



## Generic Drug Co-Pay Waived Beginning April 1, 2008

The Insurance Task Force, which is empowered to explore alternatives, improvements, and changes to existing benefit programs, made the cutting-edge recommendation to waive the co-payment for prescription generic drugs beginning with the April 1, 2008, health plan year. The recommendation was made with the goal of improving the health and well being of District health plan members as well as delivering more cost-effective health care.

The change will apply to all District BCBS self-funded health plans. It will also apply to both retail and mail-order generic prescriptions.

Therefore, beginning April 1, 2008, there will be no cost to employees who choose generic prescription drugs.

The Task Force reviewed information presented by the Insurance & Benefits Department, Blue Cross Blue Shield, and Gallagher Benefit Services before making their recommendation to offer free generic drugs to health plan members. That information included claim data, projections, experiences of other health plans, and feedback from our own health risk appraisals.

The feedback from the health risk appraisals was one of the most compelling reasons to make the change. On a number of occasions, employees participating in on-site health risk appraisals have been sent directly to their doctors or to the emergency room because their blood pressure readings were dangerously high. When asked if they were aware of their blood pressure problems, some said they were, but

were not taking medication because they could not afford it. Those stories reinforced the Task Force's belief that offering free generic prescription drugs has the potential to improve the health of many employees.

Experience from BCBS of Minnesota demonstrated that offering free generic drugs was a positive change in benefits for their health plan members because it improved their health by providing incentive to stay with their prescribed drug regimens and by improving members' contact with their health care providers.

### **Win/Win Situation**

Waiving generic drug co-payments will be a win/win situation for both health plan members and the District's self-

funded health plan. BCBS of Minnesota found that after one year of offering free generic drugs to its members, generic utilization had increased by 18%. Because the cost of generic drugs is so much lower than the cost of brand drugs, the savings more than offset the cost of waiving the members' generic drug co-payments. The District's generic drug utilization currently runs at 48.8%, well below the national average of 55%. Gallagher Benefit Services, the District's benefit consultants, project the District's self-funded health plan would break even if generic drug utilization increased by only 7.5%, which appears to be very achievable given that we are already below the national average. Therefore, waiving generic drug co-payments should benefit the health plan as well as its members – a true win/win!



WINTER 2007-2008 ISSUE

### In This Issue

**Page 1:**

Generic Drug Co-Pay Waived Beginning April 1, 2008

**Page 2:**

2008 Open Enrollment Highlights

2008 Retirement Seminar

**Page 3:**

Is the BCBS 706 PPO Plan Right for You?

**Page 4:**

Benefit Directory

2008 Health Insurance Premiums



## 2008 Retirement Seminar

### Valuable Information for Employees Contemplating Retirement

The 2008 Annual Retirement Seminar, coordinated by the School District's Personnel Services Department, will be held on Tuesday, January 29, 2008, from 4:30-7:30 P.M. in the Fort Myers High School auditorium. The seminar is available to all School District employees and features representatives from the Florida Retirement System, BENCOR, the Social Security Administration, and Insurance & Benefits. The seminar offers valuable retirement planning information and is a wonderful planning tool for any employee contemplating retirement in the upcoming 18 months.

#### Schedule of presentations:

**4:15-4:30 Registration**

**4:30-4:45 Welcome & Overview**  
Becky Garlock, Manager, Personnel Services

**4:45-6:00 Florida Retirement System**

Charlene Fansler, Florida Retirement System

**6:00-6:15 Health & Life Insurance**  
Karen Cooley, Supervisor, Insurance & Benefits Management

**6:15-6:45 BENCOR Special Pay Plan**

Steve Banks, TSA Consulting Group

**6:45-7:15 Social Security**

Katherine Randall, Social Security Administration

**7:15-7:30 Closing Remarks**

Becky Garlock, Manager, Personnel Services

Each speaker will cover his/her area of expertise and then open the floor to questions. Included in each presentation will be "How To's" for applying for the speaker's specific benefits.

Retirement is a major life decision and the process can be confusing without the proper information and coaching. Mark this important seminar on your calendar and plan to attend if you are contemplating retirement in the near future!

## 2008 Open Enrollment Highlights

January 14, 2008 – February 8, 2008

The 2008 Open Enrollment period will begin Monday, January 14th, shortly after you return from Winter Break, and it will extend through Friday, February 8th. There are some changes this year that you will need to consider before making your benefit elections for the April 1, 2008 – March 31, 2009 plan year. These changes include increases in premiums for the BCBS 927 and 903 health plans, Delta Dental DPO plan, and Minnesota Life supplemental life insurance. While these changes will be perceived as negative, a very positive and offsetting change will also take place – free generic drugs (both retail and mail-order) for all District health plans.

### Health Insurance Premiums

The Insurance Task Force reviewed claim data supplied from BCBS and analyzed by Gallagher Benefit Services, the District's benefit consultant. After discussing the data and reviewing their options, Task Force members recommended increasing premiums for the BCBS 927 and 903 plans. The higher premiums were necessary due to increasing plan utilization and medical trend. BCBS 706 and 118 PPO plan claims were not as high and, therefore, no premium increases were necessary for those plans next year.

### Benefit Bank

The Benefit Bank is an amount the District allocates to all eligible employees to be applied toward the purchase of health insurance and, if there is any remaining amount after the purchase of health insurance, that balance may be applied toward the purchase of dental, vision, or cancer insurance. The Benefit Bank is currently equal to the "employee only" premium for the BCBS 927 plan. Employees currently enrolled in the 927 plan have no extra/discretionary Benefit Bank dollars to apply toward dependent

health insurance or voluntary benefits. Employees currently enrolled in the BCBS 903, 706, or 118 PPO plans do have extra/discretionary dollars to apply toward dependent health insurance or voluntary benefits.

This will change for the new plan year. While the Benefit Bank annual amount (\$6,372) will not increase, premiums for the BCBS 927 and 903 PPO plans will increase. **The "employee only" premium for the BCBS 927 will now be greater than the Benefit Bank and those employees will be required to pay an employee share if they remain in that plan. The "employee only" premium for the BCBS 903 PPO plan will now equal the Benefit Bank and those employees will no longer have any extra/discretionary Benefit Bank dollars to apply toward dependent health insurance or voluntary benefits.** Please see page 4 for 2008-09 Health Insurance Premiums.



**Benefit Bank  
\$\$\$\$ for  
Employees  
Who Waive  
Health  
Insurance**

Employees who waive health insurance will receive:

- n \$25.00 per paycheck (24-pay employees)
- or
- n \$30.00 per paycheck (20-pay employees)

If you are currently waiving your health insurance, you will automatically receive those Benefit Bank dollars and will not have to complete any new forms. You may purchase dental, vision, or cancer insurance with those Benefit Bank dollars. If you are currently enrolled in any of these plans, you will not have to pay the first \$25.00/\$30.00, which will be covered by your new Benefit Bank dollars. If you are not currently enrolled for dental, vision, or cancer insurance, you must complete the appropriate enrollment form(s) and a Payroll Authorization form.

If you are currently enrolled in a District health plan, but would like to waive health insurance coverage, you must complete a Waiver of Health

*continued on page 3*

## 2008 Open Enrollment Highlights continued from page 2

Insurance (available by calling Insurance & Benefits at 337-8321) and a BCBS Universal Individual Application to document dropping your coverage.

The change will be reflected beginning with your March 15th paycheck for coverage effective April 1, 2008.

### Open Enrollment Packets

Please take time to carefully review the materials in your Open Enrollment packet because, for most benefits, the four weeks of Open Enrollment are the only time of the year during which you can add, drop, or change the level of coverage of a benefit unless you have a qualified Family Status Change.

The Open Enrollment Directions in your packet should answer most of your questions. They are conveniently presented in bullet format, by benefit, so you only have to read those sections in which you are interested.

### Open Enrollment Video

Due to the favorable feedback we've received, Insurance & Benefits has again produced an Open Enrollment video that will be aired on ITV and the Learn Network. The video will review the benefits offered during Open Enrollment and will explain paperwork requirements, filing timelines, and other helpful information. The Benefit Contacts at your location will make video cassettes of the Open Enrollment video for you to check out and view at your convenience.

### Children's Health Insurance Coverage for Married Employees

Married employees (when both work for the School District) with two children are permitted to split their children's health insurance coverage by each employee covering one child. This will permit those married employees to save premium dollars because two "child" premiums cost less than one "children" premium.

Although splitting your two children's coverage between two

employee parents will save premium dollars, it may result in higher out-of-pocket costs when you incur claims because each employee and child will now constitute a "family" unit with respect to calendar year deductibles and maximum out-of-pocket expenses.

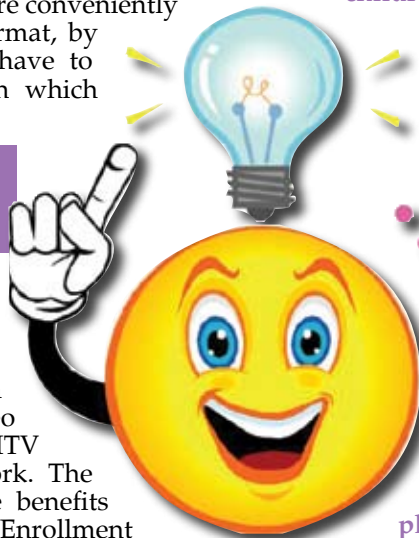
If you would like to make this change, both you and your spouse must complete a BCBS Universal Individual Application (each indicating which child he/she will be covering) and a Payroll Authorization form during Open Enrollment.

The change will become effective April 1, 2008, but will be reflected on your paycheck beginning with the March 15, 2008 paycheck.

**NOTE: If each parent covers one child and a third child is born/adopted, one parent would have to purchase**

**"children" coverage (to cover the new child plus the existing child he/she was covering) while the other parent would continue to purchase "child" coverage for the child he/she was covering.**

**All three children could not be grouped under a single parent until the next Open Enrollment. Until that time, they would have to pay the cost of "children" plus "child" coverage, rather than "children" coverage only.**



### Final Open Enrollment Reminders

1. For most benefits, Open Enrollment is the only time you can add, drop, or change a benefit. Do not miss this important opportunity!
2. If you are currently enrolled in a Flex Plan Spending Account and wish to participate in the new plan year, **you must re-enroll!**
3. Please watch the 2008 Open Enrollment video.
4. Carefully read the information in your personalized Open Enrollment packet.
5. Return all Open Enrollment paperwork as soon as possible. **All paperwork must be received in Insurance & Benefits Management no later than February 8, 2008!**

## Is the BCBS 706 PPO Plan Right for You?

Last year the Insurance Task Force introduced the new BCBS 706 PPO Plan option. It was added to meet the needs of employees who purchase dependent health insurance. It covers physicians' services (both primary and specialty care), routine physical exams, well woman exams, and well child exams all for a \$15 co-payment. With this coming year's increase in premiums for the BCBS 927 and 903 PPO plans, this may be a very good

time to take a serious look at the 706 plan. With no increase in premiums for the 706 PPO plan and free generic drugs, this plan may very well meet your needs. In addition, choosing it will provide extra/discretionary Benefit Bank dollars to apply toward dependent health insurance.

While the BCBS 706 PPO plan is not as rich as Lee County School's 927 and 903 plans, it compares very favorably to richest PPO health plans offered by other Florida School Districts including Duval, Pasco, Brevard, Escambia, Seminole, and Volusia.

Remember, the money you save in health plan premiums can be set aside to cover the additional out-of-pocket expenses you may incur when you access medical care. If you look at your health expenses over the past few years, you should get a good idea of what your out-of-pocket expenses may be and determine whether the BCBS 706 PPO plan makes sense for you.

If you are purchasing dependent health insurance and the majority of your family's expenses are for doctor visits and prescriptions, the BCBS 706 Plan may be the perfect choice!



# Benefit Directory

## Cancer Insurance:

Hartford Life/AIG  
1-800-880-2776

## Dental Insurance:

Delta Dental DPO  
1-888-858-5252  
DeltaCare DHMO  
1-800-422-4234

## Disability Insurance:

UNUM  
General Information  
1-800-633-7479  
Claims (local) 337-8155

## Employee Assistance Program:

EAP Consultants  
(local) 433-1211

## Flex Spending Accounts:

Cornerstone  
(local) 337-8318  
(fax) 337-8666

## Health Insurance:

Blue Cross Blue Shield  
(claim information and  
new ID cards)  
1-800-945-3676  
On-site CSR (Insurance &  
Benefits Management)  
(local) 335-1403

## Insurance & Benefits Management:

General Information  
(local) 337-8321

## Life Insurance:

Minnesota Life  
(local) 335-1402

## Mail-Order Prescription Drugs:

PrimeMail Pharmacy  
Customer Service  
1-888-849-7865, TTY 711

## Vision Insurance:

VisionCare Plan  
1-800-865-3676

## Workers' Comp. (Johns Eastern):

1-800-749-3044

# 2008 Health Insurance Premiums

Effective March 2008

	<u>24-Pay</u>		<u>20-Pay</u>	
	<u>Employee Share Per Pay</u>	<u>Benefit Bank Balance</u>	<u>Employee Share Per Pay</u>	<u>Benefit Bank Balance</u>
<b>927 PPO Plan</b>				
Employee Only	\$ 40.00	\$ -	\$ 48.00	\$ -
Employee/Spouse	\$ 422.50	\$ -	\$ 507.00	\$ -
Employee/Child	\$ 196.50	\$ -	\$ 235.80	\$ -
Employee/Children	\$ 379.00	\$ -	\$ 454.80	\$ -
Employee/Family	\$ 598.50	\$ -	\$ 718.20	\$ -
<b>903 PPO Plan</b>				
Employee Only	\$ -	\$ -	\$ -	\$ -
Employee/Spouse	\$ 343.50	\$ -	\$ 412.20	\$ -
Employee/Child	\$ 143.50	\$ -	\$ 172.20	\$ -
Employee/Children	\$ 305.00	\$ -	\$ 366.00	\$ -
Employee/Family	\$ 499.50	\$ -	\$ 599.40	\$ -
<b>706 PPO Plan</b>				
Employee Only	\$ -	\$ <b>50.00</b>	\$ -	\$ <b>60.00</b>
Employee/Spouse	\$ 219.50	\$ -	\$ 263.40	\$ -
Employee/Child	\$ 60.00	\$ -	\$ 72.00	\$ -
Employee/Children	\$ 188.50	\$ -	\$ 226.20	\$ -
Employee/Family	\$ 343.50	\$ -	\$ 412.20	\$ -
<b>118 PPO Plan</b>				
Employee Only	\$ -	\$ <b>106.00</b>	\$ -	\$ <b>127.20</b>
Employee/Spouse	\$ 93.00	\$ -	\$ 111.60	\$ -
Employee/Child	\$ -	\$ <b>24.50</b>	\$ -	\$ <b>29.40</b>
Employee/Children	\$ 70.50	\$ -	\$ 84.60	\$ -
Employee/Family	\$ 185.00	\$ -	\$ 222.00	\$ -

