



## 2009 Open Enrollment Brings Significant Change

### *Failure to Read Open Enrollment Materials Could Result in Costly Mistakes*

**T**he 2009 Open Enrollment period will begin Monday, January 12th – shortly after the return from Winter Break—and will extend through Friday, February 6th. There are some significant changes this year that you will need to consider before making your benefit elections for the April 1, 2009-March 31, 2010 plan year. These changes include substantial increases in health insurance premiums, elimination of the BCBS 927 PPO health plan, a new HOM health insurance plan, and a new improved vision insurance plan.

#### **Higher Health Insurance Premiums**

The overall increase in health insurance premiums for the 2009-10 plan year is a significant 24%. The reasons for this large increase are medical trend, an unexpected increase in large claims, and migration from higher-cost plans to lower-cost plans. Our school district has appreciably higher claims than other BCBS clients, including other Florida school districts. We will have more information about this in future issues of the Benefit Revue.

The increase in health insurance premiums will require your attention when making your 2009 Open Enrollment elections for the following reasons:

- The BCBS 927 Plan is being eliminated.
- The Benefit Bank contribution is not increasing.
- Employees choosing the 903 Plan will be required to pay a portion of their employee-only premium.
- Employees choosing the 706 Plan will no longer have extra Benefit Bank dollars to apply toward dependent coverage or voluntary benefits.
- The new BCBS HMO 10 Plan may better meet your health insurance needs than the current PPO plans.

#### **BCBS 927 PPO Plan Eliminated**

Due to the significant increase in premiums in the 927 Plan (more than a \$200/month increase for employee-only coverage), the Insurance Task Force (ITF) felt the cost would be prohibitive and recommended to the SPALC, TALC, and District negotiating teams that the 927 Plan be eliminated effective April 1, 2009. The negotiating teams concurred with the ITF recommendation, and the 927 Plan will no longer be available after March 31, 2009.

All employees who are currently enrolled in the 927 Plan will receive a letter informing them that they must switch to a different health plan during Open Enrollment. Employees who fail to enroll in another plan will default to the 903 Plan to ensure they have no break in health insurance coverage.

#### **No Increase in the Amount of the Benefit Bank**

The District's annual employee Benefit Bank contribution will remain the same for the 2009-10 plan year as it is this year—\$6,372. With health insurance premiums increasing and the Benefit Bank remaining fixed at the current level, employees will be shouldering a larger premium burden.

The Benefit Bank will no longer cover the employee-only premium for the BCBS 903 Plan. Employees with single coverage will now have to pay \$64 each pay period (24-pay employees) or \$76.80 each pay period (20-pay employees) if they want to remain in the 903 Plan. If they move to the BCBS 706 Plan, the Benefit Bank will cover their employee-only premium, but they will be required to pay 100% of any dependent health premiums. Employees who move from the 903 Plan to either the new HMO

*(continued page 6)*



#### **WINTER 2009 ISSUE**

### **In This Issue**

#### **Page 1:**

2009 Open Enrollment Brings Significant Change

#### **Page 2:**

Avesis Offers New Improved Vision Insurance

2009 Retirement Seminar

#### **Page 3:**

School District Offers Employees an HMO Health Insurance Option

#### **Page 4:**

2009 Open Enrollment Meeting Schedule

#### **Page 5:**

New IRS Regulations Affect 403(b) Tax Sheltered Accounts

Is the BCBS 706 Plan Right for You?

#### **Page 6:**

Benefit Directory



## 2009 Retirement Seminar

### *Valuable Information for Employees Contemplating Retirement*

The 2009 Annual Retirement Seminar, coordinated by the School District's Personnel Services Department, will be held on Wednesday, January 28, 2009, from 4:30-7:30 P.M. in the Board Room at the Lee County Public Education Center. 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 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**

Cindy Randolph, Florida Retirement System

#### **6:00-6:15 Retiree Benefits**

Karen Cooley, Supervisor, Insurance & Benefits Management

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

Katherine Randall, Social Security Administration

#### **6:45-7:15 BENCOR Special Pay Plan**

Mike Stephens, BENCOR Representative

#### **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!

## Avesis Offers New Improved Vision Insurance

The Insurance Task Force (ITF) recommended releasing a Request for Proposals (RFP) for group voluntary vision insurance last April to test the vision insurance market. A sub-committee of the ITF volunteered to work with Gallagher Benefit Services, the District's benefit consultants, to develop the RFP and participate in the evaluation process.

RFP's were sent to twelve (12) vendors and nine (9) companies responded with proposals. After an initial evaluation, three finalists were asked to provide additional information and to participate in oral interviews.

The finalists were evaluated and scored again by the ITF subcommittee after the interview process and the top proposer was Avesis Incorporated. Avesis was chosen because it offered the School District the best choice of plan options with the lowest overall premiums. In addition to the excellent choice of plans and the lowest premiums, Avesis also guaranteed no increase in premiums for four (4) years.

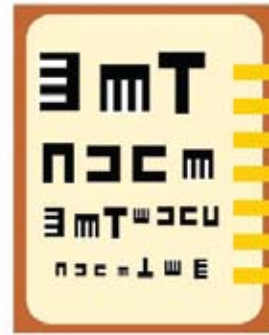
On September 29, 2008, the full ITF considered the subcommittee's recommendation to award group voluntary vision insurance to Avesis and chose the vision plan option that requires no co-payment for eye exams or lenses/frames, has a richer contact lens benefit than the

current plan, and has lower overall premiums than the current plan.

The new Avesis plan does not require members to call for a voucher before being able to schedule their eye exam. Avesis will issue ID cards which members can show providers at the time they access services. Additionally, members can receive an eye exam from one Avesis provider and obtain their lenses and/or frames from a different Avesis provider. This may appeal to employees who prefer to purchase frames from retail chain providers. Avesis has a number of retail chains in their network including Walmart, Sam's Club, Costco, and Eyeglass World.

Employees who choose Avesis next plan year will receive a richer benefit at a lower overall cost than they have now under the VisionCare plan.

The chart below compares the benefits provided by current VisionCare plan to the new benefits provided by Avesis. Under the Avesis plan, there is no charge for the annual eye exam (including a contact lens exam), no charge for lenses, no charge for frames that fall within the plan frame allowance, and a significantly enhanced benefit for members who choose contact lenses.



| Benefit                               | Current VisionCare Plan                  | New Avesis Plan   |
|---------------------------------------|--|---|
| Eye Exam                              | \$ 10 co-pay                             | \$0 Co-pay (includes eye exam for contacts)                         |
| Materials (spectacle lenses & frames) | \$15 co-pay                              | \$0 Co-pay  |
| Contact Lenses                        | \$105 allowance toward eye exam & lenses | \$130 allowance toward lenses & follow up (in addition to eye exam) |
| Frame Allowance                       | Up to \$55 wholesale                     | Up to \$55 wholesale  |

# School District Offers Employees an HMO Health Insurance Option

The School District will be offering a Health Maintenance Organization (HMO) health insurance option to employees effective April 1, 2009. The Blue Cross Blue Shield (BCBS) HMO 10 Plan is the first HMO available to District employees.

The BCBS HMO 10 Plan differs from the District's current PPO plans in a number of significant ways. HMO's are more restrictive than PPO's, have more rules than PPO's, but do offer rich benefits, provided members follow the HMO plan's rules.

HMO "rules" that may be considered negatives include the following:

- There is no out-of-network benefit—members must receive all medical services (except for authorized out-of-area emergency care) from a BCBS HMO provider.
- Follow-up emergency services and care must be provided by your Primary Care Physician or a BCBS HMO Specialist.
- Members must choose a Primary Care Physician (PCP) and receive all primary health care from their PCP.
- There are no out-of-service area benefits (except for members who temporarily reside out of the service area and get an "Away From Home" guest membership from BCBS).
- HMO members do not receive EOB's and will be responsible for tracking their out-of-pocket expenses to know when they have met their calendar year out-of-pocket maximum.
- BCBS subcontracts all behavioral health care to MHNet, a managed behavioral health company with its own provider network. All behavioral health must be pre-approved by calling MHNet.
- Authorizations are required for certain medical services, including: emergency services, hospitalization, surgery, rehabilitation services, home care, select durable medical equipment (including diabetic supplies), select injections/infusions, pain management, therapies (physical, occupational, speech), skilled nursing facilities, hospice services, certain diagnostic services, and routine colonoscopies.
- The BCBS HMO network does not include all the doctors and other medical providers that participate in the BCBS PPO network; therefore, you should consult the BCBS provider directory in your Open Enrollment packet prior to making your health plan decision.
- There is only one authorized DME provider—Eastern Medical Providers (EMP).
- Quest is the only authorized independent medical lab in the BCBS HMO network.
- There is only one authorized provider for self-administered injectable medications—CVS Caremark.

HMO "benefits" that may be viewed as positives include the following:

- There are no deductibles or co-insurance costs. Members only pay a co-pay for all medical services.
- Members do not need a referral from their PCP to see a BCBS HMO specialist. (Reminder: visits to non-BCBS HMO specialists will not be covered.)
- Covered services from Quest independent medical labs are covered at 100%.
- There is no calendar year maximum for approved preventive services.
- Routine (preventive) authorized colonoscopies are covered for a \$100 co-payment.
- Anesthesia charges for authorized services are covered at 100%.
- Durable medical supplies (including diabetic supplies—lancets, test strips) are covered at 100% when purchased through Eastern Medical Providers (EMP).
- Self-administered injectable medication (those not covered by the pharmacy benefit) are covered at 100% when authorization is obtained by your doctor and purchased through CVS Caremark.

As you can see from the lists above, there are more rules and restrictions with an HMO, but there are also many richer benefits. Please thoroughly review the spreadsheet comparison of all four District health plans, the HMO positives and negatives above, the BCBS HMO provider directory in your Open Enrollment packet, and the BCBS HMO 10 Q&A's in your Open Enrollment packet before determining if the BCBS HMO 10 Plan is the right choice for you and your dependents.



If you don't like to follow rules, if your current doctors are not in the BCBS HMO network, if you reside outside of the service area, or if you do not want to receive behavioral health through a managed care system, the BCBS HMO 10 Plan may not be the right choice for you.

However, if you are willing to follow the rules of an HMO plan and you are satisfied with the providers in the BCBS HMO network, it may be an excellent choice for you and your dependents.

# 2009 Open Enrollment Meeting Schedule

The following Open Enrollment meetings will be held at key locations throughout Lee County during the month of January. The meetings will be staffed by Insurance & Benefits personnel who will be available to answer questions you have about the District's health insurance plans, voluntary benefits, Flex Spending Accounts, forms, and timelines. At least one staff member at each meeting will be Spanish-speaking to help Spanish-only speaking employees.



*Since the meetings will be conducted in a questions and answer format, please review your Open Enrollment information prior to the meeting and be prepared with your questions.*

| Date                     | Location           | Time                | Presenters                      |
|--------------------------|--------------------|---------------------|---------------------------------|
| <b>Monday-1/12/09</b>    | Trans West         | 10:00 AM - 12:00 PM | Debbie S. & Rosa                |
|                          | Cape Coral High    | 2:00 PM - 4:00 PM   | Debbie D. & Raffy               |
|                          | Diplomat Middle    | 4:45 PM - 6:00 PM   | Karen & Rosa                    |
| <b>Tuesday-1/13/09</b>   | Trans East         | 10:00 AM - 12:00 PM | Karen & Rosa                    |
|                          | Fort Myers High    | 2:00 PM - 4:00 PM   | Debbie S. & Raffy               |
|                          | Oak Hammock Middle | 4:45 PM - 6:00 PM   | Debbie D. & Rosa                |
| <b>Wednesday-1/14/09</b> | Maintenance        | 6:30 AM - 9:00 AM   | Debbie S. & Rosa                |
|                          | Lehigh Senior High | 1:00 PM - 3:00 PM   | Debbie D. & Raffy               |
|                          | Lehigh Middle      | 2:30 PM - 4:30 PM   | Karen & Rosa                    |
| <b>Thursday-1/15/09</b>  | Estero High        | 1:00 PM - 3:00 PM   | Karen & Rosa                    |
|                          | Three Oaks Middle  | 2:30 PM - 4:30 PM   | Debbie S. & Raffy               |
| <b>Friday-1/16/09</b>    | LCPEC              | 9:30 AM - 11:00 AM  | Karen<br>Debbie S.<br>Debbie D. |
|                          | LCPEC              | 4:00 PM - 6:00 PM   | Rosa                            |
| <b>Wednesday-1/21/09</b> | Trans South        | 10:00 AM - 12:00 PM | Debbie S. & Raffy               |

# New IRS Regulations Affect Employees' 403(b) Tax Sheltered Accounts

In 2007, the Treasury Department issued Final Regulations under Code Section 403(b) which imposed new administrative requirements on entities that offered 403(b) programs to their employees. The new regulations require employers to adopt a written plan document by January 1, 2009. The regulations also increase employer responsibility for monitoring employee contributions, distributions, loans, rollovers, transfers, etc.

Although the administrative responsibilities for employers are greater, the enhanced recordkeeping should increase compliance with Internal Revenue Code for employees with 403(b) Tax Sheltered Accounts (TSAs).

The new IRS regulations also impact vendors who sell TSA products to employees. They are now required to share all TSA information with employers. This requirement is referred to as an Information Sharing Agreement (ISA). Companies who were unwilling to sign an ISA with employers will no longer be able to accept contributions from employees after December 31, 2008. Other companies who chose to exit the TSA market because of the additional required recordkeeping will also not be able to conduct TSA business after December 31, 2008.

About a dozen companies that currently offer TSAs to School District employees will no longer be able to service their existing District clients after December 31, 2008, because they have either chosen to exit the market or will not comply with the new IRS regulations. Most of these companies are on the District's inactive list and service very few employees; however, two (2) of the District's nine (9) active TSA vendors have also chosen to leave the TSA market—Western Reserve and Nationwide. Employees who have TSA accounts with any of the exiting companies have been notified in writing of the change. They will be allowed to leave their funds with these companies, but they will not be able to make any further contributions.

## ***IBC Model Plan***

Under the umbrella of the Independent Benefits Council (IBC), four major educational groups—the Florida Education Association, the Florida School Boards Association, the Florida Association of District School Superintendents, and the Florida

Association of School Administrators—convened to identify a network of TSA providers who would agree to:

- Meet the new administrative requirements of Code section 403(b),
- Improve employee retirement savings and investment choices,
- Reduce employee investment expenses, and
- Coordinate independent recordkeeping and education.

The IBC, with the assistance of Gallagher Benefit Services (consultant) and TSA Consulting Group released an RFP to 90 TSA vendors. Twenty-four vendors completed the RFP and 11 were interviewed. Five vendors were selected as Model Plan vendors for the three investment platforms as follows:

- Annuity vendors (high service level): **AXA/Equitable** and **AIG/VALIC**
- Mutual Fund vendors (low service level): **American Century** and **Waddell and Reed**
- Multi-Product Custodial Account (mid-service level): **PlanMember Services Corporation**

To help fill the void created by the TSA vendors who will no longer be eligible to service District employees after December 31, 2008, the District will add the following four (4) Model Plan companies to its approved TSA vendor list effective January 1, 2009: AXA/Equitable, American Century, Waddell and Reed, and Plan Member Services.

AIG Retirement/VALIC, although selected as a Model Plan vendor, is not eligible for inclusion on the District's list because it does not meet the District's current requirement that insurance companies maintain an AM Best A+ rating. When their rating dropped from A+ to A in October of this year, they were downgraded from an Active vendor status (able to solicit new accounts) to an Inactive vendor status (able to service existing accounts only).

If you are interested in opening a new TSA account or are an employee whose company no longer meets the IRS requirements, please go to the Insurance & Benefits website for an updated list of approved TSA vendors and agents. It is always a good idea to interview multiple agents before making a selection. You may also want to consult a financial advisor for help with this important decision.

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

The BCBS 706 PPO Plan was added in April, 2007, and since its introduction, enrollment has increased to over 1,900 employees.

With the significant increase in premiums for the 2009-10 health plan year, this may be a very good time to take a serious look at the 706 plan. With the "employee only" cost of the 706 Plan still covered by the Benefit Bank contribution, lower dependent premiums than the 903 Plan, \$15 physician co-payments, and free generic drugs, the 706 Plan may very well meet your needs.

The 706 PPO Plan covers in-network physicians' services (both primary and specialty care), routine physical exams, well woman exams, and well child exams all for a \$15 co-payment.

While the 706 Plan's benefits are not as rich as those of the 903 Plan, it compares very favorably to the richest PPO plans offered by many Florida school districts.

If you are currently enrolled in the 903 Plan, you should review your health plan expenses for the past few years to get an idea of what your out-of-pocket expenses would have been under the 706 Plan to determine if the amount you would save in 706 premiums would cover the additional out-of-pocket expenses you would incur by moving to the 706 Plan. Although your health expenses may be different next year than those of prior years, it is a useful tool for helping you decide if the 706 Plan makes sense for you.



# 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

## 2009 Open Enrollment Brings Significant Change (from cover)

10 Plan or the 118 PPO Plan, will have some Benefit Bank dollars to apply toward dependent coverage or voluntary benefits.

This plan year, employees enrolled in the 706 PPO Plan had enough Benefit Bank dollars to cover themselves plus they had an additional \$50 per paycheck to apply toward dependent health insurance or voluntary benefits. For the 2009-10 plan year, the Benefit Bank contribution will only cover the cost of single employee coverage, and employees will have to pay the full cost of dependent coverage or voluntary benefits.

The Benefit Bank contribution will cover the cost of employee coverage in the new BCBS HMO 10 Plan plus employees will have an additional \$8.50 per paycheck (24-pay employees) or \$10.20 per paycheck (20-pay employees) to apply toward dependent coverage or voluntary benefits.

Employees in the 118 Plan will get their employee coverage paid, plus they will have an additional \$67.50 per paycheck (24-pay employees) or \$81.00 per paycheck (20-pay employees) to apply toward dependent coverage or voluntary benefits.

With the Benefit Bank remaining fixed at the current contribution level and with health insurance premiums increasing significantly, it is essential that you carefully study the health plan comparison and health insurance premium sheets in your Open Enrollment Packet because health plan choices made during Open Enrollment are binding for a full year.

### ***There Is a New Health Plan Option Coming to Town— The BCBS HMO 10 Plan***

Increasing health plan costs presented a challenge for the Insurance Task Force. They wanted to keep the choice of health plan options at four (4) for employees, but they wanted to offer an affordable plan that didn't require a significant out-of-pocket expenditure if an employee (or covered dependent) was hospitalized.

A major concern with the current PPO plans was the fact that hospitals can require employees to pay their health plan out-of-pocket maximum prior to an in-hospital admission. For our current PPO plans, that is an amount ranging from \$1,000 - \$2,000.

The answer to a more affordable plan, yet one with rich benefits, was an HMO. After working with BCBS for many months, the Insurance Task Force chose the BCBS HMO 10 Plan. Its premiums are slightly lower than the 706 PPO Plan and all medical services are covered by fixed co-payments—there is no co-insurance. Doctor visits are \$15 for primary care providers and \$25 for specialists. Hospital inpatient services are \$250 per admission.

For more information about the new BCBS HMO 10 Plan, please refer to "School District Offers Employees an HMO Health Insurance Option" on page 3.

## ***Avesis Offers Improved Vision Insurance***

A bright spot on the Open Enrollment horizon is the new vision insurance plan offered by Avesis Vision Insurance. It will replace the existing plan offered by VisionCare. The benefits are significantly enhanced, plus the premiums are slightly lower.

Please see "New Improved Vision Insurance Offered by Avesis" for more details.

### ***Open Enrollment Packets***

This year, you must take time to carefully review the materials in your Open Enrollment packet. With the Benefit Bank remaining fixed at the current contribution level and with health insurance premiums increasing significantly, it is essential that you carefully study the health plan comparison and health insurance premium sheets in your Open Enrollment Packet because health plan choices made during Open Enrollment are binding for a full year.

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 Meetings***

Open Enrollment meetings will be held at key locations throughout Lee County in January. The meetings will be staffed by Insurance & Benefits personnel who will explain new benefits and benefit changes. At least one staff member will be Spanish-speaking, to help Spanish-only speaking employees. The meetings will consist primarily of a Question & Answer session; therefore, please read your Open Enrollment materials prior to the Open Enrollment meeting.

If you have any questions about the new BCBS HMO 10 Plan, the new Avesis vision plan, or about any existing benefit, plan to attend one of these meetings. Please see page 4 for a schedule of the 2009 Open Enrollment meetings.

### ***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. Plan to attend an Open Enrollment meeting.
4. Carefully read the information in your personalized Open Enrollment packet.
5. Check out the Insurance & Benefits website for Open Enrollment and benefit information.
6. Check your email for the daily Insurance & Benefits Notifications.
7. Return all Open Enrollment paperwork as soon as possible. All paperwork must be received in Insurance & Benefits Management no later than February 6, 2009!