

**Office of the State Employer**  
**Employee Benefits Division**  
**PO Box 30026, Lansing, Michigan 48909**  
**EMPLOYEE BENEFITS BULLETIN**

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Benefits Bulletins are issued to employees and others to communicate general benefits information.

**FROM:**

Employee Benefits Division

**TELEPHONE NUMBER:**

(800) 505-5011 or (517) 373-7977

**Subject:**

**New Benefit Changes During Fiscal Year 2002/03**

Following is a summary of benefit changes that will come about as the result of collective bargaining (for exclusively represented employees) and coordinated compensation panel hearings (for non-exclusively represented employees). These changes do not apply to members of the Michigan State Police Troopers Association.

- **Effective January 1, 2003**, the State Health Plan will become a Preferred Provider Organization (PPO). Blue Cross-Blue Shield of Michigan (BCBSM) will administer this program. A PPO provides health benefits using providers and facilities that are “in network”, meaning the providers and facilities have agreed to accept a discounted fee from BCBSM in order to be “in network”. Individuals will be able to seek services from either “in network” or “out of network” providers; however, the amount of applicable out-of-pocket expenses will be much lower for services from an “in network” provider. Attached is a comparison sheet showing benefits under the PPO (in and out of network) and benefits under the current State Health Plan Advantage. Please note that the deductibles under this program are \$200/\$400 for in-network services. Under the current plan, the deductibles are \$300 per person and \$600 per family for covered major medical services. More information will be coming between now and the time open enrollment is conducted this summer. In the meantime, you may wish to contact your provider to find out whether he/she is an in-network BCBSM PPO provider.
- **Effective January 1, 2003**, the cost for prescription drugs for persons enrolled in the State Health Plan (both retail and mail order) will increase from \$5 for generic drugs and \$10 for brand name drugs to \$7 for generic drugs and \$12 for brand name drugs. Effective January 1, 2004, the cost of brand name drugs will increase to \$15, while generic drugs will stay at \$7.
- **Effective October 1, 2002**, the annual dental maximum will increase from \$1,000 to \$1,250. Effective October 1, 2003, the annual dental maximum will increase to \$1,500. The lifetime orthodontic maximum remains the same at \$1,500.
- **Effective October 1, 2002**, the monthly Long Term Disability maximum will increase to \$5,000 for persons who become disabled on and after October 1, 2002.

This is a brief overview of group insurance changes. Plans are being made to provide thorough information to you as the year goes on so that you may make an informed decision about your health plan when open enrollment comes around.