

**Michigan Civil Service Commission  
RETIREE BENEFITS BULLETIN**

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| DATE:    | October 2008   | GIS 03-2008R  |
| CONTACT: | MI HR Service Center   | TELEPHONE NO.:<br>(517) 335-0529 Lansing Area<br>(877) 766-6447 Toll-Free |
| SUBJECT: | <b>IMPORTANT INSURANCE INFORMATION FOR<br/>STATE DEFINED CONTRIBUTION RETIREES</b> |   |

**OCTOBER 2008 INSURANCE RATES**

**Change in Health Premium Sharing Effective October 1, 2008**

The total premium for the State Health Plan PPO administered by Blue Cross Blue Shield of Michigan (BCBSM) will not increase for the 2008-2009 fiscal year. Your cost continues to be based on your total years of state service (see attached rate sheet). This reflects the premium sharing changes being implemented for state employees. The State Employees Retirement Act requires premium sharing for state retirees in the same proportion as for health insurance for active employees.

For all HMOs, the State's premium share continues to be based on your total years of state service. However, the State's share will not exceed the amount it pays for BCBSM PPO; the retiree's share is the remainder. When reviewing an HMO plan, be sure to review the HMO Postal Code List available at <http://www.michigan.gov/mdcs> or by calling MI HR Service Center at the above number.

Dental and vision rates will remain the same for the 2008-2009 fiscal year. Enclosed for your information is an insurance rate chart which is effective October 1, 2008. Premiums shown on the attached chart will be reflected in your October pension check.

**Prescription Drug Plan Changes Effective October 1, 2008**

Co-pays at a **retail pharmacy** for a one-month supply will be:

- Generic drugs: \$10
- Preferred brand drugs: \$20
- Non-preferred brand drugs: \$40

Co-pays through **mail order** for a three-month supply will be:

- Generic drugs: \$20
- Preferred brand drugs: \$40
- Non-preferred brand drugs: \$80

The Generics Preferred<sup>1</sup> and Step Therapy<sup>2</sup> programs will also be added effective October 1, 2008.

1. **Generics Preferred Program:** Under the Generics Preferred Program, if a generic drug is available and the prescription is written as DAW (dispense as written), your doctor will need to provide medical justification supporting the brand name drug. If there is no justification why you cannot take the generic, you can still receive the brand name drug but will pay the applicable brand name co-pay and the cost difference between the generic and the brand-name prescription.
2. **Step Therapy:** In Step Therapy, the covered drugs you take are organized into a series of “steps” with your doctor approving and writing your prescriptions throughout the process. The program usually starts with generic drugs in the “first step,” while more expensive brand name drugs are usually covered in the “second step” of treatment. If you have previously used a “first step” prescription drug and the drug has proven to be ineffective, a “second step” prescription drug may be used.

**NOTE:** The prescription drug plan changes apply only to those members enrolled in the State Health Plan PPO or the Medicare Plus Blue Group Plan. It does not apply to members enrolled in an HMO. Express Scripts, Inc. (ESI) will be mailing more information on the programs. For additional questions, call ESI at (800) 296-6032.

### **Health Plan Changes Effective January 1, 2009**

- In-network office visits under the State Health Plan PPO and office visits under the Medicare Plus Blue Group such as physician office, office consultation, chiropractic spinal manipulation, urgent care, and hearing care will be subject to a \$15 co-pay.
- A \$50 emergency room co-pay will be required if the State Health Plan PPO or Medicare Plus Blue Group member is not admitted to the hospital.
- The in-network deductible for non-Medicare, State Health Plan PPO members will be \$300 per individual and \$600 per family. The out-of-network deductible will be \$600 per individual and \$1,200 per family.
- The deductible for Medicare members in the Medicare Plus Blue Group plan will be \$300 per individual.

## **RETIREES AND DEPENDENTS WHO ARE MEDICARE ELIGIBLE**

### **Medicare Parts A and B**

Once you become eligible for Medicare, you will be enrolled in the Medicare Plus Blue Group. Medicare automatically enrolls you in Parts A and B. You must remain enrolled in Medicare Parts A and B to continue your health care coverage as a retiree. If you decline Medicare Part B, you may be **financially responsible** for up to 80% of your health care claims. Be sure to submit a copy of your Medicare card to the Office of Retirement Services (ORS).

### **HMO Enrollments**

When you or your dependent become eligible for Medicare, you will need to submit an application for your HMO's Medicare Advantage plan, if you wish to remain enrolled in your HMO. If your HMO does not offer a Medicare Advantage plan; or if a Medicare Advantage plan is not available in your area, you may select the BCBSM's Medicare Plus Blue Group Plan.

## CHANGING INSURANCE CARRIERS

If you wish to make changes to your State Health, Dental or Vision plans, use the following forms available on the ORS website at [www.michigan.gov/ors](http://www.michigan.gov/ors). Please send your completed form to ORS.

- Use the insurance application to enroll in the State Health Plan BCBSM PPO, State Dental plan or Vision plan or to add or delete dependents on your insurances.

To enroll in a HMO, request the enrollment form directly from the HMO. HMO contact information is included with this mailing. Send your completed form to ORS.

As a retiree, you are not restricted to an open enrollment window for making changes to your health insurance plan. Changes are subject to a “rolling enrollment window” with the following changes subject to a **six-month waiting period**:

- A. The retiree is enrolled in an HMO and wants to enroll in the State Health Plan PPO.
- B. The retiree does not notify ORS within 30 days of the date of event (marriage, death, divorce or involuntary loss of coverage).
- C. The retiree is currently not enrolled in any insurance plan.

The six-month waiting period **is waived** when:

- A. The retiree is enrolled in the State Health Plan PPO and wants to enroll in an HMO.
- B. The retiree is currently in an HMO and wants to transfer to a different HMO.
- C. The retiree is enrolled in an HMO and is moving out of the service area.
- D. The retiree notifies ORS within 30 days of the date of event (marriage, death, divorce or involuntary loss of coverage).

## ADDITIONAL STATE HEALTH PLAN PPO AND MEDICARE PLUS BLUE GROUP INFORMATION

### Durable Medical Equipment and Prosthetic and Orthotic Devices

Through these programs, you can obtain durable medical equipment, medical supplies, and prosthetic and orthotic devices.

### **For non-Medicare State Health Plan PPO Members - SUPPORT Program (800) 321-8074**

Benefits are covered at 100% within the Michigan network. Out-of-state benefits are covered at 90%.

### **For Medicare Plus Blue Group Plan Members - DMEnsions (888) 828-7858**

Benefits are covered at 100% at DME facilities that accept the Medicare Plus Blue Group card.

### Blue Health Connection

This disease management program provides health educational materials, online health resources, a smoking cessation program and a 24-hour nurse help line.

For non-Medicare State Health Plan PPO members call (800) 775-2583.

For Medicare Plus Blue Group members call (877) 922 9355.

### CuraScript for Specialty Drugs (888) 773-7376

CuraScript is the provider for oral and injectable *specialty* medications. You will have a dedicated Patient Care Coordinator to make sure you receive optimum care. Drugs can be delivered directly to your home or to your physician’s office. Express Scripts will continue as your mail order provider for your non-specialty prescription drugs.

**ACCESSING INFORMATION ON-LINE**

To view the Benefit Guide for the State of Michigan Retirees’ State Health Plan PPO on-line, go to [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs). From the links at the left, click on “Employee Benefits”, “Benefit Booklets”, “State Health Plan Benefit Information”, then “Retirees State Health Plan PPO” from the list of options in the center of the page.

To view information regarding Medicare Plus Blue Group, go to [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs). From the links on the left, click on “Employee Benefits”, then “Medicare Plus Blue Group (for State of Michigan Retirees)” from the list of options in the center of the page.

To view information about an HMO, go to [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs). From the links at the left, click on “Employee Benefits”, “Benefit Booklets”, “State Health Plan Benefit Information”, and then “Health Maintenance Organization Plans” from the list of options in the center of the page and select an HMO plan to view.

**QUESTIONS**

Questions regarding the information in this bulletin can be directed to MI HR Service Center toll-free at (877) 766-6447 or in the Lansing area at (517) 335-0529.

| <b>STATE SPONSORED GROUP INSURANCE PLAN<br/>BENEFIT ADMINISTRATORS FOR RETIREES</b>   |   |
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| <p><b>BLUE CROSS BLUE SHIELD OF MICHIGAN</b><br/> <b>State Health Plan PPO</b><br/>                     BCBSM State of Michigan Service Center<br/>                     (800) 843-4876<br/> <a href="http://www.bcbsm.com">www.bcbsm.com</a><br/> <b>Medicare Plus Blue Group</b><br/>                     (888) 322-5557</p> | <p><b>MANAGED PHARMACY/MAIL SERVICE<br/>                     PRESCRIPTION DRUG PROGRAM</b><br/>                     Express Scripts<br/>                     (800) 505-2324<br/> <a href="http://www.express-scripts.com">www.express-scripts.com</a></p>   |
| <p><b>STATE VISION PLAN</b><br/>                     BCBSM State of Michigan Service Center<br/>                     (800) 843-4876<br/> <a href="http://www.bcbsm.com">www.bcbsm.com</a></p>   | <p><b>DURABLE MEDICAL EQUIPMENT</b><br/> <b>(For State Health Plan PPO Members Only)</b><br/>                     SUPPORT - (800) 321-8074<br/> <b>(For Medicare Plus Blue Group Members Only)</b><br/>                     DMEensions - (877) 922 9355</p> |
| <p><b>STATE DENTAL PLAN</b><br/>                     Delta Dental Plan of Michigan<br/>                     (800) 524-0150<br/> <a href="http://www.deltadentalmi.com">www.deltadentalmi.com</a></p>  | <p><b>MENTAL HEALTH/SUBSTANCE ABUSE<br/>                     SERVICES</b><br/>                     Magellan Behavioral of Michigan<br/>                     (866) 503-3158<br/> <a href="http://www.magellanassist.com">www.magellanassist.com</a></p>      |
| <b>HEALTH MAINTENANCE ORGANIZATIONS (HMOs)</b>  |   |

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| <b>Blue Care Network, Great Lakes</b><br><b>Blue Care Network, Mid-Michigan</b><br><b>Blue Care Network, East Michigan-Flint</b><br><b>Blue Care Network, East Michigan-Saginaw</b><br><b>Blue Care Network, Southeast Michigan</b><br>(800) 662-6667<br><b>BCN Advantage</b><br>(800) 450-3680<br><a href="http://www.mibcn.com">www.mibcn.com</a> | <b>Physicians Health Plan of Mid-Michigan (Lansing)</b><br>(800) 832-9186 or (517) 364-8500<br><a href="http://www.phpmm.org">www.phpmm.org</a>  |
| <b>HealthPlus of Michigan</b><br>Flint (800) 332-9161<br>Saginaw (800) 942-8816<br><b>HealthPlus Senior</b><br>(800) 332-9161<br><a href="http://www.healthplus.com">www.healthplus.com</a>   | <b>Priority Health, West</b><br><b>Priority Health, East</b><br><b>Priority Health, South</b><br>(800) 446-5674 or (616) 942-1221<br><b>PriorityMedicare</b><br>(888) 389-6648 or (616) 464-8820<br><a href="http://www.priority-health.com">www.priority-health.com</a> |
| <b>Health Alliance Plan</b><br>(800) 422-4641 or (313) 872-8100<br><b>HAP Senior Plus</b><br>(800) 801-1770 or (313) 664-7015<br><a href="http://www.hap.org">www.hap.org</a>   |  |
| <b>STATE OF MICHIGAN</b>  |  |
| <a href="#">Office of Retirement Services</a><br>P.O. Box 30171<br>Lansing, MI 48909<br>(800) 381-5111  | <a href="#">Employee Benefits Division</a><br>P.O. Box 30002<br>Lansing, MI 48909<br>(800) 505-5011  |

**Notice of Creditable Prescription Drug Coverage**  
**For Medicare-Eligible Employees, Retirees, and Dependents**  
**Enrolled in the State of Michigan Health Plans**  
**October 1, 2008**

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This notice is for all current State employees, retirees, and dependents with prescription drug coverage under a health plan offered by the State of Michigan [including the State Health Plan PPO, Medicare Plus Blue Group and approved Health Maintenance Organizations (HMOs)] who are Medicare-eligible or will become Medicare-eligible within the next 12 months.

**IF YOU ARE NOT MEDICARE-ELIGIBLE AND WILL NOT BECOME MEDICARE-ELIGIBLE IN THE NEXT 12 MONTHS, YOU MAY DISREGARD THIS NOTICE.**

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If you are eligible for Medicare, you can enroll in a Medicare Part D prescription drug plan (Part D Plan) when you first become eligible for Medicare and each year thereafter between November 15 and December 31. All Part D Plans provide at least a standard level of coverage set by Medicare. You must decide whether to enroll in a Part D Plan or keep your State Health Plan prescription drug coverage. This notice gives important information to help you decide:

1. The State of Michigan has determined that the prescription drug coverage

provided under its health plans is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage and is, therefore, considered creditable coverage.

2. Because the prescription drug coverage under the State health plans is creditable coverage, you can keep your State Health Plan prescription drug coverage; you do not have to enroll in a Part D Plan.
3. If you decide to enroll in a Part D Plan, you will not have to pay a penalty to enroll for Part D Plan coverage, unless you do not join the Part D Plan within 63 days after your State health plan prescription drug coverage ends.
4. Your current State Health Plan coverage pays for other health expenses (hospitalizations, doctor visits, etc.) in addition to prescription drugs. You will still be eligible to receive these other benefits if you choose to enroll in a Part D Plan.
5. If you decide to enroll in a Part D Plan, **your prescription drug coverage under the State health plan will stop** and we cannot guarantee that you will be eligible to restore coverage if you later discontinue your Part D Plan.
6. **You do not need to take any action if you wish to continue your prescription drug coverage under your current State health plan.**

**Please keep this Notice. If you enroll in a new Part D Plan approved by Medicare, you may be required to provide a copy of this Notice to avoid paying a higher premium amount.**

**This Notice of Creditable Coverage is provided by the Michigan Civil Service Commission, Employee Benefits Division, P.O. Box 30002, Lansing, MI 48909.**

For questions regarding **this notice only** (and not general Medicare information), please call the MI HR Service Center at (517) 335-0529 or (877) 766-6447 or TDD for the hearing impaired (517) 241-8046. You will receive this notice annually. You also may request a copy from the Employee Benefits Division or print a copy of this notice from the Employee Benefits section of the Michigan Civil Service Commission website at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs).

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### **WHERE TO GET MORE INFORMATION ABOUT MEDICARE PART D:**

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

1. Visit [www.medicare.gov](http://www.medicare.gov) for personalized information. The “Medicare & You” booklet is also available for download on this site.
2. Call 1-800-MEDICARE (1-800-633-4227) or 1-877-486-2048 (TTY).

3. Call your State Health Insurance Assistance Program for personalized help. Michigan residents may call 1-800-803-7174. For other states, look in the “Medicare & You” handbook for telephone numbers.
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For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available online from the Social Security Administration (SSA) at [www.socialsecurity.gov](http://www.socialsecurity.gov) or by phone at 1-800-772-1213 or 1-800-325-0778 (TTY).

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