



# The Torch

The official newsletter for Indiana state employees

## State rolls out 2010 health care benefits plans

Open enrollment for the 2010 health care benefits gets underway Monday, Nov. 2 and continues until noon Nov. 23 (Eastern Standard Time). Between now and then, you need to arm yourself with information about what options will best meet your health care needs. Below are some highlights from the benefit plans:

### Non-Tobacco Use Agreement

The tobacco incentive will change from being a flat \$500 reduction on your deductible to a \$10 discount on your bi-weekly premium, whether your coverage is single or family. Accepting the agreement means you will submit to testing and that you will not use tobacco products during 2010. If you fail to keep your part of the agreement, you will lose the discount on your premium and you will lose your job.

**Looking for 2010 rates?**  
See pg. 6

### Consumer Driven Health Plans (CDHPs)

Now in the fifth year of being offered, the plans (formerly known as HDHPs) have been well received by state employees. For 2010, employees enrolling in CDHP1 will pay a bi-weekly premium of \$10, whether single or family coverage. Those who select the non-tobacco use incentive will have no premium for 2010.

The bi-weekly premium for CDHP2 will be \$31 for single coverage and \$59.68 for family coverage. Those accepting the non-tobacco use incentive will pay \$10 less each pay period. Deductibles will be

\$1,500 for single coverage and \$3,000 for family coverage, for both in- and out-of-network.

### Health Savings Accounts (HSAs)

A companion to CDHPs, HSAs will once again have one-half of the state's contribution deposited into employee accounts with the first pay of 2010. Equal, bi-weekly contributions will then be made to the accounts. However, for that to happen, employees participating in a CDHP/HSA plan for the first time in 2010 must open an HSA with Tower Bank.

The state's initial contribution for those with CDHP/HSA1, single coverage, will be \$687.96, followed by equal, bi-weekly contributions of \$26.46. Initial contributions by the state for family coverage, will be \$1,375.14, with bi-weekly contributions of \$52.89.

For those with CDHP/HSA2, single coverage, the state will contribute \$413.40 initially, followed by bi-weekly contributions of \$15.90. The state's initial contribution for family coverage will be \$825.24, followed by \$31.74 in bi-weekly contributions.

### Traditional PPO

The Trad 2 plan that is offered for 2009 goes away in 2010. In its place is the Traditional PPO (Trad PPO). This new offering is an 80/20 co-insurance plan, which means the employee will pay 20 percent of allowable claims after the deductible is met and before out-of-

**We're here to help**

**Contact State Personnel Department's Employee Benefits Division**  
[Benefits Hotline](#)  
 317-232-1167 within the Indianapolis area  
 877-248-0007 toll free  
*Hotline staffed 7:30 a.m. to 5 p.m. Monday through Friday*

[E-mail](#)  
[spdbenefits@spd.in.gov](mailto:spdbenefits@spd.in.gov)

[Web site](#)  
[www.in.gov/spd/openenrollment](http://www.in.gov/spd/openenrollment)

pocket maximums are reached. Unlike the previous Trad 2 plan, this 80/20 allows for pharmacy claims to accrue to the out-of-pocket maximums.

The bi-weekly premium for Trad PPO, single coverage is \$86.56 and family coverage is \$231.16. Accepting the non-tobacco use incentive reduces the bi-weekly premium by \$10. The deductible is \$500 for single, in-network

(Continued on pg. 2)

**In this issue**

Non-tobacco use incentive .....3  
 Frequently asked questions .....4  
 2010 rates.....6

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(continued from pg. 1) **State rolls out 2010 health care benefits plans**

coverage and \$1,000 for out-of-network. For family coverage, the in-network deductible is \$1,000; with the out-of-network deductible set at \$2,000.

The benefits match those of the CDHPs, including preventative services being covered at 100 percent.

**New identification cards will be issued for all Anthem plans and will include pharmacy and vision programs.**

### **Welborn HMO**

The Welborn plan is available only to employees in certain southwestern Indiana counties. Welborn subscribers can also reduce their bi-weekly premium by \$10 by selecting the non-tobacco use incentive. Bi-weekly premiums for those with single coverage is \$58.49; family coverage is \$139.04.

**Note:** Regardless of which plan you

select, the state shares the cost with employees. The state contributes 80 percent of the health care premiums.

### **Prescriptions/pharmacy needs**

While there is a new administrator for the program, Medco Pharmacy, the changes should be nominal. State employees will receive a Welcome Package from Medco in early December, outlining the procedures for ordering prescriptions and refills.

### **Dental**

The carrier and the plan remains the same. The change for 2010 is that there will now be nominal premiums for both single and family coverage. For single coverage, the bi-weekly rate is \$1.02; family will pay \$2.68.

### **Vision**

Anthem Blue View Vision Select will provide vision coverage in 2010. There

will be no change to benefits, but will be a change in provider access from Access to Select network. Like dental, this benefit will also have a small premium. For single coverage, the bi-weekly premium will be 17 cents; family coverage will run \$2.52.

### **Flexible Spending Accounts (FSAs)**

The only item to change with FSAs is the administration fee, which has increased to \$2.63 per pay.

### **Life insurance**

AUL remains the provider. The basic life rate will reduce from \$0.1165 per \$1,000 of salary to \$0.0515 per \$1,000 of salary. The supplemental life rates will also reduce.

For more information about the benefits offered for 2010, log onto the open enrollment Web site at

[www.in.gov/spd/openenrollment](http://www.in.gov/spd/openenrollment)

## **Medco Health Solutions, Inc. to administer Rx program in 2010**

Medco Health Solutions, Inc. (Medco) will administer the state's

prescription drug benefit for 2010. Medco will mail Welcome Packages in early December to state employees who have enrolled in one of Anthem's health care plans. The package will include a new Anthem/Medco prescription ID card in early December. The ID card will not be effective until Jan. 1. Employees enrolled in the Welborn plan or who have dental coverage only will not receive the mailing from Medco.

### **Transitioning to Medco**

Further details about how to get started using the Medco Pharmacy will be included in the Welcome Package. The information in the mailing should make ordering prescriptions easier.

### **Refilling prescriptions with Medco**

*medco*®



For employees currently using Anthem's NextRx Mail Service Pharmacy, Medco will automatically transfer over most prescriptions that have remaining refills that are considered valid. Valid refills are those authorized by the physician and that are within one year of the prescribed date.

Beginning Jan. 1, employees will be able to refill all current mail order prescriptions through Medco by using one of three methods:

- Log on to [www.medco.com](http://www.medco.com), register as a new user and then click "Order status." Both the Anthem/Medco ID card and the number from a recent prescription or refill slip will be necessary to complete registration.
- Call Medco's automated phone service at 1-800-723-9182.

- Mail the enclosed mail-order form, along with any refill slip or label, to Medco in the return envelope provided in the Welcome Package.
- Update payment options, since credit card information will not transfer from any previous mail order pharmacies.

Employees should make sure to have a two-week supply of medication on hand before sending in the first mail-order prescription to Medco. If necessary, an employee should ask his/her doctor for a 14-day prescription to fill at a participating retail pharmacy to. That way, the employee should have enough medication to last until the mail order request can be fulfilled.

### **Prescription costs**

Once the deductible has been met, generic drugs will have a co-pay, with the remaining tiers of drugs covered under co-insurance.

(Continued on pg. 5)

## HSA provides tax advantages

Now into its fifth year, the consumer driven health plan (CDHP) is accompanied by a health savings account (HSA). By law, only those enrolled in a qualified CDHP can have an HSA.

The advantages of a CDHP have been discussed, but what about an HSA? Simply put, an HSA is a tax-advantaged checking account that

allows the account holder to save for medical expenses that are applied to his/her health plan's deductible.

Eligible expenses include prescriptions, over-the-counter drugs, physician visits, lab tests, hospital stays, clinic visits and vision and dental expenses. Expenses that cannot be paid out of an HSA include most insurance premiums and costs associated with non-medically necessary treatments. Those items would include cosmetic surgery, health club dues, gym memberships, vitamins and nutritional supplements.

Should an employee leave state government, the HSA goes with the



employee. The money in that account belongs to the employee, including all monies contributed by the state.

The state contributes money each pay period to the account and the employee may also contribute to the account. For 2010, the state will contribute \$1,375.92 for employees enrolled in the CDHP/HSA1 with single coverage and \$2,750.28 for those with family coverage. The state will contribute \$826.80 to those with single coverage in CDHP/HSA2 while the state will contribute \$1,650.48 to those with family coverage.

The annual maximum allowable contributions to an HSA for 2010 is \$3,050 for an individual; the family limit is \$6,150. Employees 55 and older can make an additional catch-up contribution of \$1,000. A married couple can make two catch-up contributions if both spouses are eligible. However, spouses must deposit the catch-up contributions into separate accounts. There is no limit to the amount that can build up in the account over time.

Learn more about HSAs by logging onto the open enrollment Web site: [www.in.gov/spd/openenrollment](http://www.in.gov/spd/openenrollment)

## Remain tobacco-free and reap the reward

Smoke, don't smoke. But if you accept to the Non-Tobacco Use Incentive, you better not use any tobacco products because ignoring your commitment to not use tobacco products may cost you your job.



As a state employee who accepts the Non-Tobacco Use Incentive, you agree to not use tobacco products during 2010 and submit to testing. If you commit to honoring the agreement it will result in a \$10 reduction in your state employee bi-weekly group health insurance premium for 2010.

However, just as there are rewards for remaining tobacco free, there are consequences if you do not. If you agree to not use tobacco products, but do so anyway, violation of your promise will result in dismissal from employment.

"Make it easy on yourself and do not agree to give up tobacco if you have no intention of doing so, or if you plan to try tobacco," explained Dan Hackler, Director of State Personnel. "The bottom line is if you agree to avoid tobacco products, make sure you do."

Hackler said that there will be testing across the state of those employees who have agreed to remain tobacco-free. Amnesty will be offered to employees who have signed the Non-Tobacco Use Agreement but realize they cannot uphold the promise to not use any tobacco products within the plan year if they log into PeopleSoft® and rescind their Non-Tobacco Use Agreement – but the rescission must be before the employee actually begins to use tobacco products. Even then, however, the employee will still lose

(Continued on pg. 5)

TOWERbank.

The HSA Authority

### Don't bounce your health savings account

Your health savings account (HSA) operates much like your own checking account. You have money in your account; you either write a check or use a debit card to remove money from the account. In order to have a check successfully clear the bank, you must have adequate funds in the account. Otherwise, the check 'bounces' and the transaction cannot be completed. You also receive an overdraft notice and a charge.

HSAs are no different. Any checks written or debits authorized for more than is in an HSA results in an overdraft and account holder will incur a \$30 overdraft fee. If a debit card transaction is tried and there are not enough funds in the account, the transaction will be denied. If that happens, the only way to withdraw money from the account is to contact Tower Bank by phone or in writing, requesting a cashier's check. The bank charges \$4 for each cashier's check.

## **You've got some questions, we've got some answers**

**Q:** I need affordable health care for my family. What alternatives do I have for providing healthcare for my family?

**A:** The state offers two health plans with low premiums. The Consumer Driven Health Plans (CDHPs) offer 100 percent coverage for preventive services and if you establish a Health Savings Account (HSA) with the CDHP, the state will contribute money towards your deductible.

**Q:** What is my out-of-pocket maximum?

**A:** Out-of-pocket expenses are all those expenses you pay yourself. They include deductibles and any co-insurance or co-pays. Once you spend the maximum for your plan, you move to 100 percent coverage. Out-of-pocket maximums for each plan are:

- CDHP 1: \$4,000 single; \$8,000 family
- CDHP 2: \$3,000 single; \$6,000 family
- Trad In-network: \$2,000 per enrollee; \$4,000 family; Out of-network: \$4,000 single; \$8,000 family
- Welborn: \$2,000 per person; \$4,000 family

**Q:** If my spouse smokes but I don't, is my family still eligible for the tobacco incentive?

**A:** Yes, the Non-Tobacco Use Incentive is based on your pledge, as a state employee, to remain tobacco-free.

**Q:** What are the differences between the CDHP1 and CDHP2 plans?

**A:** The biggest difference between the two plans is that the maximum out-of-pockets and deductibles are higher for CDHP1. Coverage is the same for both plans.

**Q:** In addition to the state's contributions to my HSA, can I also deposit money into the account?

**A:** Yes, up to the federal maximum (employee and employer combined) of \$3,050 for a single plan and \$6,150 for a family plan. If you are 55 or older, you can contribute an additional \$1,000 in 2010.

**Q:** Are preventive care costs covered under any of the insurance plans?

**A:** Yes, preventive care is covered 100 percent under both consumer driven health plans and the Trad PPO. Welborn has a flat co-pay, depending on the service.

**Q:** Can I still use my flexible spending account (FSA) in conjunction with my HSA?

**A:** Yes, but your FSA is a limited-purpose account, meaning that you can use it for dental, vision and post-deductible expenses. You cannot use an FSA to cover your deductible with a CDHP/HSA.

**Q:** Do prescriptions contribute to my out-of-pocket maximum with the CDHP?

**A:** Yes, prescriptions accumulate toward your out-of-pocket maximums.

**Q:** What if I choose a CDHP and have a catastrophic event in January 2010? How do I pay for that?

**A:** The state pre-funds half of the employer contribution to the employee's HSA. With the first pay in January, those with CDHP/HSAs will receive a lump sum contribution and bi-weekly contributions spread out over 26 pay periods. However, as with any unexpected cost, you may want to establish a payment plan with the provider or pay the expense with a credit card and then reimburse yourself from your HSA, when there is sufficient money in the account.

**Q:** What is the discounted/negotiated rate and is it the same for all physicians or hospitals?

**A:** The discounted or negotiated rate is the fee for service the physician or facility has agreed to accept as payment in full from an insurance company. For example, a hospital billed the patient \$1,023 for an emergency room visit, but Anthem's negotiated fee is \$622. The patient will owe the hospital \$622 and the hospital will accept that as payment in full. The negotiated rate varies by provider and is only applicable to in-network providers. For those with Trad PPO coverage, the employee will owe 20 percent of that amount.

**Q:** If I haven't changed any of my information, do I have to do anything?

**A:** Yes, you need to log into PeopleSoft for a number of reasons:

- Update your personal information, make sure to review the eligibility of any dependents.
- If you are participating in the FSA or making additional contributions to your HSA, you will need to re-enroll even if it is the same as last year.
- In order to receive the non-tobacco use incentive you must access PeopleSoft and agree to remain tobacco free in 2010.
- If you are interested in the dental and/or vision plans, you must enroll.

**Q:** Where can I get information on rates and plans?

**A:** Rates, benefit plan descriptions and benefit summaries are posted on SPD's Web site at [www.in.gov/spd/openenrollment](http://www.in.gov/spd/openenrollment).

**Q:** Who do I call if I have questions?

**A:** If you need your PeopleSoft ID or PeopleSoft password, contact the IOT help desk at 317-234-HELP (4357). If you have questions about benefits, call the Benefits Hotline at 317-232-1167 within the Indianapolis area

(Continued on pg. 5)

## Open Enrollment 2010

### More answers to frequently asked questions

or 1-877-248-0007 toll free outside Indianapolis. Your agency's human resource office will also be able to assist you.

**Q:** When do the new rates take effect? And when will the deductions show up on my pay stub?

**A:** The new rates will take effect for coverage beginning Jan. 1, 2010. Some deductions, like your health premiums, will begin on the Dec. 16 and Dec. 23 pay dates. The premiums will be pro-rated on the first check. Other deductions, like FSAs and HSAs, will not appear until your first pay date in January.

**Q:** If I change plans, do I have to notify my doctor(s)?

**A:** No, you do not need to contact your physician to make a plan change, but you will need to present your new plan ID at your next visit after January 1, so billings can be submitted correctly.

**Q:** What happens if I don't select a plan?

**A:** Your health plan election from 2009 will continue through 2010. However, it is important to note the non-tobacco use incentive will not carry over. You will need to select that with your plan option. Also, the Traditional plan will not be the same for 2010 as it is in 2009, so you really should make your selections and participate in the open enrollment process.

**Q:** When do I call the benefits hotline and when do I call the insurance company?

**A:** Call the Benefits Hotline when you have any questions about benefits. A Benefits Specialist will suggest you contact the appropriate provider directly if your question is specific to the benefits plan. For example, if you want to know if your prescription for XYZ drug is a tier 2 or tier 3 drug,

you should call Medco, the pharmacy provider.

**Q:** If I had a qualifying event this past year, but missed the deadline to make the change on my health plan, can I change it during open enrollment? If so, when will it take affect?

**A:** Yes, open enrollment is the time to make changes to your plans and your dependents. Changes to your health, dental, vision, FSAs and HSAs will be effective Jan. 1, 2010. Changes to your life insurance will be effective Jan. 10 (A payroll) or Jan. 17 (B payroll), or in accordance with your pay, after evidence of insurability and has been submitted and your change has been approved by American United Life.

**Q:** Can I change plans during the year if I decide that I don't like what I've selected?

**A:** Unfortunately no. The plan you choose during open enrollment will be your plan unless and until you experience a qualifying event that allows you to drop coverage or until the next open enrollment period.

**Q:** How do I sign up for benefits? Do I have to go online to do it and can I sign up from home?

**A:** To sign up for benefits, log-in to PeopleSoft using your User ID and password from any computer with Internet access during the open enrollment period. You will then navigate through open enrollment to make new elections, change current elections or just verify your information. The Web address is [www.in.gov/spd/openrollment](http://www.in.gov/spd/openrollment)

**Q:** What if I don't have computer access?

**A:** You can access the Internet and PeopleSoft at your local library or your agency may have terminals available to you during the open enrollment period.

(continued from pg. 2)

### Medco to administer Rx program

#### Using a retail pharmacy network

For short-term medications: Continue to get all short-term prescriptions, such as antibiotics, at a participating retail pharmacy. Prescriptions for short-term drugs should not exceed 30 days. The cost will be a retail pharmacy co-payment for these medications for any supply of up to 30 days.

The state's prescription drug benefit gives state employees access to nearly 60,000 retail pharmacies nationwide, including most major drugstores. Use one of those pharmacies to fill prescriptions for short-term medications. To find a local pharmacy, visit [www.medco.com](http://www.medco.com) and click "Locate a pharmacy" or call Member Services.

(continued from pg. 3)

### Remain tobacco-free

the premium reduction. "Amnesty will apply to discipline only," said Hackler.

He added that offices and work locations will not be forewarned when the tests will be conducted. "And everyone who violates their agreement will forfeit their job."



Original artwork by Jerry Williams

## State of Indiana 2010 Rates

Plan	Coverage	Bi-Weekly Employee Rate	Bi-Weekly Employer Rate	Bi-Weekly Total Rate	Early Retirees (Monthly)	COBRA (Monthly)	Annual Employee Rate	Annual Employer Rate	Annual Employer HSA Contribution	Total Annual Employer Contribution	Annual Total Rate
CDHP 1	Single	\$10.00	\$128.34	\$138.34	\$299.74	\$305.73	\$260.00	\$3,336.84	\$1,375.92	\$4,712.76	\$4,972.76
	Family	\$10.00	\$399.24	\$409.24	\$886.69	\$904.42	\$260.00	\$10,380.24	\$2,750.28	\$13,130.52	\$13,390.52
CDHP 1 W/ Non-Tobacco Use Incentive	Single	\$0.00	\$128.34	\$128.34	\$278.07	\$283.63	\$0.00	\$3,336.84	\$1,375.92	\$4,712.76	\$4,712.76
	Family	\$0.00	\$399.24	\$399.24	\$865.02	\$882.32	\$0.00	\$10,380.24	\$2,750.28	\$13,130.52	\$13,130.52
CDHP 2	Single	\$31.00	\$149.46	\$180.46	\$391.00	\$398.82	\$806.00	\$3,885.96	\$826.80	\$4,712.76	\$5,518.76
	Family	\$59.68	\$441.54	\$501.22	\$1,085.98	\$1,107.70	\$1,551.68	\$11,480.04	\$1,650.48	\$13,130.52	\$14,682.20
CDHP 2 W/ Non-Tobacco Use Incentive	Single	\$21.00	\$149.46	\$170.46	\$369.33	\$376.72	\$546.00	\$3,885.96	\$826.80	\$4,712.76	\$5,258.76
	Family	\$49.68	\$441.54	\$491.22	\$1,064.31	\$1,085.60	\$1,291.68	\$11,480.04	\$1,650.48	\$13,130.52	\$14,422.20
Traditional PPO	Single	\$86.56	\$181.26	\$267.82	\$580.28	\$591.88	\$2,250.56	\$4,712.76	\$0.00	\$4,712.76	\$6,963.32
	Family	\$231.16	\$505.02	\$736.18	\$1,595.06	\$1,626.96	\$6,010.16	\$13,130.52	\$0.00	\$13,130.52	\$19,140.68
Traditional PPO W/ Non-Tobacco Use Incentive	Single	\$76.56	\$181.26	\$257.82	\$558.61	\$569.78	\$1,990.56	\$4,712.76	\$0.00	\$4,712.76	\$6,703.32
	Family	\$221.16	\$505.02	\$726.18	\$1,573.39	\$1,604.86	\$5,750.16	\$13,130.52	\$0.00	\$13,130.52	\$18,880.68
Welborn HMO	Single	\$58.49	\$181.26	\$239.75	\$519.46	\$529.85	\$1,520.74	\$4,712.76	\$0.00	\$4,712.76	\$6,233.50
	Family	\$139.04	\$505.02	\$644.06	\$1,395.46	\$1,423.37	\$3,615.04	\$13,130.52	\$0.00	\$13,130.52	\$16,745.56
Welborn HMO W/ Non-Tobacco Use Incentive	Single	\$48.49	\$181.26	\$229.75	\$497.79	\$507.75	\$1,260.74	\$4,712.76	\$0.00	\$4,712.76	\$5,973.50
	Family	\$129.04	\$505.02	\$634.06	\$1,373.80	\$1,401.28	\$3,355.04	\$13,130.52	\$0.00	\$13,130.52	\$16,485.56
Dental	Single	\$1.02	\$9.16	\$10.18	\$22.05	\$22.49	\$26.52	\$238.16	\$0.00	\$238.16	\$264.68
	Family	\$2.68	\$24.12	\$26.80	\$58.06	\$59.22	\$69.68	\$627.12	\$0.00	\$627.12	\$696.80
Vision	Single	\$0.17	\$1.47	\$1.64	\$3.55	\$3.62	\$4.42	\$38.22	\$0.00	\$38.22	\$42.64
	Family	\$2.52	\$1.64	\$4.16	\$9.01	\$9.19	\$65.52	\$42.64	\$0.00	\$42.64	\$108.16
Flexible Spending Accounts											
Medical, Limited Purpose Medical (HSA Holders) and/or Dependent Care Admin Fee		\$2.63	\$0.00	\$2.63	\$5.70	\$5.70	\$68.38	\$0.00	\$0.00	\$0.00	\$68.38

HSA Accounts	Coverage	Initial Contribution *	Bi-Weekly Contribution	Monthly Contribution	Maximum Annual ER Contribution
HSA 1	Single	\$687.96	\$26.46	\$57.33	\$1,375.92
	Family	\$1,375.14	\$52.89	\$114.60	\$2,750.28
HSA 2	Single	\$413.40	\$15.90	\$34.45	\$826.80
	Family	\$825.24	\$31.74	\$68.77	\$1,650.48

\* Initial contribution as listed above apply to employees with an CDHP plan effective between 1/1/10 thru 6/1/10 and with an open HSA account. CDHP plans effective after 6/1/10 but before 12/1/10 and with an open HSA account will receive 1/2 of the initial contribution.

Employees participating in the CDHP plans are reminded that they must open an HSA account in order to receive the State's HSA contribution.