

Retiree Option Change Period Open Enrollment – SHBP October 19 – November 6, 2015

2016 SHBP–Provide Continuity and Stability in Plan Options

The Department of Community Health Commissioner, Clyde Reese III, stated on August 13, 2015 to the Board of Community Health that based upon the **2015 Medical Cost Benchmarking Study** by AON the recommendations for CY 2016 State Health Benefit Plan options **would provide continuity and stability**. SHBP Division Director Jeff Rickman presented for approval the recommendations for CY 2016.

SHBP Decision Guide and Educational Meetings

The Decision Guide and Educational Meetings schedule for retirees have been mailed to retirees. You are encouraged to study the Decision Guide and if you feel you need additional explanation, attend one of the educational meetings.

In summary, the recommendations and approvals are:

- (1) The vendors are Blue Cross Blue Shield of Georgia (BCBSGa), UnitedHealthcare (UHC) and Kaiser Permanente (KP).
- (2) Plan Options for retirees age 65+ are Standard and Premium Medicare Advantage.
- (3) Plan Options for retirees under age 65 and for active members are:
 - (a) Gold, Silver, and Bronze Health Reimbursement Arrangements (HRAs) administered by BCBSGa;
 - (b) Statewide Health Maintenance Organization (HMO) administered by BCBSGa;
 - (c) Statewide HMO and statewide High Deductible Health Plan (HDHP) administered by UHC;
 - (d) Regional HMO in the Atlanta 27-county service area insured by KP;
 - (e) Express Scripts Inc. will continue to manage the pharmacy benefit for all BCBSGa and UHC options;
 - (f) Healthways Inc. will continue to manage the wellness benefits for all options administered by BCBSGa and UHC.
- (4) Premium rates for the UHC Medicare Advantage options **will not change in 2016**.
- (5) Premium rates for under age 65 retirees (and actives) **will be reduced for some options and will be increased for the HDHP**.
- (6) Telemedicine/Virtual visits are available for all options (page 23 and 24 of the Decision Guide).

Wellness/HRA Credits

Unused wellness credits will rollover to any Plan option (HRA, PPO, HDHP) and/or vendor (BCBSGa, Kaiser, or UHC) you choose (after six months for “run-out” claims), including Medicare Advantage. A balance of \$100 or more in an HRA or other incentive account will be established in a Retiree Reimbursement Account (RRA) after being enrolled in the MA for six months. (See page 37 in the Decision Guide.)

Standard and Premium Medicare Advantage Options (UHC)

The benefits offered under the Standard and Premium Medicare Advantage Options continue in CY 2016 at the same levels as in CY 2015.

- Each type service includes a dollar copay amount until the annual maximum out-of-pocket amount for medical expenses is met during the calendar year.
- Benefits are outlined on pages 14-16 of the Decision Guide. You will note that there are differences in the copay amounts for most medical services for each option, but the major difference is the maximum out-of-pocket (\$3,500 vs. \$2,500).
- There are no differences between the two options in the medical networks/providers. You can use any provider that will accept Medicare patients.

Health Maintenance Organization (HMO) BCBSGa and UHC

The benefits offered under the HMO options by BCBSGa and UHC are the same in CY 2016 as in CY 2015.

- The benefits are the same for the BCBSGa and UHC HMO options; however, there are NO “out-of-network” benefits in either option.
- Benefits are outlined on pages 24, 26, 28, 30 and 32 of the Decision Guide. Generally, hospital services require a coinsurance of **20% of allowed charges after a deductible is met** and physician services in an office usually require a dollar copay at the visit.
- Provider networks for BCBSGa and UHC are different. See www.bcbsga.com/shbp or www.welcometouhc.com/shbp for the networks for each insurance company.
- Wellness credits are higher for UHC than BCBSGa.

Health Reimbursement Arrangements (HRAs - BCBSGa) (Gold, Silver, and Bronze)

The benefits offered under the HRA options (Gold, Silver, and Bronze) are the same in CY 2016 as in CY 2015.

- Each level of the HRA offers benefits after the specified deductible amount – although a portion of the deductible may be offset by a HRA credit for that option.
- Benefits for each option are outlined on pages 23, 25, 27, 29, and 31 of the Decision Guide. There are differences in the deductible amount, coinsurance percentage after the deductible, HRA credit, and maximum out-of-pocket amount for each of the HRA options.
- The same provider network is used for the three HRA options offered by BCBSGa and can be found at www.bcbsga.com/shbp.

High Deductible Health Plan (HDHP) UHC

The benefit levels offered under the HDHP option by UHC are the same in CY 2016 as in CY 2015; however, the method of applying the deductible and maximum out-of-pocket will change. In CY 2015, if the member is enrolled in a coverage tier other than “YOU”, that coverage tier’s total deductible and maximum out-of-pocket is required to be met before benefits are paid under the option. Page 19 of your Decision Guide explains the change; however, in CY 2016 if any one of the family members meets the individual deductible, the HDHP option will provide benefits. The maximum out-of-pocket is also calculated per individual rather than the coverage tier maximum.

- The HDHP provides for out-of-network benefits, but reduces the percentage to be paid and limits the allowance for the acceptable charge for the OON provider.
- Members can establish a Health Savings Account (HSA) under the conditions outlined on page 20 of the Decision Guide.

Health Maintenance Organization (HMO) KP

The benefit levels offered under the Kaiser HMO are the same in CY 2016 as in CY 2015.

- The HMO does not have a deductible, although there is a maximum out-of-pocket for accumulation of copays for some services.
- Benefits are outlined on pages 24, 26, 28, 30 and 32 of the Decision Guide.
- Services must be provided by a network provider for coverage—there are no non-network benefits.
- Members who live or work in the 27 counties of the Kaiser network are eligible to enroll in the Kaiser HMO option.

When and How Can I Change My Option?

You can change your option during the Retiree Option Change/Open Enrollment Period. Page 8 of the Decision Guide gives a step-by-step process. You must make a change through the on-line process or telephone call to the SHBP Member Services at 800-610-1863. If you do not want to make a change in option or make a change in coverage tier, your CY 2015 option and coverage tier will be unchanged in CY 2016. **Caution:** Retirees who become eligible for a Medicare Advantage Option during the period between September and February should take extra precaution in coverage changes.

Turning age 65

Turning age 65 is a special time for health insurance coverage. As a **RETIREE**, You are required to change your SHBP coverage to one of the Medicare Advantage options or pay a very high premium (\$1,300 or more) to remain in any of the SHBP options (Kaiser is different).

You should start about 4 or 5 months before your 65th birthday obtaining the necessary Medicare cards for Part A and Part B. As soon as you have the information, contact the SHBP and provide the information so that your record can be updated. Although you may change up until 31 days following your 65th birthday, Medicare must approve all additions to MAP and if you do not notify Medicare before your 65th birthday, you will probably have to pay a late penalty fee to Medicare. Always verify that your coverage and premium have been changed.

Kaiser's 27 Counties – CY 2016 Same as CY 2015

Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton/

Stable Premiums—CY 2016

Commissioner Reese stated that the recommendations to the Board were partially a result of the Medical Cost Benchmarking report by AON – specifically for the pre-65 retirees and active members:

- (1) Employee out-of-pocket (OOP) costs is the highest of all Comparators and is 39% higher than the mean of all Comparators;
- (2) The SHBP's total cost (premiums and OOP) is the highest for the employee of all Comparators¹ and is 29% higher than the mean with all Comparators, but drops to 23% higher

than the mean when wellness credits and the tobacco surcharge are considered;

- (3) SHBP employee deductions (premiums) are higher than all but two Comparators and are 18% higher than the mean of all Comparators, but drops to 15% higher than the mean after the tobacco surcharge is considered.

DCH, recognizing the high cost to members, recommended that the premiums be decreased for most options, but the premiums for the HDHP were increased because of the change in the method of calculating the deductible and OOPM. Also, the premiums for the Bronze HRA did not change for 2016. The following charts compare the premiums for CY 2015 and CY 2016

¹ Comparators are other entities for which the health benefit plans were compared to the SHBP.

Premium Rates - Health Reimbursement Account (HRA) Options									
Member Premiums – CY 2015 (HRA)				Member Premiums – CY 2016 (HRA)			Member Premium % Change CY 2016		
Coverage Tier	Bronze	Silver	Gold	Bronze	Silver	Gold	Bronze	Silver	Gold
You	66.28	108.64	166.08	66.28	105.33	158.79	0.0%	-3.0%	-4.4%
You + Children	130.74	202.74	300.38	130.74	197.12	288.01	0.0%	-2.8%	-4.1%
You + Spouse	195.96	284.90	405.52	195.96	277.96	390.23	0.0%	-2.4%	-3.8%
Family	260.40	379.00	539.84	260.40	369.74	519.43	0.0%	-2.4%	-3.8%

Health Maintenance & High Deductible Health Plan Options								
Coverage Tier	Member Premiums 2015				Member Premiums and % Change 2016			
	BCBS HMO	UHC HMO	Kaiser HMO	HDHP	BCBS HMO	UHC HMO	Kaiser HMO	HDHP
You	130.74	181.32	145.78	53.02	130.58	170.68	140.02	57.46
% Change					0%	-6%	-4%	8%
You + Children	240.88	326.86	266.44	108.74	240.05	308.22	256.10	115.75
% Change					0%	-6%	-4%	6%
You + Spouse	333.06	439.56	364.64	169.84	330.99	415.20	350.81	177.45
% Change					-1%	-5%	-4%	4%
Family	443.18	584.80	485.30	225.56	440.44	552.71	466.86	235.72
% Change					-1%	-5%	-4%	5%

MEDICARE ADVANTAGE PLAN (MAP)							
Coverage Tier	2015		2016		Premium % Change		
	UHC		UHC		UHC		
	Standard	Premium	Standard	Premium	Standard	Premium	
You	25.38	88.22	25.38	88.22	0%	0%	
You + Spouse	50.76	176.44	50.76	176.44	0%	0%	

What Does the State Contribute To My Health Care Option (Other than MAP)

We normally think of the State as paying 75% of the premiums for SHBP. It's higher than 75% for some options and lower for others. DCH adopted an unspoken policy of contributing the same amount for each option in 2014. This policy is patterned after the Affordable Care

Act's marketplace provisions – the benefit designs and the premium subsidy. ACA requires the marketplace to offer options that have an actuarial value (AV) for “Essential Benefits” of 60% (bronze), 70% (silver), 80% (gold), etc.

for a federally defined statistical group. ACA further provides premium subsidies up to the 70% (silver) option.

Based upon the total SHBP premiums, the SHBP policy contributes the same employer dollar amount based on the coverage tier for the member regardless of option. As a percentage, the SHBP premium rates are subsidized at the “Silver HRA” option level. SHBP options offer the

member opportunities to decide to “buy-down” (i.e. for the HRA Bronze or HDHP options) or to “buy up” to the Gold HRA or HMO options.

Based upon the 2016 total rates approved on August 13, 2015, GSRA calculates the CY 2016 employer premium subsidy dollar amount for each option as follows.

CY 2015 and CY 2016 – Dollar (\$) GSRA Calculated State Subsidy										
	CY 2015 SHBP Employer Subsidy					CY 2016 SHBP Employer Subsidy				
	Bronze	Silver	Gold	HMOs/ HDHP	Kaiser	Bronze	Silver	Gold	HMOs/ HDHP	Kaiser
You	\$ 422.99	\$ 423.28	\$ 424.24	\$ 420.21	\$ 379.23	\$ 445.91	\$ 445.92	\$ 445.92	\$ 445.91	\$ 416.76
You + Children	701.02	701.52	703.16	695.74	626.08	739.99	739.99	739.99	739.99	690.42
You + Spouse	831.57	832.13	834.15	823.65	737.88	879.65	879.65	879.65	879.64	818.42
Family	1,109.56	1,110.38	1,113.06	1,099.48	984.73	1,173.74	1,173.74	1,173.74	1,173.75	1,092.11

Making a Coverage Decision for CY 2016 – Retirees Over Age 65

Making your decision for 2016 is a matter of finances. The benefit provisions and the provider network for the Standard and Premium options are the same. See page 14-16 of the Decision Guide for a complete display of the benefit provisions. In addition to the provider network that is available, **you have the option to use any provider that accepts Medicare.** (Note: The provider can choose not to accept the MAP coverage.) As a general rule, providers request insurance information before treating you and will inform you if they will not accept the UHC MAP coverage.

In addition, the copays for prescription drugs (not included in the medical OOPM) is the same under either option. Although there are some differences in medical

copays, the bottom line is that the Out-of-Pocket Maximum for medical expenses under the Premium is \$1,000 less (\$3,500 less \$2,500) than the Standard Option, BUT your deduction for the Premium Option is \$754 (annually) more than the deduction for the Standard option. Your decision comes down to whether you want to pay the lower premium and hope that you will not have medical expenses with copays greater than the \$2,500 or pay the higher premium so that you will not have medical expense risk for more than \$2,500 out-of-pocket maximum (copays) during the year.

Making a Decision – Under Age 65 SHBP Members

Making a decision for 2016 for an under age 65 SHBP member requires a substantial amount of study and analysis about provider networks and costs. The first thing that you need to determine is “Am I satisfied with the provider network offered by the option or am I willing to change providers” under the Option. Some points that you might consider are:

- All options provide for emergency treatment from an out-of-network provider.
- All of Blue Cross Blue Shield options use the same network, the UnitedHealthcare HMO and HDHP

options use the same network, and the Kaiser HMO provides care through a network of facilities.

- BCBSGA’s Bronze, Silver, and Gold options and the UHC High Deductible Health Plan option have “out-of-network” benefits (if desired), although all of the costs for out-of-network services are treated separately for the purpose of deductibles, copays, and OOPM.
- BCBSGA and UHC options for HMO do not have an out-of-network benefit; therefore, if you are not

satisfied with the network and are not willing to use another choice in the network, the entire cost for that service (except for emergency) is out-of-pocket and not covered by the plan.

- The Kaiser option does not have an “out-of-network” benefit; therefore, any services (unless emergency) is not a covered medical service.
- The Kaiser option requires you to live or work in one of the 27 counties listed.

The Retiree Decision Guide (pages 9-10) or page 8 of the Active Decision Guide provides Decision Support Tools to help you compare each benefit option. When analyzing your cost for each option, the bottom line is that you will pay about the same amount in premiums and out-of-pocket expense in any option you choose **if you have extensive medical needs**. If you pay a lower premium, you will pay higher out-of-pocket amounts when you receive medical services or if you pay a higher premium, you will pay lower out-of-pocket when you receive medical services. The question comes down to what medical expenses do you expect and would you rather pay a higher premium on a regular basis, or pay lower

premiums that may require a higher out-of-pocket amount when you receive medical services. Some points that you may want to consider are:

- When analyzing the HRA options, don't forget to subtract the HRA credits (1st page of the comparison) that reduce the deductible and the OOPM. The HRA credits can be used for first dollar medical expense.
- All BCBSGA and UHC options (including the Medicare Advantage) provide for well-being (by different names) incentive credits when you comply with the requirements of the wellness programs. The amount of credits vary by type of incentive.

Calculate your medical expenses for each year during the last two to three years and your expected or at-risk cost for the upcoming year. Determine how best to meet those needs based on the premiums, deductibles, copayments, and coinsurance, and process your change (if any) in option according to instructions provided by SHBP. At minimum, each person should verify that the coverage information on the SHBP website (www.mySHBPga.adp.com) is correct. Verification may require creating an account, or at minimum it may require a new password for the account.

Caution: Medicare Advantage Members

YOU will, as an enrollee of a Medicare Advantage option, negatively affect YOUR coverage if YOU:

- Discontinue paying the Medicare Part B premium;
- Enroll in a Medicare Supplement Plan
- Enroll in a non-SHBP MA plan
- Enroll in a Medicare Part D pharmacy plan.

Should you take any of the above actions, the MA coverage with SHBP will be terminated by Medicare and the SHBP will transfer you to the BCBSGa Bronze HRA plan. The premium with BCBSGa Bronze option will not be subsidized by the SHBP.

Enrolling in Pension Deductions

If you are a retiree with a retirement benefit from the Employees Retirement System, consider having your GSRA dues deducted from your benefit. It is easy. Go to www.mygsra.com (Select Join US, Benefits, and Pension Deduction form.) Complete the Authorization, complete your “pension ID number” and mail as instructed on the form.

Save the Date!

GSRA Day and Legislative Reception

Wednesday, February 3, 2016

State Capitol/Empire Room Atlanta



Mark your calendars and make plans now to attend both these important events and make your voice heard in 2016.

Be there!

Welcome SHBP RETIREES

We're back!

We are honored and look forward to serving you in 2015!



Plans are insured through UnitedHealthcare Insurance Company or one of its affiliated companies, a Medicare Advantage organization with a Medicare contract. Enrollment in the plan depends on the plan's contract renewal with Medicare.

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Endorsed GSRA Benefits

The Georgia State Retirees Association (GSRA) makes many member only benefits available to its members. GSRA endorses the following member benefits:

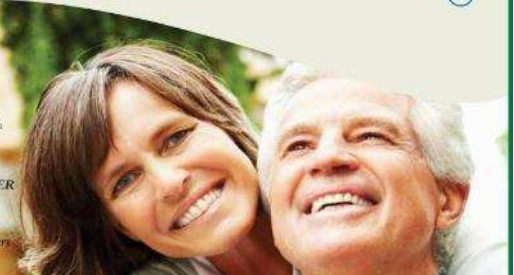
- Long Term Care / Home Health Care Policy
- Life Insurance
- Medical Air Services Association (MASA)
- Travel Discounts
- Car Rental Discounts
- Tax-Deferred Annuity
- Cancer Treatment Policy
- Medicare Supplement Insurance
- Identity Theft Protection
- Hotel Discounts
- Computer Discounts

Review your benefits at: www.myAMBAbenefits.info/gsra



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