

PEEHIP Benefit and Premium Changes
Effective October 1, 2016 unless otherwise noted

Hospital Medical Plan Changes:

(Administered by Blue Cross and Blue Shield of Alabama-Group #14000):

- **Outpatient mental health benefits:** The outpatient mental health benefits have been enhanced to allow active and non-Medicare retirees and covered dependents to use the Blue Cross Choice Network providers. Eligible providers include psychiatrists, clinical psychologists, and masters level therapists, such as licensed professional counselors (LPC) and licensed clinical social workers (LCSW). Members can begin using the benefit effective 10/1/2016. There is a twelve visit limit per fiscal plan year. The office visit copay is \$50 per visit with no Major Medical deductible or balance billing. Visit www.AlabamaBlue.com for a list of Blue Choice Network providers.
- **Maximum Annual Out-of-Pocket Amounts:** The combined medical and prescription drug in-network maximum annual out of pocket amounts will be increased to \$7,150 per individual and \$14,300 per family per calendar year effective January 1, 2017.
- **Electronic cigarettes:** The use of electronic cigarettes also known as e-cigarettes or electronic nicotine delivery systems will be treated in the same manner as other tobacco products. Therefore, members and covered spouses will be required to recertify/update their tobacco status if they have used these electronic smoking devices in the past 12 consecutive months and will no longer be eligible for the non-tobacco user discount. This decision is consistent with a recent ruling by the FDA to regulate these products.

Premium Rate Changes:

(These rate changes apply to active and retired members)

Premiums:

- For single coverage, premiums will increase \$15 per month.
- For family coverage, premiums will increase \$30 per month.

Spousal Surcharge:

- The surcharge for spousal coverage for active and non-Medicare retired members will be \$100 per month.
- The surcharge for spousal coverage for retired Medicare members will be \$30 per month.

- Spousal Surcharge does not apply to spouses who are independently eligible for PEEHIP.

(Note: Effective 10/1/2016, the full three year phase in of the spousal surcharge will be implemented plus an additional \$25 for active and non-Medicare members to make the total spousal surcharge to be \$100 per month. For retired Medicare members the total three year phase in of the spousal surcharge will be implemented plus an extra \$5 for retired Medicare members to make the total spousal surcharge to be \$30.)

Pharmacy Plan Changes:

- Various changes have been made to the commercial plan formulary, including prior authorizations and the exclusion of some drugs to drive utilization to lower cost therapeutic alternative drugs. However, there were no changes in the drug copayment tiers.

Viva Health Plan Benefit Changes:

- The combined medical and prescription drug maximum annual out of pocket amounts will be increased to \$6,850 per individual and \$13,700 per family per calendar year.

Supplemental Hospital Medical Changes:

- Effective 1/1/2017, the annual maximum amount paid will increase to \$7,150 per individual and \$14,300 per family. This is a benefit enhancement.

Flex Plan Change:

- Blue Cross and Blue Shield of Alabama has a new flexible spending account (FSA) partner, HealthEquity. HealthEquity is an experienced and strong administrator for the Health Care and Dependent Care flex plans and is committed to provide the services our actively employed members need. HealthEquity will process the PEEHIP flex claims and reimbursements and handle all FSA customer service issues. However, PEEHIP members will not see any changes to the enrollment process or to their FSA benefits.

New Medicare Advantage PPO Plan with Prescription Drug Coverage for Medicare eligible Retirees (effective 1/1/2017)

Effective January 1, 2017, the Medicare-eligible members and Medicare-eligible dependents who are covered on a retiree contract will be enrolled in the new UnitedHealthcare® Group Medicare Advantage (PPO) plan for PEEHIP retirees. The Group MA PPO plan will be fully insured by UnitedHealthcare® and members will be able to have all of their Medicare Part A (Hospital

Insurance), Part B (Medical Insurance) and Part D (prescription drug coverage) in one convenient plan.

It is important to know that Medicare eligible retired members and dependents must be enrolled in Part A and Part B of Medicare to have coverage with the new Group MA PPO plan offered by PEEHIP and UnitedHealthcare®.

Some other important advantages regarding the UnitedHealthcare® Group Medicare Advantage (PPO) plan include: national coverage so PEEHIP retirees and covered dependents are covered anywhere in the United States; worldwide emergency coverage; and additional benefits such as the Silver Sneakers® fitness program, a 24/7 nurse line, health risk assessments, screening exams, immunization reminders, discount on hearing aids, and even an annual in-home health and wellness visit.

Medicare eligible retired members who are currently enrolled in the PEEHIP hospital medical plan and EGWP plan do not need to do anything to transfer over to the new plan. The enrollment process will be handled automatically for an effective date of January 1, 2017.

With the new UnitedHealthcare® Group Medicare Advantage (PPO) plan for PEEHIP, **retirees can continue to see their same doctors and providers with no interruption. Retirees have the freedom to see any doctor or provider who accepts Medicare and the plan on a national basis.** Retirees have the same benefits in and out-of-network and there is no additional retiree cost share if a retiree uses an out-of-network provider and no balance billing from the provider.

UnitedHealthcare® will be contacting providers that PEEHIP retirees are currently utilizing to provide detailed information about the transition to the new plan. Providers will be educated on specific PEEHIP plan benefits and how to file claims on behalf of PEEHIP members.

The UnitedHealthcare® Group Medicare Advantage (PPO) plan for PEEHIP is an improvement in benefits for our Medicare retirees and their covered dependents. The July PEEHIP Advisor will contain more information about the new plan and will answer most questions our retirees may have. Additionally, onsite educational meetings will be held throughout the state in the summer and fall to ensure our retirees are well educated on the new plan. Dates, times and locations will be forthcoming.