

Alliance Alert

ANNOUNCEMENT: Effective January 1, 2008 PEBA will be offering a Group Retiree Health Plan with Part D coverage. This product is in addition to the Medicare Advantage Private Fee For Service plans currently offered through PEBA.

The PEBA Webinar with The Hartford and CCRx will be on Wednesday October 10, 2007 @ 2pm CST. Please contact PEBA at (512) 719-6768 or peba@tmliebp.org if you would like to participate in the Webinar.

The Public Employee Benefits Alliance (hereinafter referred to as "PEBA") was established in 2006 by a Charter Interlocal Agreement of several Texas local governments pursuant to Chapter 791 and 271 of the Texas Local Government Code. The purpose of PEBA is to cooperatively purchase employee benefits for multiple local Government Employers. PEBA is an organization that will represent the participating Texas political subdivisions and two Texas Chapter 172 Risk Pools that cover multiple local government Employers as well as independent cities, special districts, counties or school districts during the proposal/bid and negotiations of healthcare vendors for healthcare benefits.

The Public Employee Benefits Alliance (PEBA) Board met on October 3, 2007 to review the proposals for a Group Retiree Health Plan with Part D Prescription coverage. The Group Retiree Health Plan with Part D coverage proposal was awarded to The Hartford and Community CCRxSM. The PEBA Board made the decision to provide the PEBA membership with several retiree benefit options. The PEBA employers may offer their retirees two of the four Aetna Advantage Plans and two of the three Hartford Life & Accident Insurance Company Group Retiree Health Options. There is no annual open enrollment for plan options offered by The Hartford, however a retiree may only enroll for coverage when the PEBA employer first makes the plan available to the retiree.

THE AETNA ADVANTAGE PLAN OPTIONS:

Medicare Private Fee For Service Advantage Benefit Programs

<u>Option 1</u>	<u>Option 2</u>
High Plan without Rx \$86.10 Composite Rate Medical Only <ul style="list-style-type: none"> ▪ 90/10 Benefit Percentage ▪ \$100 Deductible ▪ \$2,500 Out of Pocket Maximum ▪ Medical and Disease Management Services ▪ Wellness Benefits ▪ Vision Discount Available ▪ No Prescription Plan 	High Plan with Rx \$202.79 Composite Rate Medical and Prescription <ul style="list-style-type: none"> ▪ 90/10 Benefit Percentage ▪ \$100 Deductible ▪ \$2,500 Out of Pocket Maximum ▪ Medical and Disease Management Services ▪ Wellness Benefits ▪ Vision Discount Available ▪ Enhanced Medicare Part D RX Plan <u>with No</u> Deductible ▪ Enhanced Medicare Part D RX Plan <u>with No Gap</u> In Coverage ▪ Mandate Generic Utilization ▪ Open Formulary ▪ Prescription Management: Step Therapy, Drug Limitations, Pre Authorization, Transition Period and Grandfather Period for specific medications ▪ Optional Drug Rider for Non-Mandated Part D prescriptions to cover: drugs for weight loss, gain or anorexia, barbiturates, prescription vitamins and minerals, except prenatal vitamins with fluoride, benzodiazepines, erectile dysfunction drugs - \$3.00 PMPM

Alliance Alert

Option 3

Low Plan without Rx

\$1.47 Composite Rate Medical Only

- 80/20 Benefit Percentage
- \$300 Deductible
- \$5,000 Out of Pocket Maximum
- Medical and Disease Management Services
- Wellness Benefits
- Vision Discount Available
- No Prescription Plan

Option 4

Low Plan with Rx

\$19.92 Composite Rate Medical and Prescription

- 80/20 Benefit Percentage
- \$300 Deductible
- \$5,000 Out of Pocket Maximum
- Medical and Disease Management Services
- Wellness Benefits
- Vision Discount Available
- Enhanced Medicare Part D Rx Plan with \$275.00 Deductible
- Medicare Part D Rx Plan with Gap In Coverage from \$2,510 total drug expenditure through \$4,050 in True Out-of-Pocket costs
- Mandate Generic Utilization
- Open Formulary
- Prescription Management: Step Therapy, Drug Limitations, Pre-Authorization, Transition Period and Grandfather Period for specific medications
- Optional Drug Rider for Non-Mandated Part D prescriptions to cover: drugs for weight loss, gain or anorexia, barbiturates, prescription vitamins and minerals, except prenatal vitamins with fluoride, benzodiazepines, erectile dysfunction drugs - \$3.00 PMPM

The Hartford's Group Retiree Health Plans:

The Group Retiree Health Plans will be provided by these vendors

- The Hartford Life & Accident Insurance Company (Plans are Net of Commissions)
- Community CCRxSM
- Group Administrative Concepts (GAC) for enrollment, billing and eligibly services
- TAGCO Multiple Employer Trust.

A trust is required because PEBA cannot hold the group policy. Political subdivision Pools are not considered eligible groups for this coverage in Texas. Therefore this will require that the employers execute a Trust Participation Agreement to access these coverages.

Hartford/Community CCRx Group Retiree Health Benefit and PDP Options;

Group Retiree Health Plan Option 1

CCRx Option 1 (No Gap, No Deductible, \$10/\$25/\$50 copay)

Group Retiree Health Plan Option 2 (based on Employer 50%+ option)

CCRx Option 2 (No Deductible, Generic Only in the Gap, \$10/\$25/\$50 copay)

Group Retiree Health Plan Option 3 (based on Employer 50%+ option)

CCRx Option 2 (No Deductible, Generic Only in Gap, \$10/\$25/\$50 copay)

Alliance Alert

The Hartford Group Retiree Health Benefit Plans & Community CCRx Pricing:

Group Retiree Health Benefit Plan Description	Option 1	Option 2	Option 3
Lifetime Maximum	N/A	\$1,000,000	\$1,000,000
Inpatient Hospital Part A Deductible	Covered Benefit	Covered Benefit	N/A
Part A Coinsurance (days 61-90; 25% of Part A Deductible)	Covered Benefit	Covered Benefit	Covered Benefit
Part A Coinsurance (days 91-150; 50% of Part A Deductible)	Covered Benefit	Covered Benefit	Covered Benefit
Additional Hospitalization (365 days) payable 100%	Covered Benefit	Covered Benefit	Covered Benefit
Skilled Nursing Facility (days 21-100; 12½ Part A Deductible)	Covered Benefit	Covered Benefit	Covered Benefit
Part B Coinsurance – after the Part B Deductible	100% of 20%	50% of the 20% of the Part B Coinsurance: 100% once the OOP is met	50% of the 20% of the Part B Coinsurance: 100% once the OOP is met
Part B Out of Pocket Maximum	N/A	\$2,000	\$2,000
Total Part B Deductible, Cal. Year Ded. and Out of Pocket Max	N/A	\$2,000	\$2,000
Part B Deductible	Covered Benefit	N/A	N/A
Part B Excess – 100%	Covered Benefit	Covered Benefit	Covered Benefit
Part A & B Blood Deductible (1 st 3 pints)	Covered Benefit	Covered Benefit	Covered Benefit
Hospice (Inpatient respite care, drugs)	Covered Benefit	Covered Benefit	Covered Benefit
Foreign Travel Emergency (\$250 Ded/ 80% coin/\$50,000 Lifetime Max)	Covered Benefit	Covered Benefit	Covered Benefit
Preventive Care Cancer Screening Benefit – (one mammography, cervical & prostate cancer screening per calendar year)	Covered Benefit	Covered Benefit	Covered Benefit
Pricing - 12 month Per Person Per Month Total Cost (01/01/2008-12/31/2008)			
If the Participating Municipality pays, on average for their insureds, <u>50% or more</u> of the premium:	\$174.95	\$118.05	\$89.32
If the Participating Municipality pays, on average for their insureds, <u>49% or less</u> of the premium:			
Age:			
65-69	\$142.26	\$97.40	\$74.76
70-74	\$165.30	\$111.96	\$85.02
75-79	\$194.44	\$130.36	\$98.01
80-84	\$221.78	\$147.63	\$110.19
85+	\$235.07	\$156.02	\$116.11

Alliance Alert

Community CCRx Pricing	Option 1 CCRx	Option 2 CCRx	Option 2 CCRx
<p>CCRx Option 1 goes with Retiree Health plan Option 1 CCRx Opting 2 goes with Retiree Health Plans Option 2 and 3</p> <p>Initial Coverage¹ (to \$2,510 drug spend) ¹No mail order service. Plan design provides up to a 90-day supply right at the local pharmacy, no mail order to fill out and mail. Copay for 90-day supply is two times the retail copay or same coinsurance as retail coinsurance</p> <p>Coverage Gap (to \$4,050 TrOOP)</p> <p>Part D Pricing All Plans have catastrophic coverage² the greater of \$2.25/\$5.60 or 5% after the coverage gap. Plans are considered Creditable Coverage</p>	<p>\$0 Deductible \$10 Generic \$25 Preferred \$50 Brand</p> <p>No Gap</p> <p>\$127.30</p>	<p>\$0 Deductible \$10 Generic \$25 Preferred \$50 Brand</p> <p>Gap – \$10 Generic Only / No coverage in Gap for Preferred Brand and Brand</p> <p>\$68.94</p>	<p>\$0 Deductible \$10 Generic \$25 Preferred \$50 Brand</p> <p>Gap – \$10 Generic Only / No coverage in Gap for Preferred Brand and Brand</p> <p>\$68.94</p>

Timeline for Retirees to receive communications (Note CMS equates to Medicare)

Note: CMS allows 14 days for Carriers to process enrollments - receipt of following items are dependant on clean enrollments without necessity of additional information for processing (i.e. correct Medicare Claim Numbers)

Board Decision	October 3, 2007
Alliance Alert	October 5, 2007
WebX/Confirm Strategy to obtain HIC Number	October 10, 2007
Announcement Letter to Fund Contact and Retiree with Benefit Information and copy of formulary	October 10, 2007
Submit Rx Test File	October 30, 2007
Letter of Intent	November 2, 2007
Announcement Letter and Enrollment packages	November 12, 2007
Eligibility Information submitted to Vendor Obtain Medicare HIC Numbers for all retirees & eligibility dependents, HIC Number and Name per Medicare Card	November 15, 2007 Group Enrollment 45 days prior to eligibility date due to opt out Individual Enrollment 30 days prior to eligibility date;
Mail Reminder Postcards (optional)	December 1, 2007
Welcome Kit to Retirees	December
ID cards	7 to 10 days from CMS' initial response of approval - usually within 72 hrs from when enrollment data is entered
Plan Confirmation Letter	Upon receipt of CMS confirmation
Ongoing	Notice of new & age in retirees enrollment information

Alliance Alert

The Medicare Plan for 2008 was updated on October 1, 2007. This information may be helpful in educating your retirees of their 2008 benefit options.

Medicare announce Medicare Premiums and Deductibles for 2008	2007	2008
Part A Premium		
>40 quarters of Medicare covered employment	\$0.00	\$0.00
30-39 quarters	\$226.00	\$233.00
<39 quarters	\$410.00	\$423.00
Part A (1-60 day Deductible) (Inpatient hospital, skilled nursing, hospice, certain HHC services)	\$992.00	\$1,024.00
Inpatient Charges		
61-90 days	\$248.00/day	\$256.00/day
>90 days	\$496.00/day	\$512.00/day
Skilled Nursing 21-100 days	\$124.00/day	\$128.00/day
Part B Premium (Physician, outpatient, certain HHC, DME and other services)	\$93.50	\$96.40
Part B Deductible	\$131.00	\$135.00

Part D Overview

Benefit Options

Benefit	2007	2008
Deductible	\$250.00	\$275.00
CoPay	Generic, Preferred Brand, Brand	
Retail Mail Service	90 day supply available at retail for 2x copay Pathway Prescription and Community Care Rx	
Drug Spend	\$2,400.00	\$2,510.00
Individual Spend	\$3,600.00	\$4,050.00
Catastrophic Cost	Maximum amount of: 5% or \$2.15 Generic/\$5.35 Brand	Maximum amount of: 5% or \$2.25 Generic/\$5.60 Brand