ISU Retirees in ISU Plan Insurance – Welcome Open Change 2017 Update

October 15, 2016 to December 7, 2016
Insurance 2017

• No insurance plan design changes in 2017.
• Premiums remain at the 2016 prices
The University Benefits Committee evaluates plan performance and results and makes recommendations to ISU Administration on plan design and premium.
Prescription Drug Plans

**Express Scripts**
- Prior to Medicare eligibility or if on Retirement Incentive
- Deductible $0.00
- Out of Pocket Maximum $1500. per person per year
- No copay, coinsurance changes
- No gap

**Humana**
- When eligible for Medicare Part B or when Retirement Incentive (RIO) ends, whichever is later.
- Deductible $0.00
- Out of Pocket Maximum still at $2500 per person per year
- Discount in the gap – For tier 3 & 4, was 45% in 2016, will be 40% in 2017.
Prescription Coverage Gap

- The gap is when the total cost of all covered drugs reaches a dollar amount set by Center for Medicare Services (CMS).
- Prior to 2011, there were no benefits in the gap, unless members bought a plan that provided some coverage.
- The Affordable Care Act changed the standard Part D benefit so all plans include coverage in the gap and manufacturers are required to apply discounts once a member is buying them in the gap.
- For 2017, when a participant reaches the gap, the participant pays the maximum of 40% of the cost for brand name drugs and 65% of the cost for generic drugs.
$400.00 Deductible – May be reduced or eliminated with “better than” plans. If so, the Initial Coverage Limit begins at first purchase. $0 to $3,700.00 of total covered medication cost. This is Stage 1.

Stage 2 or the Gap (donut hole) total medication cost from $3,700.00 to $4,950.00. At this stage, the ACA reduces cost of medication to those in the gap and the member can’t pay above 40% of adjusted amount.

Stage 3 –Catastrophic to Unlimited. When the cost of all medication purchased reaches $4,950.00. Then member pays the greater of $3.30 or 5% for generic/multiple source meds $8.25 of 5% for all single source brands on formulary.

MEDICARE PART D FRAMEWORK- established by Medicare each year. Humana follows the framework but are a “buy up” to better coverage.
## Part D standards over time

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td></td>
<td>$250</td>
<td>$360</td>
<td>$400</td>
</tr>
<tr>
<td>Initial coverage limit</td>
<td></td>
<td>$2250</td>
<td>$3310</td>
<td>$3700</td>
</tr>
<tr>
<td>Out of Pocket Threshold</td>
<td></td>
<td>$3600</td>
<td>$4850</td>
<td>$4950</td>
</tr>
<tr>
<td>Minimum Cost-Sharing in</td>
<td>Catastrophic coverage for</td>
<td>$2.65/</td>
<td>$2.95/</td>
<td>$3.30/</td>
</tr>
<tr>
<td>generic preferred / all</td>
<td>all others</td>
<td>$6.60</td>
<td>$7.40</td>
<td>$8.75</td>
</tr>
</tbody>
</table>
Prescription Drug Plans

Express Scripts
- Coverage for drugs in formulary
- Formularies are subject to change
- Plan for the transition to Humana
- Eligible family members without Part B, stay with Express Scripts while on the retiree’s plan
- Shingles vaccine dispensed at pharmacy is covered

Humana
- Medicare D formulary
- Coverage for drugs in formulary. Does not include supplemental drugs (non-Part D drugs)
- Does not cover drugs considered to be Part B covered such as diabetes test strips
- Wellmark cover Part B designated drugs after Medicare
- Shingles vaccine at pharmacy is covered
Prescription Drug Plans – Mail order

**Express Scripts**
- Must use Express Scripts by Mail to get the mail order copay or coinsurance

**Humana**
- Must use Humana mail order to get the mail order copay or coinsurance
Prescription terms

• **Supplemental drugs** - Medicare Part D will not cover some medications. These are called supplemental drug. Prescription vitamins/minerals, fertility, erectile dysfunction, cosmetic purposes or hair growth, anorexia, prescribed for a reason other than the approved use (by FDA) or not meeting DESI (Drug Efficacy Study Implementation)

• **Step-Therapy** – requirements to step your therapy through the base level up to a rarer form of therapy.

• **Prior authorization** – meds that require treatment review and involvement of the prescriber. Prescriber may need to show the drug is medically necessary for the plan to cover it.

• **Quantity limits** – Limits on amount of medication at a time.
Prescription Drug Plans

Express Scripts

• Generic $10 retail or $0.00 if 90 day supply mail ordered
• 30% coinsurance up to $100 for preferred brand drugs: 25% up to $250 if 90 day- mail ordered.
• 50% up to $200. for non-preferred brand drugs: 33% up to $500 if 90 day mail ordered

Humana – Stage 1

• Generic $10.00 retail or $0.00 if 90 day supply-mail ordered
• 30% coinsurance up to $50 for Preferred Brand Drugs: 20% up to $100 if 90 day- mail ordered.
• 50% coinsurance up to $50 for non-preferred brand: 33% up to $100 if 90 day -mail ordered
Prescription Drug Plans

Express Scripts

- Generic $10 retail or $0.00 if 90 day supply mail ordered
- 30% coinsurance up to $100 for preferred brand drugs: 25% up to $250 if 90 day mail ordered
- 50% up to $200 for non-preferred brand drugs: 33% up to $500 if 90 day mail ordered

Humana – Stage 2 – “gap”

- When TROOP is $3,700 - $4,950 for the year
- Generic $10.00 retail or $0.00 if 90 day supply mail ordered
- 30% coinsurance up to $50 for Preferred Brand Drugs: 20% up to $100 if 90 day mail ordered
- 40% coinsurance for non-preferred brand: 33% if 90 day - mail ordered
- Coinsurance is on discounted drugs
Prescription Drug Plans

Express Scripts

- Generic $10 retail or $0.00 if 90 day supply mail ordered
- 30% coinsurance up to $100 for preferred brand drugs: 25% up to $250 if 90 day mail ordered
- 50% up to $200 for non-preferred brand drugs: 33% up to $500 if 90 day mail ordered
- Up to $1,500/$3,000 family MOOP

Humana – Stage 3
Catastrophic

- When TROOP is beyond $4,950 for the year
- If MOOP of $2,500 has not been paid:
  - Generic/Multiple Source: $3.30 or 5% up to $10 retail or $0.00 if 90 day supply mail ordered
  - Single Source: $8.75 or 5% coinsurance up to MOOP of $2,500
Paying for Prescription Insurance

The cost for Express Scripts and/or Humana is included in the bill from Wellmark. It is a blended rate based on our group claims history and expected trend. But there can be a difference in premium based on income.
<table>
<thead>
<tr>
<th>If Your Yearly Income for 2015 is:</th>
<th>File Individual Tax Return</th>
<th>File Joint Tax Return</th>
<th>Amount you pay through SSI in addition to premium (2016)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$85,000 or less</td>
<td>$85,001-$107,000</td>
<td>$107,001-$160,000</td>
<td>$107,001-$160,000</td>
</tr>
<tr>
<td>$107,001-$160,000</td>
<td>$160,001-$214,000</td>
<td>$214,001-$320,000</td>
<td>$160,001-$214,000</td>
</tr>
<tr>
<td>$160,001-$214,000</td>
<td>Above $214,000</td>
<td>Above $428,000</td>
<td>Above $214,000</td>
</tr>
<tr>
<td>Above $214,000</td>
<td></td>
<td></td>
<td>$69.30</td>
</tr>
</tbody>
</table>

2017 Part D Income Related Monthly Adjustment Amount (IRMAA) **TBD**
Low Income Subsidy - LIS

For those that CMS determines as qualifying- If a low income subsidy applies to you, ISU is informed by Humana and in 2016, ISU must reimburse those members. In 2017 ISU will have Wellmark apply the LIS so members will have the reduction reflected in their premium.
Humana Smart Summary

Report mailed to participants as prescription purchases are made. The report includes the drug payment stage, lists each purchase, out-of-pocket cost, TROOP, updates, contacts, rights.
# ISU Premiums 2017 Plan Year

<table>
<thead>
<tr>
<th>Plan Tier (price includes prescription coverage of Express Scripts and/or Humana)</th>
<th>PPO and Rx</th>
<th>HMO and Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retiree Only</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Medicare eligible</td>
<td>$503.00</td>
<td>$487.00</td>
</tr>
<tr>
<td>Medicare eligible</td>
<td>$293.00</td>
<td>$279.00</td>
</tr>
<tr>
<td><strong>Retiree and Spouse or Partner</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two not Medicare eligible</td>
<td>$1,148.00</td>
<td>$1,117.00</td>
</tr>
<tr>
<td>One with Medicare, one without Medicare</td>
<td>$796.00</td>
<td>$766.00</td>
</tr>
<tr>
<td>Two Medicare eligible</td>
<td>$585.00</td>
<td>$557.00</td>
</tr>
<tr>
<td><strong>Retiree and Child(ren) only</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree is not Medicare eligible</td>
<td>$897.00</td>
<td>$874.00</td>
</tr>
<tr>
<td>Retiree is Medicare eligible</td>
<td>$688.00</td>
<td>$667.00</td>
</tr>
<tr>
<td><strong>Family</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree is not Medicare eligible</td>
<td>$1,471.00</td>
<td>$1,420.00</td>
</tr>
<tr>
<td>Retiree is Medicare eligible</td>
<td>$1,020.00</td>
<td>$1,070.00</td>
</tr>
<tr>
<td>Retiree and Spouse Medicare eligible</td>
<td>$909.00</td>
<td>$861.00</td>
</tr>
</tbody>
</table>
ISU Health Plans - Two options

- The Preferred Provider Organization (PPO) plan called Alliance Select by Wellmark BC/BS of Iowa

- The Health Maintenance Organization (HMO) plan called Blue Advantage by Wellmark BC/BS of Iowa

- Both plans include prescription benefits in the price you pay Wellmark. You should not enroll in other prescription drug plans offered to individuals! Or you will need to stop the group health plan.
Benefit Changes During the Year

- If you or your dependent, already on the plan, become Medicare eligible during 2017, ISU should mail a letter regarding Medicare and your options. This should be about 3 months prior to turning 65.

- If you or dependents become eligible prior to age 65, contact the ISU Benefits office. Medicare must be primary insurance if on retiree insurance.

- Spouse’s, partners or children may be added if there is an event, such as loss of coverage.

- If you want to add a spouse during open time, if they are on Medicare, contact the ISU Benefits Team to obtain the Humana enrollment form.
ISU Plan following Medicare

- Medicare “carve-out” plan
- Wellmark computes what it would have paid for your treatment as your primary insurer (including any unpaid deductible and co-pay). Wellmark then subtracts the amount Medicare paid. If the results are positive (that is, Medicare paid less than Wellmark would have), then Wellmark pays the difference.
- Most have no liability. However, if Medicare paid equal to or greater than the amount Wellmark would have paid, you may have some liability. This is usually a rare occurrence, always follow up.
### MEDICARE 2017 PREMIUMS TBD

<table>
<thead>
<tr>
<th>If Your Yearly Income in 2014 is</th>
<th>You Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>File Individual Tax Return</td>
<td>File Joint Tax Return</td>
</tr>
<tr>
<td>$85,000 or less</td>
<td>$170,000 or less</td>
</tr>
<tr>
<td>$85,001-$107,000</td>
<td>$170,000-$214,000</td>
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<tr>
<td>$107,001-$160,000</td>
<td>$214,001-$320,000</td>
</tr>
<tr>
<td>$160,001-$214,000</td>
<td>$320,001-$428,000</td>
</tr>
<tr>
<td>Above $214,000</td>
<td>Above $428,000</td>
</tr>
</tbody>
</table>
Alliance Select (ISU PPO)

You are free to choose any health care provider except for routine exams which must be from in net-work providers. If provider is a part of the National Blue Cross Alliance Select network you pay lower co-insurance.
Alliance Select – Prior to Medicare

**In-Network:** National network of PPO contract providers.
- $20.00 office exam co-pays (does not count towards OOP).
- 10% coinsurance
- Annual maximum out-of-pocket (OOP) $1,500 individual/$3000 family.

**Out-of-Network:**
- Deductible $300 single/$600 family.
- 20% coinsurance.
- Maximum out-of-pocket increases to $3000/single /$6000 family.
Blue Advantage

You designate a Primary Care Physician from the Wellmark Health Plan of Iowa (WHPI) network. The PCP must take care of your routine services. Stay in your network for specialty services or get Wellmark prior approval to seek care out of the network.

Self refer to “in-network” specialists for eye exams or chiropractic care. Self-refer for acupuncture(Iowa practice and license).

If an emergency and out of network, if the provider is a part of the National Blue Cross network you have coverage just like at home in the WHPI network.
Wellmark Health Plan of Iowa Service Area

Counts in Service Area

IOWA STATE UNIVERSITY
University Human Resources
HMO Guest membership

- Away from Iowa home 90 - 180 consecutive days
- Long-term, out-of-state travelers
- Dependent children who attend college full-time, out-of-state
- Family members who reside in another state while you reside in Iowa
- Must notify Wellmark to begin the guest membership prior to travel and to turn if off when back in Iowa
Blue Advantage – Prior to Medicare

- $10.00 office exam co-pays

- Services are managed by a primary care physician (PCP) that each participant must designate

- Your PCP may refer you to specialists and for services in the Wellmark Health Plan of Iowa network

- You should only see health care providers that are in the network except for emergency care or if there is approval from Wellmark prior to out-of-network service
After Medicare – PPO and HMO

Both plans – Network rules still apply but Medicare participation is also to be considered. Take care when considering out-of-state services. Wellmark should be contacted to discuss the options.

Claims must go to Medicare to be settled prior to any Wellmark payment.

Follow up if you have liability to pay. Read your EOBs.
What can YOU do to lower your cost?

• Consider HMO plan if currently on PPO
• Leave the ISU Plan for an individual plan. Consider benefits as well as premiums
• Take advantage of generic prescription mail order
Why stay with ISU plan?

✓ Not allowed to return to the plan if you leave.
✓ An easy-to-use plan, one you know and trust.
✓ Avoid insurability issues when switching plans.
✓ Competitive price for the benefits in the plans.
✓ Help from the ISU Benefits staff to navigate if there are problems.

What about VA benefits or TriCare for Life?
Retired military with TriCare for Life should not have any issues dropping. VA benefits are not always applicable and it's usually a choice of Medicare or VA, not both.
For those **without** Medicare considering leaving the group plan for other plans -
Visits to MD / CLINICS / HOSPITALS

Transfer to other group options (spouse’s, Professional Associations, etc)

Individual purchase plans

What happens later?
For those **leaving** the group plan for individual plans -
Visits to MD / CLINICS / HOSPITALS

MEDICARE PART A or B

Medigap individual plans
(Policy A1, B19,C20,D12 F39, F-High deductible19, G23, K12, L10,M6, or N32)

Medicare Advantage Plans for individuals some with Rx
7 in Iowa, 6 with Rx

Rx only
23 in Iowa
What is Medicare Advantage?

- Medicare Advantage plans (Medicare C)
- Run by private companies approved by Medicare
- Provides the Part A & B coverage but can charge different amounts for certain services. May offer extra coverage and prescription drugs for an extra cost. Costs for items & services vary by plan.
- May need to purchase a separate plan D for prescription drug coverage if D doesn’t come with the plan.
Eligible Family Members

- You
- A spouse or a domestic partner
- Your eligible dependent children
Dependent children

A dependent child must be one of the following:
- Under age 26
- Over 26, must be an unmarried, full-time student, no maximum age
- Totally and permanently disabled*, physically or mentally, regardless of age

*The disability must have existed before the dependent child turned age 26 or while the dependent child was a full-time student
Duplicate Coverage

If your spouse/partner is also an ISU or state employee …

You cannot be covered as both a retiree on your own plan and a dependent under the state’s health and dental insurance plans.

If your spouse/partner is employed elsewhere…

You may be covered as both a retiree on the ISU plan and as a dependent on another health and dental insurance plans. But, if you are Medicare eligible, this may create an issue. Visit with ISU Benefits consultant.

Medicare eligible… You may have only one “supplement” insurance following Medicare.
Do you need to make mid-year changes to your insurance?

After the 2017 open change period closes, you may make insurance changes if there is a “qualifying event”. These events must be reported within 30 days to make a change to your existing ISU plan insurance.
ISU Dental Plans

- Basic or Comprehensive plan options
- Diagnostic/preventative services 100% coverage but with limits (certificate on-line or by request)
- Basic restorative services - Basic-50% / Comp-80%
- Major restorative services – both plans 50%
- Only the Comprehensive plan has coverage on bridgework that is new, implants, dentures and orthodontia services (ortho- $2,000 lifetime limit)
- Maximum benefits paid in plan year –
  - Basic: $750.00 but two check-ups does not reduce the $750.00
  - Comprehensive: $1500 for all except ortho
ISU Dental Plans

Dental Premiums for 2017

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Comprehensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree only</td>
<td>$26.00</td>
<td>$42.00</td>
</tr>
<tr>
<td>Retiree &amp; spouse/partner</td>
<td>$56.00</td>
<td>$103.00</td>
</tr>
<tr>
<td>Retiree &amp; children</td>
<td>$63.00</td>
<td>$108.00</td>
</tr>
<tr>
<td>Retiree &amp; Family</td>
<td>$71.00</td>
<td>$122.00</td>
</tr>
</tbody>
</table>
ISU Dental Plans

• Register as a subscriber to access claims and plan information, elect electronic explanations of benefits or order extra IDs.

• Vision discount available when a participant of Delta Dental of Iowa. See detail at deltadentalia.com
Possible Discount programs

• Not your purchased benefits – just extras provided by the vendors of the most of our plans

  ❖ Delta Dental offers a vision discount for glasses

  ❖ Wellmark has their Blue365 program with discounts on hearing aids, glasses, fitness, and other items of interest

  ❖ Principal has discounts on hearing aids, reading material for certain health issues
Disclaimer

We encourage everyone to research and compare prices and services before purchasing, signing any contract or making any arrangements. Any arrangements, services or products from any discount program are strictly between you, as a consumer, and the merchant, and are the sole responsibility of the individual employee.

The State of Iowa and ISU assume no responsibility for any arrangements, contracts, purchases or disputes between an individual and any discount merchant.
www.wellmark.com

- Register as a member to get the most from Wellmark.
- Access to discount programs through Blue 365 such as hearing aid discounts, fitness programs, diet and vision. (Not from your plan)
- Register for paperless explanation of benefits and personalized tools through myWellmark
Basic Life Insurance

- Retiree Life – provided you had the policy as an active employee for 10 years or more continuously up to your retirement date.
- Policy will pay $4,000 to beneficiaries, the beneficiary form may be updated as often as needed.
- The beneficiary form available on ISU web site and may be updated as often as needed
  - Primary beneficiaries receive the pay out
  - Contingent only inherit if primary is deceased
  - Beneficiaries contact ISU Benefits Team when a retiree passes away. We start the claim.
Will Preparation Services

Web based service for those enrolled in life insurance
No cost – customize and print documents
Create will, living will, health care power of attorney, financial power of attorney
Access to identity theft resources

www.ARARwills.com/Principal
LONG TERM CARE INSURANCE

- Group plan available to ISU retirees and their family members through Genworth.
- $$ to help pay for nursing home custodial care or other types of assisted living, such as care at home.
- Individually written but a group plan option.
- Shop around – Advice at Senior Health Insurance Information Program (SHIIP)
- Consider keeping what you already have, if you are enrolled in a plan
Thank you for attending today’s session!

- October 15, 2016 to
- December 7, 2016
CONTACTS

Insurance company phone # and website links- see your ID cards or the Open Change Informational Guide or the ISU Benefits webpage.

The insurance companies are the quickest route to questions regarding coverage for certain services.

You may also contact the ISU Benefits office for issues that may be more difficult to resolve without assistance.
CONTACTS

• University Human Resources Service Center
  515-294-4800 or 1-877-477-7485
• Benefits Office e-mail – benefits@iastate.edu
• Insurance companies phone #’s and websites – see Open Change Guide on ISU Benefits webpage
ISU Retirees Association

- **Benefits of Membership**
- Programs, Newsletter, Social Activities, Representation with University,
- Wellness and Health, Volunteer Opportunities, Education, Memorial Day Ceremony
ISU Retirees Association

The Association is administered by a Board of Directors that meets monthly. All ISU retirees and their spouses/partners are invited to become actively involved in the ISU Retirees Association. There are no membership dues—all that is required is an interest in participating in its activities and programs.
Finally…

• 2017 open change deadline

If you do not want to make any changes, staying with your current health or dental plans, you do not need to do anything.
Questions????????????????