



New Opportunities & Changes in the Children’s Health Insurance Program (CHIP)

The Federal Health Care Reform legislation now allows public education employees as well as state employees to participate in the ALL Kids program. Therefore, PEEHIP will no longer offer a CHIP Program as of April 1, 2011. **Dependent children who are currently covered under PEEHIP CHIP must have their parent or guardian**

PEEHIP mailed a letter and an ALL Kids application to all members affected by this change.

Q: What is the ALL Kids Program?

A: ALL Kids is a low-cost, comprehensive health care coverage program for children under age 19. Eligibility is based on several factors including income and family size (see chart below). Eligible children

Q: My child is not enrolled in CHIP, but I meet the ALL Kids eligibility requirements. Can I enroll my child or children in ALL Kids?

A: Yes. PEEHIP strongly encourages our members to take advantage of this great opportunity to enroll their eligible dependent children in the ALL Kids program. Members who have dependent children NOT enrolled under PEEHIP CHIP but who are enrolled under PEEHIP hospital medical coverage may request to enroll their eligible children in ALL Kids. To enroll, please contact ALL Kids at 888.373.KIDS (5437) or go online at www.adph.org/allkids to complete the enrollment application. **Note:** If you enroll your child in ALL Kids, you may continue your family PEEHIP hospital medical coverage even if you have other dependents enrolled on your coverage such as a spouse. Between April 1, 2011, and September 30, 2011, ALL Kids will waive the three-month waiting period for voluntarily dropping coverage for public education and state employees as long as there is no waiting list. ■

must be under age 19 and not eligible for Medicaid. The yearly premium is either \$50 or \$100 per child per year with a maximum of \$150 or \$300 per family. Copays are low, ranging from \$1 to \$20. Benefits include regular check-ups



complete an ALL Kids application and submit it to the ADPH prior to April 1, 2011, to apply for coverage. Each new enrollee will receive an ALL Kids ID card with a new contract number to replace the existing PEEHIP CHIP ID card.

and immunizations, sick child doctor visits, prescriptions, vision and dental care, hospitalization, mental health and substance abuse services, and much more. Members are eligible to use the Blue Cross approved providers.

Monthly Gross Income Guidelines for Medicaid and ALL Kids

Family Size	Children Under 6 Years		Children Ages 6-18 Years	
	Medicaid	ALL Kids	Medicaid	ALL Kids
1	0 - \$1,207	\$1,208 - \$2,723	0 - \$908	\$909 - \$2,723
2	0 - \$1,631	\$1,632 - \$3,678	0 - \$1,226	\$1,227 - \$3,678
3	0 - \$2,054	\$2,055 - \$4,633	0 - \$1,545	\$1,546 - \$4,633
4	0 - \$2,478	\$2,479 - \$5,588	0 - \$1,863	\$1,864 - \$5,588
5	0 - \$2,901	\$2,902 - \$6,543	0 - \$2,181	\$2,182 - \$6,543

Dependent Eligibility Verification Audit to Launch Soon

As announced in the August 2010 and September 2010 *PEEHIP Advisors*, PEEHIP will soon begin conducting a dependent eligibility verification audit. The audit will be a part of PEEHIP's ongoing efforts to manage health care costs, so that we may continue to provide you and your eligible dependents with quality, affordable health insurance coverage.

If you are a PEEHIP subscriber with dependents enrolled on your PEEHIP coverage, you are responsible for making sure that your claimed dependents are eligible for coverage. **This article is to give you advance notice about the forthcoming audit so that you can begin collecting the appropriate documents and provide them in a timely manner when requested.** These documents will be reviewed to prove eligibility for your dependents.

You will soon receive a mailing from the vendor that will be conducting the dependent eligibility verification audit on

behalf of PEEHIP. Failure to properly respond to the audit by the deadline could result in your dependents losing health insurance coverage.

To prepare for the audit, begin collecting copies of the following documents:

- ◆ marriage certificate and one additional document for a spouse to show proof of current marital status, such as recent Federal tax return;
- ◆ declaration of marriage or proof of joint residence, joint financial records, and tax returns showing tax filing status for a common law spouse;
- ◆ birth certificate for a child;
- ◆ birth certificate for a stepchild and marriage certificate of employee;
- ◆ certificate of adoption for adopted child;
- ◆ placement authorization from a court of competent jurisdiction for a foster child;

- ◆ a court order signed by a judge appointing legal guardianship or legal custody for other children who are not biological, adopted or step children; and
- ◆ appropriate document for child with disabilities.

The Alabama Department of Public Health maintains and issues certified copies of vital records through the **Alabama Center for Health Statistics**. Vital records include birth certificates, marriage certificates, death certificates and divorce records and can be ordered via mail, in person, or online. Each of Alabama's 67 counties also has a Department of Health where vital records requests can be made. PEEHIP has a link on its Web site to the **Alabama Vital Statistics** online site. The online site also provides links to search public records in other states. ■

Blue Cross Has Started Mailing New ID Cards

Blue Cross Blue Shield of Alabama recently mailed new ID cards to all PEEHIP members who are enrolled in the Hospital Medical Plan. The only change on the ID card is an additional phone number provided on the back of the card which is to be used to locate a **BlueCard PPO provider**. To locate a BlueCard PPO provider, members can call 800.810.BLUE (2583) or visit the Web site at www.bcbsal.org/peehip1/. PEEHIP members should destroy their current ID card and begin using the updated card. Please note that your contract number is not changing and the pharmacy information remains the same.

What is the BlueCard PPO Program? The BlueCard PPO program allows you freedom of choice when selecting a doctor, outpatient facility, or hospital, even outside of Alabama. This program allows members to access the Preferred Provider Organization (PPO) networks available in states that participate in the BlueCard PPO Program. When a member

receives services from a PPO out of state provider, these services are considered **in-network services** and enhanced benefits are available. Enhanced benefits include coverage of the services at 100% of the PPO fee schedule (or allowable charge) and applicable in-network facility deductible or copayment.

When a member receives services from a non-PPO provider (a physician or facility that does not participate in the PPO program) these services are considered **out-of-network services** and are covered under Major Medical benefits at a reduced rate of 80% of the PPO fee schedule after your calendar year deductible. You will also be responsible for any amount over the PPO fee schedule, the 20% coinsurance, and applicable provider copayments.

In Alabama, all PMD physicians (Preferred Medical Doctors) are considered PPO providers. If your provider is not a PMD provider, the service is not considered a PPO service (no network is available) and out-of-network benefits will be applicable.

Additionally, if you use a non-PMD provider in Alabama, Enhanced Preventive Care Services are not covered. For your convenience in locating a PMD provider, the BlueCard PPO provider phone number is located on the reverse side of your new ID card.

Outside of Alabama, if your provider is not a PPO provider, the service is not considered a PPO service (no network is available) and out-of-network benefits will be applicable. Additionally, if you use a non-PPO provider outside of Alabama, Enhanced Preventive Care Services are not covered. If you are traveling outside of Alabama and are in need of a medical provider, the BlueCard PPO provider phone number is located on the reverse side of your new ID card for your convenience.

When selecting a doctor, outpatient facility, or hospital, help keep your out-of-pocket costs to a minimum by calling the BlueCard PPO provider phone number on the reverse side of your ID card to locate a PPO provider of your choice. ■

Can You Afford to Retire?

If you are planning to retire soon, did you know you may pay more for your monthly health insurance premium once you retire? Retiring with less than 25 years of service may cost you even more. See the charts below for a quick comparison of the fiscal year 2010-2011 premiums you are paying now as an active employee compared to what you may pay upon becoming a retired employee. These premiums do not include the tobacco surcharge.

Pay special attention to the significant reduction in the premium for years of service beyond 25 years. These charts also help to convey that currently lower health insurance premiums are attainable through additional years of state service. To view the entire 2010-2011 Retiree Sliding Scale Premium Rates, go to <http://www.rsa-al.gov/PEEHIP/premiums.html>.

What is the Retiree Sliding Scale Premium? The premium for retiree coverage is broken down into the employer share (i.e. subsidized amount PEEHIP pays) and the retiree share. Pursuant to Section 16-25A-8.1, Code of Alabama 1975, all members who retire on or after October 1, 2005, are subject to the Retiree Sliding Scale Premium based on years of service and the cost of the insurance program.

For members retiring with 25 years of service, PEEHIP pays 100% of the employer share of the premium and the member will only be responsible for the retiree share of the premium. Each year less than 25, the PEEHIP share of the premium is reduced by 2% of the cost and the retiree share is increased by that amount. For each year of service above 25 years, the PEEHIP share increases by 2% and the retiree share is reduced by that amount.

It is important to know what your health insurance premiums will be before you retire and to consider an available opportunity in making your health insurance premiums more affordable by working longer and accumulating additional years of state service.

Single Coverage

Retiree Non-Medicare Eligible		Retiree Medicare Eligible		Active Employee
Years of Service	Premium	Years of Service	Premium	Premium
10	\$312.50	10	\$117.70	\$15 (*Cost After Tax Effect is \$10.85) <i>*Active employees do not pay income tax on PEEHIP premiums</i>
15	257.00	15	81.80	
20	201.50	20	45.90	
25	146.00	25	10.00	
30	90.50	30	0.00	
35	35.00	35	0.00	
40	0.00	40	0.00	

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Update on Changes in Pharmacy Network

This article is a follow up to the article published in the January 2011 PEEHIP Advisor entitled “Changes in Pharmacy Network.” PEEHIP is pleased to inform its members that of the 330 independent pharmacies who are associated with APNS Association, 241 of these pharmacies have signed a direct contract with MedImpact and are now participating in the PEEHIP Pharmacy Network. The PEEHIP Pharmacy Benefits web page at www.rsa-al.gov/PEEHIP/pharm-benefits.html is updated regularly to reflect the additions to the network. You may also use the **Pharmacy Locator** link found on this web page to determine if your pharmacy is participating in the PEEHIP Pharmacy Network or to help find a participating pharmacy near your home. ■

Family Coverage

Retiree & Dependent(s) Non-Medicare Eligible		Retiree Non-Medicare Eligible & Dependent Medicare Eligible		Active Employee
Years of Service	Premium	Years of Service	Premium	Premium
10	\$547.50	10	\$411.50	<p>\$177 (*Cost After Tax Effect is \$128.06)</p> <p><i>*Active employees do not pay income tax on PEEHIP premiums</i></p>
15	492.00	15	356.50	
20	436.50	20	300.50	
25	381.00	25	245.00	
30	325.50	30	189.50	
35	270.00	35	134.00	
40	214.50	40	78.50	
Retiree Medicare Eligible & Dependent(s) Non-Medicare Eligible		Retiree & Dependent Medicare Eligible		
10	\$352.70	10	\$216.70	
15	316.80	15	180.80	
20	280.90	20	144.90	
25	245.00	25	109.00	
30	209.10	30	73.10	
35	173.20	35	37.20	
40	137.30	40	1.30	

Nexium High Cost

Source: Rx Savings Solutions

The marketing campaign for Nexium, otherwise known as the “Purple Pill,” has one of the highest costs in the nation for prescription drugs. In 2008, it had the 2nd highest gross sales of any brand-name drug on the market, weighing in at \$4.8 billion. This is an interesting fact, because in clinical studies its proven no more effective or safer than a handful of other medicines used to treat heartburn and acid reflux, several of which are over the counter. [An overview of PEEHIP’s total drug spend by drug name revealed PEEHIP paid the greatest amount on Nexium than any other drug, costing the plan approximately \$13.5 million dollars for the period of October 1, 2009 through September 30, 2010.]

So what gives, why does Nexium command such a large price? The answer is their marketing campaign. Astra Zeneca, the maker of Nexium, has been launching an all out attack to suck up market share ever since it hit the market. They have done a good job too, with their sales representatives getting many Physicians on board, and a slew of commercials, newspaper, and magazine ads directed toward consumers. But ultimately, the cost of all of the marketing is passed on to you, the consumer!...

[Consider cost savings opportunities to lower your copayment and the cost to PEEHIP: Currently Nexium is a Step 2 drug in PEEHIP’s Step Therapy Program which requires a trial of the lower cost therapeutic generic alternative

drugs **omeprazole or lansoprazole** first. According to MedImpact, PEEHIP’s Pharmacy Benefit Manager, other public entity clients, such as states and universities, have chosen to move Nexium to non-preferred drug status and to Step 3 in their Step Therapy programs.

Under PEEHIP, Nexium currently has a copayment of \$40 while the generic Step 1 drugs have a \$6 copayment. A non-preferred drug has a \$60 copayment. Talk with your doctor or pharmacist to see if one of the generic drugs is right for you. By choosing a generic medication, you save on your prescription copayment, get the same quality and effectiveness as that of the brand name drug, and help PEEHIP keep medical care more affordable for all our members.] ■

