basic (100% paid) or Major Medical (90% paid after deductible is met). Under the PPO, some services are paid at 100%, some are paid at 100% after the deductible is met, and some are paid at 90% after the deductible is met.

What is next?

In early July, you will receive an Open Enrollment booklet, which will include all the benefit explanations that you have seen before in previous Open Enrollment booklets. In addition, the booklet will include:

- Bi-weekly rates for all state-sponsored insurance programs being offered during Open Enrollment
- An enrollment application
- A Question and Answer sheet that contains answers to most frequently asked questions.

This year, all State employees are being asked to complete an enrollment application for insurance. We want to make sure that everyone completely understands the new choices available. Informational video tapes will be distributed statewide that will explain the new State Health Plan PPO and changes in the HMO benefit structure. Also, please watch your mailbox for additional information.