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Mitchell E. Daniels, Jr.
Governor

Daniel L. Hackler
State Personnel Director

Dear Co-worker:

The open enrollment campaign for 2010 benefits is about to get underway. Let me first stress that your health is very important to us. The state of your health impacts every area of your life, including the lives of your co-workers and the business of this state. The state will continue to pay more than 80 percent (at least \$13,130/family or \$4,712.76/single) for our health coverage premiums. Please take time to read this letter, study your options and take advantage of the many resources available to help you make the decision that is best for you.

Medical health insurance:

We are still offering three Anthem plans – two Consumer Driven Health Plans (CDHPs), formerly called High Deductible Health Plans (HDHPs) and one Traditional PPO plan (Trad). Welborn is once again offered to our employees in some southwestern Indiana counties.

There are several changes in the Traditional plan that you need to fully understand. SPD will be hosting educational meetings to provide further information, and I encourage everyone still enrolled in the Trad plan to attend one of these meetings. Here are some of the changes in the **Trad plan**:

- All preventative services will be covered in full.
- Deductible: \$500 for single coverage and \$1,000 for family coverage.
- Plan changes from flat co-pays to an 80/20 program after the deductible is met -- instead of paying a \$20 co-pay for an office visit, you will pay 20 percent of the cost, with 80 percent being paid by the state (There are also changes to the cost of emergency room visits and inpatient services. Please see the Web site for details.).

There are also a few changes to **CDHP2** (formerly HDHP2):

- Deductible changes: \$1,500 for single coverage (compared with \$1,700 in 2009) and \$3,000 for family coverage (\$3,400 in 2009).
- Out-of-pocket maximum: \$3,000 for single coverage and \$6,000 for family

There are no changes to **CDHP1** (formerly known as HDHP1)

To review a chart summarizing and comparing the plans, log onto the open enrollment Web site: www.in.gov/spd/openenrollment The rates for each of the plans are also available there.

Pharmacy health plan

Pharmacy benefits will be provided by Medco. You will receive one ID card that will work for both medical and pharmacy coverage. It will have contact information for both Anthem and Medco on it.

Non-tobacco use incentive

Employees selecting the non-tobacco use incentive will pay \$10 less in premiums per pay, instead of having a reduction in the deductible. Employees taking advantage of this incentive and enrolling in CDHP1 will still not pay a premium. That goes for both single and family coverage.

State's contribution to your health savings account

Once again, as an incentive to consider a CDHP/HSA for 2010, the governor has authorized pre-funding half of the employer contribution to the employee's health savings account (HSA). With the first pay in January, those with CDHP/HSAs will receive a lump sum contribution, then equal bi-weekly contributions (The CDHP2 has changed due to the change in the deductible.):

CDHP1/HSA1 lump sum: single \$687.96; family \$1,375.14

CDHP2/HSA2 lump sum: single \$413.40; family \$825.24

Bi-weekly state contributions: HSA1: single \$26.46; family \$52.89

Bi-weekly state contributions: HSA2: single \$15.90; family \$31.74

By front-loading your HSA, funds will be available to pay medical bills as early as Jan. 6, 2010, for those on "A" payroll and Jan. 13, 2010, for "B" payroll.

Dental and vision coverage

Dental coverage remains with Delta Dental; however Anthem Blue Vision will provide vision coverage instead of Eye Med. In 2010, there will be nominal premiums for both dental and vision coverage. For dental, single coverage, the bi-weekly cost to the employee will be \$1.02; family coverage will be \$2.68. Those selecting single coverage for vision can expect a 17 cent premium per pay, with \$2.52 for family coverage. State employees who want to continue their vision coverage must actively enroll in the plan during open enrollment.

Take the opportunity during open enrollment to review the dependents enrolled on all of your plans. The state will be conducting a dependent eligibility audit during the 2010 plan year. Any persons determined to be ineligible will be removed from the plan and strong disciplinary actions may be taken.

Attached is a direct comparison of the maximum out-of-pocket costs for all three plans. The Web site (www.in.gov/spd/openenrollment) will also provide specific examples of single and family expenses with comparisons across all plans and dates for the upcoming education sessions. I encourage you to take advantage of all these resources and compare the options available for 2010 so that you might make an informed decision on your healthcare needs.

Finally, thank you for the work you do every day to improve the lives of Hoosiers. Working in state government is about taxpayers helping other taxpayers. Please consider your choices carefully and seek advice if you have any questions.

Sincerely,



Daniel L. Hackler

Still have questions? Call the Benefits Hotline toll-free at 1-877-248-0007 or 317-232-1167 within the Indianapolis area. Benefit Specialists are available from 7:30 a.m. to 5 p.m. Monday through Friday to answer your questions about the benefit plans or open enrollment. If you can not access the hotline during those hours, e-mail your questions to SPDBenefits@spd.in.gov.

**State of Indiana
2010 Health Plan Comparisons
Maximum Personal Cost Calculations***

Single Coverage

Plan Type		CDHP1	CDHP2	Traditional PPO
Cost Elements:				
	Annual Employee Premium	\$ ---	\$ 546.00	\$1,990.56
	Maximum Out-of-Pocket	\$4,000.00	\$3,000.00	\$2,000.00
	HSA Contribution	\$1,375.92	\$ 826.80	\$ ---
	Total Maximum Personal Cost	\$2,624.08	\$2,719.20	\$3,990.56

Family Coverage

Plan Type		CDHP1	CDHP2	Traditional PPO
Cost Elements:				
	Annual Employee Premium	\$ ---	\$1,291.68	\$5,750.16
	Maximum Out-of-Pocket	\$8,000.00	\$6,000.00	\$4,000.00
	HSA Contribution	\$2,750.28	\$1,650.48	\$ ---
	Total Maximum Personal Cost	\$5,249.72	\$5,641.20	\$9,750.16

- Footnote: A.) Example assumes employee takes advantage of the Non-Tobacco Use Incentive.
 B.) Example assumes costs are incurred within the Anthem provider network.
 C.) Example assumes employee has an open HSA account.

***These comparisons represent the worst case scenario, where the employee and/or family reaches the maximum out-of-pocket and premium costs for the year.**

Log onto the open enrollment Web site for further information and resources to help you make an informed decision: www.in.gov/spd/openenrollment