UC Retiree Medical Plans

Presented By Glenn Rodriguez
HealthCare Facilitator
UC Irvine
Agenda

• Your Options
• Medicare and UC
• Plan Overviews
• StayWell
• Conclusion
Your Options
Your options

• UC offers four types of medical plans
  ▪ HMO plans (2)
  ▪ POS plan
  ▪ PPO plan
  ▪ FFS plans (2)

• Availability determined by zip code
  ▪ Medical Benefit Summaries
  ▪ [http://atyourservice.ucop.edu](http://atyourservice.ucop.edu)
HMOs

- Health Maintenance Organizations
  - Health Net/Seniority Plus
  - Kaiser Permanente/Senior Advantage
Anthem Blue Cross plans

- Point-of-Service (POS) plan
  - Blue Cross PLUS
- Preferred Provider Organization
  - Blue Cross PPO
- Fee-for-Service plans
  - Core Medical
  - High Option (Medicare only)
Cost vs. Flexibility

- HMO
- POS
- PPO
- FFS
Medical plan premiums

• Will you have a net premium to pay?
  ▪ 100% of UC contribution vs. Graduated Eligibility
  ▪ Personal statement with Open Enrollment mailing

• Medicare Part B reimbursement
Making changes

• Changing your medical plan
  ▪ Open Enrollment for 2009 (10/30–11/25)
    • Changes effective January 1st
  ▪ HMO Transfer Program
    • Provider group disruptions
  ▪ Move outside plan service area

• Suspending medical coverage
  ▪ Re-enroll during Open Enrollment or after an involuntary loss of other group coverage

• No pre-existing conditions exclusions
Medicare and UC
Medicare and UC

• Medicare is the federal health insurance program for those over 65 and some disabled
  ▪ Part A: Hospital (premium-free for most)
  ▪ Part B: Medical (currently costs $96.40/month)
    • $96.40/month in 2009
    • Costs more if you make more than $85K/year ($170K for couples)

• UC relies on Medicare to offset the cost of retiree medical insurance
  ▪ Retirees without Medicare cost 3 times more to insure
UC’s Medicare requirements

• UC requires retirees and their family members to enroll in Medicare Part B:
  ▪ If they are enrolled in medical insurance
  ▪ If they are eligible for Part A free of charge
  ▪ Failure to comply may result in the loss of UC-sponsored medical coverage
  ▪ Exceptions:
    • Retirees who reside outside of the U.S.
    • Those who retired prior to July 1, 1991
Medicare and HMOs

• Medicare Advantage plans
  ▪ If you have Medicare A & B, and you are enrolled in an HMO, you must assign your Medicare benefits to the HMO

• Medicare pays a flat monthly fee to the insurance company

• Medicare cannot be used separately from the Medicare Advantage plan
Medicare and Blue Cross

• Medicare primary; Blue Cross secondary
• Medicare-certified providers must be used
  ▪ 91% of U.S. physicians participate in Medicare as of 2001
  ▪ Ask if accepting new Medicare patients
  ▪ Providers that do not accept “assignment” can charge up to 15% more
Medicare Part D

• New drug benefit as of 2006
• Subsidizes medical plan premiums
• Formulary may differ from non-Medicare plan
Medicare Part D

- Retirees will automatically be enrolled in Part D by their medical plan
  - No additional Part D premium
- Retirees do not need to do anything to enroll
  - Exception: double coverage
- Enrollment in a non-UC Part D plan may result in loss of coverage
  - Exception: new PPO + Medicare without Rx
HMO Plan Overview
About HMOs

• The insurance company prepays a monthly per capita rate (called capitation) to each Medical Group

• Your Primary Medical Group is responsible for your care for that month

• You choose a Primary Care Physician (PCP) who acts as your gatekeeper to care through the Medical Group
  ▪ Exception: emergencies covered anywhere, call 911 or go to the nearest hospital. Let PCP know ASAP.
How do HMOs work?

Insurance Company

Medical Group

Physicians

Hospitals/ER

Lab/Radiology
Advantages of HMOs

- Low monthly premiums
- Low copayments
- No claim forms
- No deductibles/coinsurance
- Provides low-cost preventive care
- Encourages relationship with PCP
Limits of HMOs

• Must select PCP from the network of medical groups
• Most specialty care must be referred by PCP
• Must use your Medical Group’s network of specialists/hospitals/labs
• Preauthorization process required
• Service area limited to certain urban zip codes
• + Medicare: cannot self-refer to Medicare providers
HMO coverage

• Modest copayments
  ▪ Physician office visit: $15
    • Copayment waived for preventive office visits & certain immunizations
  ▪ ER: $50
    • Emergencies covered worldwide
  ▪ Inpatient hospitalization: $250
  ▪ Mental health outpatient: $15
  ▪ Mental health inpatient: $250
HMO behavioral health

- UC has “carved out” behavioral services for many of our plans
- Some HMOs pay a separate behavioral health plan to manage care
- Call the behavioral health plan directly for mental health/substance abuse needs
## HMO behavioral health

<table>
<thead>
<tr>
<th>Medical Plan</th>
<th>Behavioral Health Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net</td>
<td>United Behavioral Health</td>
</tr>
<tr>
<td>Health Net Seniority Plus</td>
<td>Managed Health Network</td>
</tr>
<tr>
<td></td>
<td>Exception: Sutter Medical Groups</td>
</tr>
<tr>
<td>Kaiser Permanente</td>
<td>Go through PCP and/or United Behavioral Health</td>
</tr>
<tr>
<td>Kaiser Senior Advantage</td>
<td>Go through PCP</td>
</tr>
</tbody>
</table>
HMO Rx

- **Generic:** $10/30-day supply
  - (Kaiser: 100-day supply)
- **Brand name:** $20/30-day supply
  - (Kaiser: 100-day supply)
- **Non-formulary:** $35/30-day supply
  - (Does not apply to Kaiser)
- **Mail-order:** 90-day supplies for 2 co-pays
  - (Kaiser: 1 co-pay for 100-day supply)
- Some meds require preauthorization
## HMO Rx: Medicare Part D

<table>
<thead>
<tr>
<th>Rx 30-day supplies</th>
<th>Health Net Seniority Plus</th>
<th>Kaiser Senior Advantage (100-day supplies)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier I</strong> (generic, formulary)</td>
<td>$10</td>
<td>$10</td>
</tr>
<tr>
<td><strong>Tier II</strong> (brand name, formulary)</td>
<td>$20</td>
<td>$20</td>
</tr>
<tr>
<td><strong>Tier III</strong> (non-formulary)</td>
<td>$35</td>
<td>Not covered</td>
</tr>
<tr>
<td><strong>Tier IV</strong> (specialty/self-injectable)</td>
<td>25%</td>
<td>N/A</td>
</tr>
<tr>
<td>Rx Out-of-Pocket Maximum</td>
<td>$2,000</td>
<td>$4,350 +</td>
</tr>
</tbody>
</table>
Health Net/Seniority Plus

- Large provider network, contracted with most UC Davis area medical groups
- WellRewards discount programs
  - Acupuncture, chiropractic, massage therapy, fitness centers
  - Vitamins, books, videos, weight loss programs, etc.
- Disease Management programs:
  - Asthma/diabetes/heart disease/depression/smoking cessation
- Rx: 90-day supplies at UC pharmacies for 2 co-pays
- NCQA accreditation: K K K K K (highest) “Excellent”
Health Net vs. Seniority Plus

- Health Net
  - United Behavioral Health
  - Hearing aids: 2 aids every 36 months, $2,000 benefit maximum; 50% coinsurance

- Seniority Plus
  - $2,000 Rx OOP Max
  - Rx specialty tier: 25% coinsurance
  - 2 standard hearing aids covered every 36 months (no copay)
  - Vision coverage for frames and lenses
Kaiser Permanente/Senior Advantage

• Kaiser Foundation Health Plan contracts with one large group, the Permanente Medical Group
• Classes, pamphlets, cassettes and videos on a wide variety of health topics
• Online weight and stress management/nutrition programs
• Healthwise Handbook free to members
  ▪ Prevent or treat 180+ common health issues
• Disease management programs
  ▪ Asthma/diabetes/heart disease
• NCQA accreditation: K K K K (highest)
  “Excellent”
Kaiser Permanente vs. Senior Advantage

• Kaiser Permanente
  ▪ Hearing aids: $1,000 allowance per aid per ear, every 36 months (no co-pay)

• Senior Advantage
  ▪ Rx Out of Pocket Max: $4,350+
  ▪ Hearing aids: $2,500 allowance per aid per ear, every 36 months (no co-pay)
  ▪ Coverage for frames and lenses
Anthem Blue Cross Plans
Blue Cross wellness programs

- Disease management programs
  - Diabetes, asthma, congestive heart failure
- Tobacco cessation
- “Healthy Extensions”
  - Discounted fitness/massage/nutrition/weight loss programs and more
- Subimo online decision support tool
  - Diagnostic and procedure explanations, hospital finder
- MedCall (nurse advice line)
About Blue Cross PPO

- Preferred Provider Organization
  - Administered by Anthem Blue Cross
  - More than 85 percent of all doctors and hospitals throughout the U.S. contract with Blue Cross/Blue Shield Plans
    - ~46,000 Blue Cross network doctors in CA
    - ~700,000 Blue Cross/Blue Shield network doctors nation-wide
- NCQA accreditation: 🌟🌟🌟🌟 “Full” (highest)
How does BC PPO work?

In-Network

- Self-refer to preferred providers
  1. $250 deductible
     - Per person, per year
     - $750 for 3 or more
  2. 20% coinsurance
  3. $3,000 Out-of-Pocket Maximum
     - Per person, per year
     - $9,000 for 3 or more
- Hospitalization: be sure facility AND doctors are preferred providers

Out-of-Network

- Self-refer to non-Blue Cross providers
  1. $500 deductible
     - Per person, per year
     - $1,500 for 3 or more
  2. 40% coinsurance
  3. $6,000 Out-of-Pocket Maximum
     - Per person, per year
     - $18,000 for 3 or more
- You pay 40% of allowable charges + “balance billing”
**PPO + Medicare**

- Medicare primary, PPO secondary
- Caution: must use Medicare providers

<table>
<thead>
<tr>
<th></th>
<th>PPO In-Network</th>
<th>PPO + Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Deductible</td>
<td>$250</td>
<td>$100</td>
</tr>
<tr>
<td>2. Coinsurance</td>
<td>20%</td>
<td>20% after Medicare</td>
</tr>
<tr>
<td>3. Out-of-Pocket Maximum</td>
<td>$3,000</td>
<td>$1,500</td>
</tr>
</tbody>
</table>
Advantages of BC PPO

- No PCP, self-refer to specialists
- No Primary Medical Group
- Large, national provider network
- Out-of-Network coverage
  - Medical and Behavioral Health
- Comprehensive world-wide coverage
- Chiropractic/acupuncture coverage
- + Medicare: use any Medicare provider
Limits of the BC PPO

- Deductibles/coinsurance rather than flat copayments
- Separate In- and Out-of-Network deductibles
- Preauthorization required for hospitalization and other planned procedures
- Out-of-Network access more expensive
- + Medicare: must use Medicare providers
**In-Network**
- United Behavioral Health (UBH) providers
- Outpatient office visits:
  - Visits 1-3: free
  - Visits 4+: $15
- Inpatient hospitalization:
  - $250 copayment
  - Notify UBH within 48 hours for emergencies
- $1,000 Out-of-Pocket Max
  - Per person, per year
  - $3,000 for 3 or more

**Out-of-Network**
1. $500 deductible
   - Per person, per year
   - $1,500 for 3 or more
2. 40% coinsurance
   - Office visit coinsurance 60% w/o notification
3. $6,000 Out-of-Pocket Max
   - Per person, per year
   - $18,000 for 3 or more
   - + “balance billing”
- Office visits limited to 20/year
- + Medicare: Medicare providers not required but may save you money
Blue Cross PPO Rx

- **Generic:** $15/30-day supply
- **Brand name:** $25/30-day supply
- **Non-formulary:** $40/30-day supply
  - If physician writes “dispense as written” (DAW), brand name co-pay applies
- 90-day supplies of meds for 2 copayments:
  - UC pharmacies
  - Mail-order
- Some meds require prior authorization
- + Medicare: Rx OOP Max: $4,350
Anthem Blue Cross PLUS
About Blue Cross PLUS

• Point-of-Service plan
  ▪ Combines features of HMOs and PPOs
  ▪ Benefit level determined by point of service

• Blue Cross PLUS
  ▪ Administered by Anthem Blue Cross
  ▪ NCQA accreditation: K K K K (highest) “Excellent”
How does BC PLUS work?

In-Network (HMO)
- Like HMO, a Medical Group gets capitation
- The prepaid Medical Group is responsible for your care for that month
- PCP directs care
- Member pays flat copayments for care
- Physician office visit $20
- ER $75
- Inpatient hospitalization: $250

Out-of-Network (PPO)
- Like PPO, self-refer to providers

1. $500 deductible
   - Per person, per year
   - $1,500 for 3 or more

2. 30% coinsurance

3. $5,000 Out-of-Pocket Maximum
   - Per person, per year
   - $15,000 for 3 or more
   - + “balance billing” if provider is not preferred

- Members with Medicare who self-refer must use Medicare providers
BC PLUS Out-of-Network

- Like PPO, members with Medicare who self-refer must use Medicare providers

<table>
<thead>
<tr>
<th></th>
<th>PPO Providers</th>
<th>Other Providers</th>
<th>Medicare Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deductible</td>
<td>$500</td>
<td>$500</td>
</tr>
<tr>
<td>2</td>
<td>Coinsurance</td>
<td>30%</td>
<td>30% + balance</td>
</tr>
<tr>
<td>3</td>
<td>Out-of-Pocket Max</td>
<td>$5,000</td>
<td>$5,000 + balance</td>
</tr>
</tbody>
</table>
Advantages of BC PLUS

• In-Network (HMO) coverage offers modest copayments for care

• Out-of-Network (PPO) coverage
  ▪ Large, national provider network
  ▪ + Medicare: use any Medicare provider
  ▪ Out-of-Pocket Maximum $5,000 (lower than PPO)

• Chiropractic/acupuncture coverage through American Specialty Health Plans
Limits of BC PLUS

• Sutter medical groups unavailable In-Network
• Higher premium than HMOs
• Out-of-Network (PPO) service more expensive
• No Out-of-Network behavioral health/chiropractic/acupuncture
• Only available in certain CA zip codes
• + Medicare: if you self-refer, you must use Medicare providers
BC PLUS behavioral health

• United Behavioral Health (UBH)
  ▪ Outpatient office visits:
    • Visits 1-3: free
    • Visits 4+: $15
  ▪ Inpatient hospitalization:
    • $250 copayment
    • Notify UBH within 48 hours for emergencies
  ▪ $1,000 Out-of-Pocket Max
    • Per person, per year
    • $3,000 for 3 or more
  ▪ Out-of-Network benefits no longer available
Blue Cross PLUS Rx

• **Generic:** $15/30-day supply
• **Brand name:** $25/30-day supply
• **Non-formulary:** $40/30-day supply
  - If physician writes “dispense as written” (DAW), brand name co-pay applies
• 90-day supplies of meds for 2 copayments:
  - UC pharmacies
  - Mail-order
• Some meds require prior authorization
• + Medicare: Rx OOP Max: $4,350
FFS Plan Overview
About FFS plans

• Fee-for-Service
• Custom plans for UC
  ▪ Core Medical
  ▪ High Option
• Administered by Anthem Blue Cross
Core overview

• Without Medicare:
  ▪ Catastrophic-only plan
  ▪ High deductible/high Out-of-Pocket Maximum
  ▪ Little or no coverage for preventive care
  ▪ Some PPO features

• + Medicare: comprehensive coverage
How does Core work?

In-Network

- Self-refer to Blue Cross preferred providers
  1. $3,000 deductible
     - Per person, per year
  2. 20% coinsurance
  3. $7,600 Out-of-Pocket Maximum
     - Per person, per year
- Coverage described above applies to medical, pharmacy & behavioral health

Out-of-Network

- Self-refer to non-Blue Cross providers
  1. $3,000 deductible
     - Per person, per year
  2. 20% coinsurance
  3. $7,600 Out-of-Pocket Maximum
     - Per person, per year
     - + “balance billing” if provider is not preferred
### Core + Medicare

- Medicare primary, PPO secondary
- Caution: must use Medicare providers

<table>
<thead>
<tr>
<th></th>
<th>Core</th>
<th>Core + Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deductible</td>
<td>$3,000</td>
</tr>
<tr>
<td>2</td>
<td>Coinsurance</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>Out-of-Pocket Maximum</td>
<td>$7,600</td>
</tr>
</tbody>
</table>
Advantages of Core

• No monthly premium
• No PCP, self-refer to specialists
• Large, national provider network
• Out-of-Network/world-wide coverage
• Chiropractic/acupuncture coverage
• No drug formulary, drug expenses apply toward Out-of-Pocket Maximum
  • + Medicare: use any Medicare provider
  • + Medicare: max Part B reimbursement
  • + Medicare: $1,000 Rx Out-of-Pocket Maximum
Limits of Core

• **High** deductible/Out-of-Pocket Max (non-Medicare)

• No coverage for hearing aids

• Must pay up front for $R_x$, then submit claims for reimbursement

• + Medicare: must use Medicare providers

• + Medicare: no coverage for sexual dysfunction $R_x$
Core mental health

- 80% coverage after $3,000 deductible
- + Medicare:
  - $100 deductible applies
  - 20% coinsurance
  - $1,260 Out-of-Pocket Maximum
  - Must use Medicare providers
Core $R_x$

- No drug formulary
- Pay for drugs, then file claims for 80% reimbursement (after deductible)
- Drug expenses apply toward your deductible
  - + Medicare: $15/$25/$40 copayments
  - + Medicare: 90-day supplies for 2 copays using UC pharmacies or mail-order
  - + Medicare: $1,000 $R_x$ Out-of-Pocket Max
  - + Medicare: Some meds require prior authorization
About High Option

- For most services, plan pays balance after Medicare.
- $50 annual deductible, 20% coinsurance applies to some services:
  - Preventive physical exam (covered in full after deductible)
  - Immunizations, acupuncture
- Routine hearing/vision exams not covered
Advantages of High Option

• Pay nothing for most services
• Use any Medicare provider
• Chiropractic/acupuncture coverage
• No separate behavioral health network
• $1,000 Rx Out-of-Pocket Maximum
Limits of High Option

• Highest monthly premium (least Part B reimbursement)
• Must use Medicare providers
• No coverage for hearing aids
• $500 annual limit on acupuncture
• No coverage for sexual dysfunction $R_x$
• Outpatient mental health: 10-visit limit
High Option mental health

• No separate behavioral health plan
• Use Medicare providers
• No coinsurance for most services
  ▪ Outpatient coverage limited to 10 visits/year
  ▪ Exception: facility-based care after day 60
High Option Rx

- **Generic**: $15/30-day supply
- **Brand name**: $25/30-day supply
- **Non-formulary**: $40/30-day supply
- 90-day supplies of meds for 2 copayments:
  - UC pharmacies
  - Mail-order
- **$1,000 Rx Out-of-Pocket Maximum**
- Some meds require prior authorization
UC Living Well
making wellness a priority
Kaiser HealthWorks

- Members who complete a Health Assessment are entered in quarterly raffles for a $500 spa/sporting good store gift card or 6 iPods

- Interactive online programs connect members with weight loss, nutrition, stress management, chronic pain, smoking cessation & disease management programs

- UC Living Well
  - http://atyourservice.ucop.edu
StayWell Health Management

• Members of all non-Kaiser medical plans
• Complete a Health Assessment:
  ▪ $100 gift card for vendor of your choice for completion (online or paper form)
  ▪ Spouse: $50 gift card
  ▪ Deadline: 4/15/2009
StayWell Health Management

• Wellness benefits:
  ▪ Access to extensive online health resources and interactive tools
    • “Look It Up” drug research, self-care information, create reminders for preventive screenings
  ▪ Health Improvement Programs include access to a health coach by phone, online or mail

• UC Living Well
  ▪ [http://atyourservice.ucop.edu](http://atyourservice.ucop.edu)
  ▪ 1-800-721-2693
Conclusion
Choosing a plan

• Every plan has a different drug formulary

• Match your priorities with the services available

• Do a cost/benefit analysis based on plan premiums and your expected medical, behavioral and pharmacy needs
Making a change

• Open Enrollment is online
  ▪ You can request a form
• Remember to get a confirmation number
• Remember, you can always change again next open enrollment
Help is available

Health Care Facilitator Program

• Glenn Rodriguez
  ▪ (949) 824-9065
  ▪ glennr@uci.edu
  ▪ http://www.hr.uci.edu/hcf

• Benefits Office
  ▪ (949) 824-5210
Thank You!