

**Civil Service Commission
EMPLOYEE BENEFITS BULLETIN**

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SUBJECT:

**IMPORTANT REMINDERS AND NOTICE FOR RETIREES ENROLLED IN
THE STATE HEALTH PLAN PPO**

BCBSM REPLACING ESI AS THE PRESCRIPTION DRUG BENEFIT MANAGER

Effective January 1, 2010, Blue Cross and Blue Shield of Michigan (BCBSM) will replace Express Scripts, Inc. (ESI) as the Prescription Drug Benefit Manager for the State Health Plan PPO administered by BCBSM. New BCBSM ID cards have been mailed to all members. If you have not received your new BCBSM ID card, please contact the BCBSM State of Michigan Call Center at (800) 843-4876, or go to www.bcbsm.com. You should present your new BCBSM ID Card when receiving health, prescription drug, and/or vision services (if enrolled).

FOR MEDICARE-ELIGIBLE RETIREES: MEDICARE PLUS BLUE GROUP PLAN BEING REPLACED

Effective January 1, 2010, the State will revert from the BCBSM Medicare Plus Blue Group Plan, a Private Fee For Service (MAPFFS) Plan, back to a Medicare Supplemental State Health Plan (SHP) PPO as was in place prior to January, 2008. You should have received a notice in the mail from BCBSM notifying you of disenrollment from the BCBSM Medicare Plus Blue Group Plan.

As a reminder, beginning January 1, 2010, you should use your Red, White and Blue Original Medicare card. Please discard your BCBSM Medicare Plus Blue Group card after January 1, 2010, as your claims will be rejected if they are billed under BCBSM Medicare Plus Blue Group. If you became Medicare-eligible after 2007, you should use the Red, White and Blue Original Medicare card you received in the mail from the Social Security Administration.

MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

Also effective January 1, 2010, Mental Health and Substance Abuse (MH/SA) services will be administered by Magellan Behavioral Health for all retired state employees enrolled in the SHP PPO. If you were enrolled in the BCBSM Medicare Plus Blue Group Plan, you should have received a new Magellan ID Card. If you have not received a new Magellan ID card, please call Magellan Behavioral Health at (866) 503-3158.

MH/SA benefits for all retirees remain unchanged. A notice required under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regarding your MH/SA benefits is on the reverse side of this mailing.

Under a Federal law known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the requirements listed below. However, the law also permits State and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. The State of Michigan has elected to exempt the State of Michigan Health Plan PPO for Retirees from the following requirements:

Parity in the application of certain limits to mental health benefits. Group health plans (of employers that employ more than 50 employees) that provide both medical and surgical benefits and mental health or substance use disorder benefits must ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant financial requirements and treatment limitations applicable to substantially all medical and surgical benefits covered by the plan.

The exemption from these Federal requirements will be in effect for the 2010 period of plan coverage beginning January 1, 2010 and ending December 31, 2010. The election may be renewed for subsequent plan years.

HIPAA also requires the Plan to provide covered employees and dependents with a "certificate of creditable coverage" when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a preexisting condition exclusion if you join another employer's health plan, or if you wish to purchase an individual health insurance policy.