



RETIREE BENEFITS BULLETIN

State of Michigan
Civil Service Commission

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CONTACT:

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SUBJECT:

IMPORTANT INSURANCE CHANGES ARE COMING
FOR RETIREES



October 2014

Retiree Insurance Rates & Benefit Changes

Insurance Rates: Premiums will remain the same for the State Health Plan PPO administered by Blue Cross Blue Shield of Michigan (BCBSM) for the 2014-2015 fiscal year (premium rate charts attached).

If you are currently enrolled in an HMO, please review the rates as most of the HMO premiums have changed. When reviewing an HMO plan, be sure to also review the HMO Postal Code List available at <http://www.mi.gov/employeebenefits> then select HMO Eligibility from the menu on the left of the page.

Dental and vision rates will remain the same for the 2014-2015 fiscal year.

Premiums shown on the attached charts will be reflected in the October pension checks.

Benefit Changes: Consistent with benefit changes approved by the Michigan Civil Service Commission (MCSC) for active State employees, plan changes will be made to the State Health Plan PPO, and Health Maintenance Organizations (HMOs) available to retirees and their eligible dependents. Detailed information for each plan and applicable effective dates are listed within this bulletin.

Please note: Benefit changes identified within this bulletin do not apply to Troopers and Sergeants retiring from the State Police enlisted unit on or after October 1, 1987.

Attention: The mailed version of this bulletin did not include specific language that listed "Troopers and Sergeants" in the note above.



State Health Plan PPO Benefit Changes

Effective **October 1, 2014**, unless otherwise noted, the following changes will be made to the State Health Plan (SHP) PPO administered by Blue Cross Blue Shield of Michigan (BCBSM):

- **Annual In-network Deductible (Effective January 1, 2015)**
 - Individual changes from \$300 to \$400
 - Family changes from \$600 to \$800
- **In-Network Office Visit Co-pay:**
 - Currently is \$15 and will change to \$20
- **Emergency Room (ER) Co-pay:**
 - **Non-Medicare eligible retirees** – currently is \$50 and will change to \$200 if not admitted to the hospital
 - **Medicare eligible retirees** - ER co-pay to remain at \$50
- **Prescription Drug Co-pays for those who retired on or after January 1, 1987.**
 - Retail: Currently at \$10/\$20/\$40 for generic, preferred brand, non-preferred brand name drugs, will change to \$10/\$30/\$60, respectively
 - 90-day supply at mail order (or retail for Medicare eligible retirees), currently at \$20/\$40/\$80 for generic, preferred brand, and non-preferred brand name drugs, will change to \$20/\$60/\$120, respectively
 - Non-Medicare Eligible Retirees' changes are effective October 1, 2014
 - Medicare Eligible Retirees' changes are effective January 1, 2015
- **Autism benefits:** Covered by the SHP PPO administered by Magellan, and subject to the plan deductible and coinsurance
- **Coinsurance:** Plan covers 90% after deductible for in-network services subject to coinsurance
- **Private Duty Nursing:** Plan covers 80% after deductible
- **Acupuncture:** Plan covers 80% after deductible
- **In-Network Out of Pocket Maximum (OOPM):**
 - Individual changes from \$1,000 to \$2,000
 - Family changes from \$2,000 to \$4,000



Effective **October 1, 2014**, unless otherwise noted, the following changes will be made to the Health Maintenance Organizations (HMOs):

- **Annual Deductibles:**
 - Individual \$125
 - Family \$250
 - **Medicare Advantage (MA) HMOs**
 - Individual \$125
 - Family deductible does not apply
- **Office Visit Copay:**
 - Currently is \$10 and will change to \$20
- **Emergency Room (ER) Copay:**
 - Currently is \$50 and will change to \$200 if not admitted to the hospital
 - **Medicare Advantage (MA)** currently is \$50 and will change to \$65 if not admitted
- **Prescription Drug Copays:**
 - Retail is currently \$5 for a generic and \$10 for a brand name drug and will change to \$10/\$30/\$60 for generic, preferred brand, and non-preferred brand name drugs, respectively
 - 90-day supply at mail order (or at retail for Medicare eligible retirees), to be \$20/\$60/\$120 for generic, preferred brand, and non-preferred brand name drugs, respectively
- **Annual Out of Pocket Maximum (OOPM):**
 - \$2,000 for an individual
 - \$4,000 for a family
 - **Medicare Advantage (MA)**
 - Individual \$2,000
 - Family OOPM does not apply

Please note: These changes will apply to MA HMO plans effective **January 1, 2015**



Retired Prior to January 1, 1987 & Enrolled in the Medicare Supplemental Plan

Prescription drug copays for retirees enrolled in the Medicare Supplemental Plan who retired prior to January 1, 1987 and for their dependents *will not* change.

- Retail drug copays will remain at \$7/\$15/\$30 for generic, preferred and non-preferred drugs, respectively.
- 90-day supply at mail order (or at retail for Medicare eligible retirees), will remain at \$14/\$30/\$60 generic, preferred brand, and non-preferred brand name drugs, respectively.



Dental

Effective **October 1, 2014**, dental implants will be added to the dental plan coverage under prosthodontics and will be covered as follows:

- 70% if utilizing a dental care provider who is a member of the Point of Service PPO
- 50% if utilizing a Delta Dental Premier dentist
- 50% if utilizing a Non-Participating dentist

There is no change to the annual maximum benefit of \$1,500 for each eligible person.



Vision

There are no changes to the State Vision Plan administered by Blue Cross Blue Shield of Michigan (BCBSM) in partnership with Vision Service Plan® for the 2014-2015 fiscal year.



Reminders & Updates

State Health Plan PPO Members - Effective October 1, 2014, the SUPPORT Program will no longer administer benefits for durable medical equipment, prosthetic and orthotics, and medical supplies. As a State of Michigan retiree, services for you and your dependents will be administered through Blue Cross Blue Shield beginning October 1, 2014. To receive services without any out-of-pocket costs for non-Medicare retirees, you must use a participating BCBSM provider. If services are received from a non-participating provider, you will be responsible for 20% of the approved amount plus the difference between the charge and the BCBSM approved amount. To receive services without any out-of-pocket costs for Medicare retirees, you must seek services from a provider that participates with Medicare.

Blue Health Connection (800) 775-2583 - This disease management program provides health educational materials, online health resources, a smoking cessation program, and a 24-hour Nurse Help Line.



Medicare Eligibility And State Retiree Health Coverage

Once you become Medicare-eligible, your State retiree health care coverage becomes your secondary insurance. Generally, you are automatically enrolled in Medicare Part A and Part B once eligible. If you initially declined Part B at the time you became eligible, you can sign up at your local Social Security office or by calling (800) 772-1213.

If you DO NOT ENROLL in Medicare Part B upon becoming eligible, your State Health Plan coverage will be treated as if Medicare coverage was in place. The State Health Plan will not reimburse that portion of an expense normally covered by Medicare Part B. If you become eligible for Medicare prior to age 65, be sure to enroll in Medicare Part A and Part B and enter the Medicare information online by logging into miAccount at www.mi.gov/orsmiaccount or send the Insurance Enrollment/Change Request to the Office of Retirement Services (ORS) to enroll.

Enrolling and Making Changes

Medicare Eligible at Age 65 - If you are already enrolled in state-sponsored retiree health and prescription drug insurance and you, your spouse, or your dependent(s) become eligible for Medicare at age 65:

- Be sure to enroll in both Medicare Parts A and B two to three months before turning age 65. Your coverage will automatically change to a Medicare compatible plan when you turn 65. You will be contacted if your provider needs additional information.

Medicare Eligible Before Age 65 - If you are *already enrolled* in state-sponsored retiree health and prescription drug insurance and you, your spouse, or your dependent(s) become eligible for Medicare before age 65:

- Be sure to enroll in both Medicare Parts A and B.
- Enter the Medicare information at www.michigan.gov/orsmiaccount or send the *Insurance Enrollment/Change Request* to the Office of Retirement Services (ORS) to ensure you are enrolled in the correct Medicare plan.

If you are *enrolling* in state-sponsored retiree health and prescription drug insurance and you, your spouse, or your dependent(s) become eligible for Medicare before age 65:

- Be sure to enroll in both Medicare Parts A and B.
- Submit your completed online insurance enrollment at www.michigan.gov/orsmiaccount (or *Insurance Enrollment/Change Request*) and proofs to ORS by the 15th of the month for your coverage to begin the following month.

Note: If your completed insurance enrollment request and proofs are received after the 15th but before the end of the month, your coverage will begin a month later. For example, if you submit your completed insurance enrollment request and proofs on July 25, and intend for insurance coverage to begin August 1, your coverage will begin September 1.

HMO Members - Medicare Advantage - If you have an HMO, regardless of when you, your spouse, or dependent(s) become eligible for Medicare, contact your provider to obtain a Medicare Advantage plan application and submit it to ORS if you wish to remain enrolled in your HMO. If your HMO does not offer a Medicare Advantage plan or if another HMO's Medicare Advantage plan is not available in your area, you must select the State Health Plan PPO.



Insurance Enrollments & Change Requests

Enrolling and Making Changes

If you wish to enroll in or make changes to your State health, prescription drug, dental, or vision insurance plans, log in to miAccount at www.michigan.gov/orsmiaccount or use the *Insurance Enrollment/Change Request* available on the ORS website at www.michigan.gov/ors. Simply select your retirement system, go to the Forms and Publications page, and print the form. Send your completed form and required proofs to: ORS, P.O. Box 30171, Lansing, MI 48909.

To enroll in or switch to an HMO, refer to the contact information included with this mailing and request the enrollment form directly from the HMO. Send your completed form to ORS along with the *Insurance Enrollment/Change Request* and all required proofs.

Enrollment Waiting Period

As a pension recipient, you are not restricted to an open enrollment window to enroll in or make changes to your insurance plans. New enrollments or changes are normally subject to a **six-month waiting period** from the date ORS receives your enrollment form(s) and all required proofs.

The normal six-month waiting period is **not applied** when you or a dependent has an involuntary loss of other group coverage or a change in your family status (e.g., marriage, death, divorce). If ORS receives your completed insurance enrollment online in miAccount or *Insurance Enrollment/Change Request* and HMO enrollment form, if needed, along with proof of your loss of coverage within 30 days of the event, there will be no gap in your coverage.

If you are currently enrolled in an HMO, you must remain in that HMO for six months before switching to the State Health Plan PPO, unless the coverage is no longer available. If coverage is no longer available, you must submit an online insurance enrollment in miAccount or complete and submit the *Insurance Enrollment/Change Request* form and required proofs to ORS.

To switch from one HMO to another HMO, or to change from the State Health Plan PPO to an HMO, there is no six month waiting period. To process the change, 1) request an application from the HMO and 2) return it to ORS, along with 3) an online insurance enrollment in miAccount or *Insurance Enrollment/Change Request*, and 4) all necessary proofs.

For questions contact:

MI HR Service Center

Toll-free at (877) 766-6447

Lansing Area (517) 335-0529

Michigan Relay 711 (Individuals with hearing loss)

Monday through Friday 8:00 a.m. to 5:00 p.m.

