

Office of the State Employer
EMPLOYEE BENEFITS DIVISION
PO Box 30026, LANSING, MI 48909
RETIREE BENEFITS BULLETIN

DATE: June 2002	NUMBER: GIS 02-2002R
CONTACT: EMPLOYEE BENEFITS DIVISION	TELEPHONE NO.: (517) 373-7977 Lansing area 1-800-505-5011 Out of area
SUBJECT: IMPORTANT INSURANCE INFORMATION CHANGES IN YOUR HEALTH PLAN For Retirees Enrolled in Blue Cross Blue Shield Who Are Eligible for Medicare	
Advisories are issued from time to time to retirees and others to communicate benefits information.	

In response to the rapidly rising cost of health care, you will see changes in the State Health Plan and the dental plan. These changes have been designed both to reduce costs and improve services wherever possible for retirees and their dependents, while controlling costs for the state.

The State Employees' Retirees Association, the Office of Retirement Services, and the Office of the State Employer have worked together to develop informational seminars to explain changes that will be occurring in the State Health Plan, HMOs, drug co-pays, and dental insurance.

An open enrollment period for all retirees will be held from now through November 30, 2002. Information will be mailed to you in the next few weeks—watch your mailbox for premium information and a seminar schedule. Meanwhile, the summary below will give you a preview of the coming changes in your health, prescription drug, and dental plans.

STATE HEALTH PLAN

Beginning January 1, 2003, there will be some changes in the health insurance plan design for persons eligible for Medicare who are covered by Blue Cross-Blue Shield of Michigan:

- The deductibles will be reduced to \$200 per person and \$400 per family. (Under the current plan, deductibles are \$300 per person/\$600 per family.)
- The annual out-of-pocket maximum will be \$1,000 per person and \$2,000 per family. (Under the current plan, the out-of-pocket maximum is \$1,000 per individual.)
- Deductibles will apply to many of the services that are currently considered Basic Benefits, such as hospital stays, laboratory services, etc. Many of these services will be paid at 100% after the deductible is met.

- There will be a flat \$10 charge for all office visits, whether or not you have met the deductible. The \$10 fee does not apply to the deductible.
- Preventive services will be provided in a slightly different way:
 - ♦ The Health Screening Unit (HSU) clinics will no longer be open. The health screening benefit that was previously provided in Health Screening Unit clinics around the state will now be conducted in your doctor's office. Retirees and their covered dependents all over the United States will be able to take advantage of this benefit, not just retirees and spouses in Michigan. You will be able to make your own appointment with your doctor every 12 months.
 - ♦ Preventive services, including health screening, will be covered under one group of services that do not require deductibles or co-pays. The preventive services described below are covered at 100% up to a limit of \$500 per person per calendar year. The cap rises to \$750 per year beginning January 1, 2004.
 - ✓ Health screening
 - ✓ Annual gynecological exam
 - ✓ Pap smear (lab. test)
 - ✓ Immunizations (including flu shot and Hepatitis C screening for those at risk)
 - ✓ Fecal occult blood screening
 - ✓ Sigmoidoscopy
 - ✓ Colonoscopy
 - ✓ Prostate Specific Antigen screening
- Drug Co-Pay Changes - Drug costs are the single most influential factor in rising health care costs. As a result, effective January 1, 2003, the cost of retail and mail order drugs for persons enrolled in the State Health Plan will increase from \$5 for generic and \$10 for brand name drugs to \$7 for generic 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.

DENTAL PLAN CHANGES

Effective January 1, 2003, the annual general dental maximum for covered services will increase from \$1,000 to \$1,250. Effective January 1, 2004, the annual general dental maximum will increase to \$1,500.

ADDITIONAL INFORMATION

If you have any questions about the new plan design, please call Blue Cross Blue Shield of Michigan at (800) 470-9633.