



Newsletter

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2015 SHBP—Members Take a Big Hit

The Department of Community Health Commissioner Clyde Reese emphasized to the Board of Community Health on August 14, 2014 that the department had listened to the State Health Benefit Plan members and modified the 2015 SHBP plans by providing additional choices effective January 1, 2015. Jeffery Rickman, Chief of the State Health Benefit Plan, stated that the vendors—Blue Cross Blue Shield, United HealthCare, and Kaiser—had been selected to offer various options to active members, retirees under age 65, and retirees age 65+. The Board approved plan designs for various options and member premiums for those options in CY 2015. The greatest premium increase at 771% is for the BCBS Medicare Advantage Plan (Standard) although the HMO options have substantial increases over the Bronze and Silver HRA options.

Commissioner Reese stated that the SHBP will communicate the benefits by written communications,

posting to the website and “face-to-face” meetings. DCH has been asked when the meetings will begin; however, there has been no response. We expect the meetings to begin around mid to late September.

When will I be able to modify my SHBP choices?

The Open Enrollment/Retiree Option Change Period is scheduled for October 27 - November 14, 2014.

What are my SHBP options—I am still employed or a retiree under age 65?

DCH continued the three 2014 options and added four new options as shown in the following chart. DCH also continued the contract with Express Scripts as the prescription drug administrator for all the options, EXCEPT Kaiser. The department also announced that the contract with Healthways for administering the wellness benefits for all options, EXCEPT Kaiser had been extended.

Your 2015 choices

	HRA ¹ (Bronze, Silver, & Gold)	HMO	HDHP
Administrator	BCBS	BCBS	
Administrator		UHC	UHC
Administrator		Kaiser (27 Counties)	

¹ Acronyms: HRA = health reimbursement account, HMO=health maintenance organization, HDHP=high deductible health plan, BCBS=Blue Cross Blue Shield, UHC=United HealthCare, OOPM=out-of-pocket maximum.

What are my options - I am a retiree age 65 or above? Your choices are limited to the **Medicare Advantage Standard or Premium options**, unless you choose a VERY EXPENSIVE option that has “NO” SHBP subsidy. Both BCBS and UHC will offer Medicare Advantage options although the premiums—as approved by the Board—are very different. **DCH states that they continue in negotiations with BCBS and UHC about specific benefits**, therefore, DCH did not present a MAP benefit plan to the Board for approval.

What are the benefits offered by the various options? Pages 4-6 (Charts A & B) compare the benefits under each option that will be offered to active SHBP members and **retired members UNDER AGE 65**. All of these options have been modified to comply with the Affordable Care Act to include **SOME OR ALL (make sure you read the fine print)** prescription drug copays in the out-of-pocket maximum (OOPM) for each option. *Emergency and preventive benefits are provided at 100% coverage in all options offered by the SHBP.* As stated above, the benefits being offered for the Medicare Advantage Options are not available at this time.

- a. The **Bronze, Silver, and Gold options** mirror the **original benefits** offered by BCBS in CY 2014. The copayments that were added in January 2014 have been eliminated in the 2015 options. Express Scripts will manage the prescription drug program for these options in the same manner as in 2014; **however, ES may change the drug formulary, therefore, be sure to review the drug formulary when it becomes available.** **Caution:** The deductibles and OOPM amounts are twice that listed in the comparisons if a member receives services (except for an emergency) by a non-network provider.
- b. The benefits in the **HMO options – by BCBS and UHC—are identical.**
 - The *copays* for office visits mirror the copays that were approved for the Bronze, Silver, and Gold options last January – retroactively to January 1, 2014.
 - The HMO *deductibles* are less than those required for the Bronze, Silver and Gold HRA options.

- The **2015 out-of-pocket maximum** for the HMO is **less than for the “Bronze & Silver HRA” options** for all coverage tiers. However, the OOPM for the HMO **is the same** for **individual coverage** but **greater for family coverage** than the OOPM for the “Gold HRA.”
 - The HMO percentage *co-insurance at 20%* matches the “Silver” option that is paid by the member, but is less than that required by the Bronze (25%) option, and greater than the Gold (15%) option.
 - Express Scripts will manage the prescription HMO drug benefit. The HMO *prescription drug copays* are flat dollar amounts and match the copays approved for the 2014 Bronze, Silver, and Gold options. **Make sure you check-out the prescription drug formulary when it becomes available.**
 - **Caution:** DCH did not show any “out-of-network” benefits for BCBS or UHC HMO options. **We, therefore, assume that there are no out-of-network coverages – just like Kaiser.**
- c. The **Kaiser HMO option does** not require a deductible, provides an out-of-pocket maximum that is close to that offered in the Bronze HRA option but is **greater than the Silver HRA, Gold HRA, BCBS HMO, and UHC HMO options.** The copays for the Kaiser option match the BCBS and UHC HMO copay amounts. There is **no coinsurance required** in the Kaiser option; therefore, only the copays for medical and RxS will be accumulated in the OOPM. The prescription drug benefit is administered by KAISER and requires a flat dollar copay amount based on the Rx tier. The Kaiser HMO option is available only to members who live or work in one of the 27 Atlanta Metropolitan counties. **Caution: There are no benefits outside those approved by the Kaiser medical team.**
 - d. The **HDHP option requires a greater deductible and OOPM** that any other option offered by the SHBP in 2015. The coinsurance percentages (30% in network and 50% out-of-network) are greater than any other option offered by the SHBP. Members who enroll in the HDHP option will have the opportunity to establish a Health Savings Account with an

organization that administers HSAs. The SHBP does not manage the HSA, but will probably provide additional information about HSA requirements.

Are the SHBP premiums increased? IT DEPENDS.

Comparative information about the rates is provided on page 7 (Charts C, D & E). When making a choice, members should evaluate the cost for their medical services, the premiums, the OOPM and the amount required in deductible and/or copay when you receive medical services. In determining your “best option” you should consider the risk for hospital or surgical medical services. Although many members are healthy and do not have regular medical services, one should always consider the risk of costs associated with an accidental injury or other illness and the impact on the member’s assets. The statements below about the 2015 premiums are general in nature. You should always review the detailed information that is supplied by the SHBP in making a decision about your insurance coverages.

- a. Premiums for the Bronze, Silver, and Gold options DO NOT INCREASE IN 2015. However, the benefits have been changed – all copayments have been eliminated thereby requiring you to pay for services until you reach the deductible amount. (Note: The HRA amount will provide relief to the extent that you have HRA dollars.)
- b. The ranking of options from “lowest to highest” by premium amounts is: HDHP, Bronze HRA, Silver HRA, BCBS HMO, Gold HRA, and UHC HMO.
- c. Although Rickman reports that DCH continues to work with BCBS and UHC to finalize the Medicare Advantage benefit plan, he presented to the Board and the Board approved premium rates (Chart E – page 8) for the Medicare Advantage options. **The retiree premiums for the BCBS options are increased by 771% for the Standard and 312% for the MAP Premium options.** The premiums approved for the UHC options show “no” increase in MAP Standard and a 3.8% increase for MAP Premium.

Making your SHBP 2015 Decision. Reviewing the options and making a selection for you and your family is very important and can require much study. Listed below are some of the points you should think about in making your selection.

- a. One of the most important points about making your SHBP decision is making sure that you can receive services – at the time you need services. Does the option provide you access to the provider networks that you will need (or want)? Review the doctor and hospital networks that are close to you or that you prefer. If your preferred provider(s) is not in the network, are you willing to select another provider that is in the network? Remember that networks are composed of many specialists and ancillary providers (e.g. laboratories and urgent care) – so think about all of the types of services. You will usually have access to the network information when you receive or have access to the Decision Guide. If the network is not satisfactory, are you willing to receive services “out-of-network” by paying a greater amount – IF THE OPTION PROVIDES AN OUT-OF-NETWORK BENEFIT?
- b. Collect and calculate the amount that you paid for medical services, including prescription drugs, in the last year or the last two years. If you have been healthy and have paid very little for medical services, consider your current health and the amount of “risk” that you want to take. How much can you afford to pay at the point of service from your salary and/or assets if required in order to pay a lesser premium?
- c. Statistically, many members of the SHBP will have out-of-pocket costs that equal the OOPM plus the premiums. Very healthy members may pay only the premium amounts during the year. But calculate where you may fall within that range and make your decision – remembering to select an option where you are assured of receiving care when needed.

GSRA will provide additional information about the SHBP options and analysis as it becomes available. For instance, DCH has been asked the following questions:

1. When will the “face-to-face” meetings begin and what is the schedule?
2. What are the benefits provided under the Medicare Advantage Plans?
3. Why are the BCBS rates for the Medicare Advantage options increased by 771% (312%) in 2015?
4. When will we receive “Decision Guides” and will all retirees receive a Guide or will the mailed Guides be

limited to those retirees for whom the SHBP has a record of returning the postcard saying that they wanted a copy mailed to their home address?

5. What is the actuarial value of each option that is being offered by the SHBP during CY 2015?

Benefit Comparisons – 2014 and 2015

Benefit comparisons begin with the benefit options available to active members and under age 65 retirees after the January changes for 2014. Chart A shows the benefits for 2014 and 2015 along with a column to show the change during 2015 for the three 2014 HRA options. Chart B shows the benefit categories for the new HMO and HDHP options.

Benefit Categories – CY 2014 (HRA) In Network Only				Chart A	Benefit Categories- CY 2015 (HRA)			Change in Benefit Allowances - CY 2015		
	Bronze	Silver	Gold		Bronze	Silver	Gold	Bronze	Silver	Gold
Deductible – You Pay										
You	2,500	2,000	1,500		2,500	2,000	1,500	-0-	-0-	-0-
You + Children/Spouse	3,750	3,000	2,250		3,750	3,000	2,250	-0-	-0-	-0-
Family	5,000	4,000	3,000		5,000	4,000	3,000	-0-	-0-	-0-
Medical Out-of-Pocket Maximum (OOPM)										
You	6,000	5,000	4,000		6,000	5,000	4,000	-0-	-0-	-0-
You + Children/Spouse	9,000	7,500	6,000		9,000	7,500	6,000	-0-	-0-	-0-
Family	12,000	10,000	8,000		12,000	10,000	8,000	-0-	-0-	-0-
Coinsurance (You Pay)										
	25%	20%	15%		25%	20%	15%	-0-	-0-	-0-
HRA (Reduces Deductible and OOPM Amounts)										
You	100	200	400		100	200	400	-0-	-0-	-0-
You + Children/Spouse	150	300	600		150	300	600	-0-	-0-	-0-
Family	200	400	800		200	400	800	-0-	-0-	-0-
Bonus Wellness (When Compliant) Added to HRA					GSRA Assumed Included			GSRA Assumed no Change		
You	480	480	480		480	480	480	GSRA Assumed no Change		
You +Spouse	960	960	960		960	960	960	GSRA Assumed no Change		
Coinsurance-Copayments – You Pay										
ER Copay (waived if admitted)	150	150	150		Coinsurance after deduct			Will Depend upon allowed amount for service		
								Will Depend upon allowed		

Benefit Categories – CY 2014 (HRA) In Network Only				Benefit Categories- CY 2015 (HRA)			Change in Benefit Allowances - CY 2015		
Chart A				Bronze	Silver	Gold	Bronze	Silver	Gold
Urgent Care - Copay	35	35	35	Coinsurance After Deduct			amount for service		
PCP Visit - Copay	35	35	35	Coinsurance After Deduct			Will Depend upon allowed amount for service		
Specialist Visit - Copay	45	45	45	Coinsurance After Deduct			Will Depend upon allowed amount for service		
Preventive Care - Copay	-0-	-0-	-0-	-0-	-0-	-0-	-0-		
Prescriptions (30 days supply) – You Pay									
Tier 1 Copay	20	20	20	15% (Min \$20, Max \$50)			Will Depend upon cost amount for Rx		
Tier 2 Copay	50	50	50	25% (Min \$50, Max \$80)			Will Depend upon cost amount for Rx		
Tier 3 Copay	80	80	80	25% (Min \$80, Max \$125)			Will Depend upon cost amount for Rx		
Mail Order (90 days supply)									
Tier 1 Copay	60	60	60	15% (Min \$50, Max \$125)			Will Depend upon cost amount for Rx		
Tier 2 Copay	150	150	150	25% (Min \$125, Max \$200)			Will Depend upon cost amount for Rx		
Tier 3 Copay	240	240	240	25% (Min \$200, Max \$313)			Will Depend upon cost amount for Rx		
<u>RX OOPM</u>	Not Included in OOPM			Combined with Medical			Added Benefit, but READ Fine Print on specific Rx or Tiers		

Benefits - New Options – 2015 (In-Network)					Chart B	
	BCBS HMO	UHC HMO	KAISER	HDHP		
Deductible						
You	1,300	1,300	None	3,500		
You + Children/Spouse	1,950	1,950	None	7,000		
Family	2,600	2,600	None	7,000		
Medical OOPM						
You	4,000	4,000	6,350	6,450		
You + Children/Spouse	6,500	6,500	12,700	12,900		
Family	9,000	9,000	12,700	12,900		
Coinsurance (You Pay)	20%	20%	NA	30%		
HRA (Reduces Deductible and OOPM)						
You	N/A	N/A	N/A	N/A		

Benefits - New Options – 2015 (In-Network) Chart B

	BCBS HMO	UHC HMO	KAISER	HDHP
Family	N/A	N/A	N/A	N/A
Bonus Wellness (When Compliant)	Not shown on the benefit schedule approved by the Board		Kaiser to handle	Unknown
You	??	??		??
You +Spouse	??	??		??
Coinsurance/Copayments – You Pay				
ER Copay (waived if admitted)	150	150	150	Coins after deductible
Urgent Care - Copay	35	35	35	Coins after deductible
PCP Visit - Copay	35	35	35	Coins after deductible
Specialist Visit - Copay	45	45	45	Coins after deductible
Preventive Care - Copay	-0-	-0-	-0-	-0-
Prescriptions (30 days supply) – You Pay				
Tier 1 Copay	\$20	\$20	\$20	Coins after deductible
Tier 2 Copay	\$50	\$50	\$50	Coins after deductible
Tier 3 Copay	\$90	\$90	\$80	Coins after deductible
Mail Order (90 days supply)				
Tier 1 Copay	\$50	\$50	\$50	Coins after deductible
Tier 2 Copay	\$125	\$125	\$125	Coins after deductible
Tier 3 Copay	\$225	\$225	\$200	Coins after deductible
RX OOPM	INCLUDED IN MEDICAL OOPM-Verify that includes all RX tiers			

Kaiser's 27 Counties

Barrow, Bartow, Butts, Carroll, Cherokee, Clayton, Cobb, Coweta, Dawson, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Haralson, Heard, Henry, Lamar, Meriwether, Newton, Paulding, Pickens, Pike, Rockdale, Spalding and Walton.

Proposed GSRA By-Law Change: ARTICLE IV: MEETINGS

The Board shall schedule an annual meeting for the membership ~~during the fourth calendar quarter of each year on a date and at a location to be determined by the officers.~~ In years corresponding with state or federal election years, the date of the annual meeting shall be in September or October; in years that do not correspond to election years, the date of the annual meeting shall be scheduled at the discretion of the officers.

To Be Decided at the Annual Meeting – October 7, 2014

Premiums Comparisons – 2014 vs. 2015

Premium comparisons in Chart C are the rates for the options that were available in 2014 and the percentages change. Chart D shows the premium rates for the new HMO and HDHP options along with the percentage increase over the “mid-level” HRA option (SILVER) that

was available in 2014. Additional rationale for choosing the Silver HRA as the comparative option with the HMOs can be found in the paragraphs about the Employer Contribution – following the charts. Chart E shows the 2014 and 2015 Medicare Advantage Option premium.

Chart C	Member Premium Rates – CY 2014 (HRA)			Premium Rates- CY 2015 (HRA)			Premium Rate Change CY 2015			
	Coverage Tier	Bronze	Silver	Gold	Bronze	Silver	Gold	Bronze	Silver	Gold
	You	66.28	108.64	166.08	66.28	108.64	166.08	0.0%	0.0%	0.0%
	You + Children	130.74	202.74	300.38	130.74	202.74	300.38	0.0%	0.0%	0.0%
	You + Spouse	195.96	284.90	405.52	195.90	284.90	405.52	0.0%	0.0%	0.0%
	Family	260.47	379.00	539.84	260.40	379.00	539.84	0.0%	0.0%	0.0%

New Options – CY 2015									
Chart D	Premiums				Premium Percentage Comparisons– With Silver HRA				
	Coverage Tier	BCBS HMO	UHC HMO	Kaiser HMO	HDHP	BCBS HMO	UHC HMO	Kaiser HMO	HDHP
	You	130.74	181.32	145.78	53.02	20.3%	66.9%	34.2%	-51.2%
	You + Children	240.88	326.86	266.44	108.74	18.8%	61.2%	31.4%	-46.4%
	You + Spouse	333.06	439.56	364.64	169.84	16.9%	54.3%	28.0%	40.4%
	Family	443.18	584.80	485.30	225.56	16.9%	54.3%	28.0%	-40.5%

Chart E	MEDICARE ADVANTAGE PLAN (MAP)										
	Coverage Tier	2014		2015				Premium % Increase			
		BCBS		BCBS		UHC		BCBS		UHC	
		Standard	Premium	Standard	Premium	Standard	Premium	Stand	Prem	Stand	Prem
	You	25.38	85.14	221.04	350.41	25.38	88.22	771%	312%	0%	3.6%
	You + Spouse	50.76	170.28	442.08	700.82	50.76	176.44	771%	312%	0%	3.6%

What Does the State Contribute To My Health Care Option? (Other than MAP)

We normally think of the State as paying 75% of the premiums for SHBP. It's higher than 75% for some options and lower for others. DCH adopted an unspoken policy of contributing the same amount for each option in 2014. This policy is patterned after the Affordable Care Act's marketplace provisions – the benefit designs and the premium subsidy. ACA requires the marketplace to offer options that have an actuarial value (AV) for “Essential Benefits” of 60% (bronze), 70% (silver), 80% (gold), etc. for a federally defined statistical group. ACA further provides premium subsidies up to the 70% (silver) option.

In 2014, DCH patterned the SHBP options (bronze, silver, and gold) to match the ACA requirements for the “market place” Exchange. SHBP reported—prior to the copayments being added to the options—that the actuarial value (AV) of the SHBP options were at 63% (bronze), 69% (silver), and 77% (gold). Having an AV value of 63%, means that a statistically defined group will pay in deductibles, copayments and/or coinsurance 37% (100%-63%) of the medical costs associated with that option. Some individuals in the group will pay the entire “out-of-pocket” maximum” while others (who have less medical services) in the group will pay deductibles (copays) amounts up to the OOPM.

Based upon the total SHBP premiums, the SHBP policy contributes the same employer dollar amount based on the coverage tier for the member regardless of option. As a percentage, the SHBP premium rates are subsidized at the “Silver HRA” option level at 74% to 79% and 66% to 71% at the Gold HRA option. SHBP options offer opportunities for the member to decide to “buy-down” (i.e. for the HRA Bronze or HDHP options) or to “buy up” to the Gold HRA or HMO options. In 2014, based upon the total premiums, GSRA calculated the dollar amount of the employer subsidy—that monthly amount paid for you—for any option you chose at:

CY 2014 – Dollar Employer Subsidy			
You	You + Children	You + spouse	Family
\$ 407.51	\$674.71	\$ 799.01	\$1,066.52

The dollar amounts translate to the percentages paid by the State (employer) for each option in CY 2014:

CY 2014 – GSRA Calculated Employer % Contribution			
Coverage Tier	Bronze	Silver	Gold
You	86.0%	79.0%	71.0%
You + Children	83.8%	76.9%	69.2%
You + Spouse	80.3%	73.7%	66.3%
Family	80.4%	73.8%	66.4%

Based upon the 2015 total rates approved on August 14, 2014, GSRA calculates the CY 2015 employer premium subsidy dollar amount for each option as follows:

CY 2015 – Dollar (\$) GSRA Calculated Subsidy					
	Bronze	Silver	Gold	HMOs/HDHP ²	Kaiser
You	422.99	423.28	424.24	420.21	379.23
You + Children	701.02	701.52	703.16	695.74	626.08
You + Spouse	831.57	832.13	834.15	823.65	737.88
Family	1,109.56	1,110.38	1,113.06	1,099.48	984.73

CY 2015 – Percentage Employer Contribution							
	Bron.	Silver	Gold	BC HMO	UHC HMO	Kais.	HDHP
You	87%	80%	72%	76%	70%	72%	89%
You + Children	84%	78%	70%	74%	68%	70%	87%
You + Spouse	81%	75%	67%	71%	65%	67%	83%
Family	81%	75%	67%	71%	65%	67%	83%

Once the 2015 actuarial values are available, we can provide additional information about the percentages that the member will pay (or at risk to pay). Given the various options and coverage tiers, whether the 75% of premiums will be met can only be calculated after the fiscal year closes. In FY 2014, the percentage of total expense paid by the employee was 27% leaving the State (employer) to pay 73%.

² BCBS HMO, UHC HMO, and UHC HDHP

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Endorsed GSRA Benefits

The Georgia State Retirees Association (GSRA) makes many member only benefits available to its members. GSRA endorses the following member benefits:

- Long Term Care / Home Health Care Policy
- Life Insurance
- Medical Air Services Association (MASA)
- Travel Discounts
- Car Rental Discounts
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- Cancer Treatment Policy
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