PENNSYLVANIA EMPLOYEES BENEFIT TRUST FUND

2016 PEBTF Active Open Enrollment

Changes for Plan Year 2017

(effective January 1, 2017)

Agenda

- Background
- Benefit changes for 2017
- Health plan options
- Prescription drug benefits
- Other benefits
- Making the right decision for you and your family
- Enrollment
- Additional Information

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Background

- There have been no copayment or deductible significant changes since 2003
- Member utilization has remained fairly flat but health care costs continue to increase
- Prescription drug costs continue to increase
  - Specialty drug costs increased 17.8% in 2015
  - 70 new specialty drugs under development targeting conditions such as cardiovascular disease, cancer, respiratory illness and diabetes as well as other diseases

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Background

- Provide excellent health benefits
- Keep employee and employer contributions low
- Keep PPO buy-up for employees hired on or after 8/1/2003 as low as possible
- Preserve the financial viability of the PEBTF

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Benefit Changes for 2017

- New plan options
  - Choice PPO
  - Basic PPO
  - PEBTF Custom HMO (offered in Pennsylvania)
- Benefit design changes
  - Plan buy-up for Choice PPO decreases for employees **hired on/after 8/1/2003**
  - Copay changes
  - PPO in-network deductible on some services
- CDHP no longer offered
  - Expenses incurred in 2016 must be submitted for reimbursement from health reimbursement account (HRA) by 3/31/2017
- Prescription drug plan copay changes
- Get Healthy Employee Contribution Waiver

Employees hired prior to 8/1/2003 do not have a buy-up

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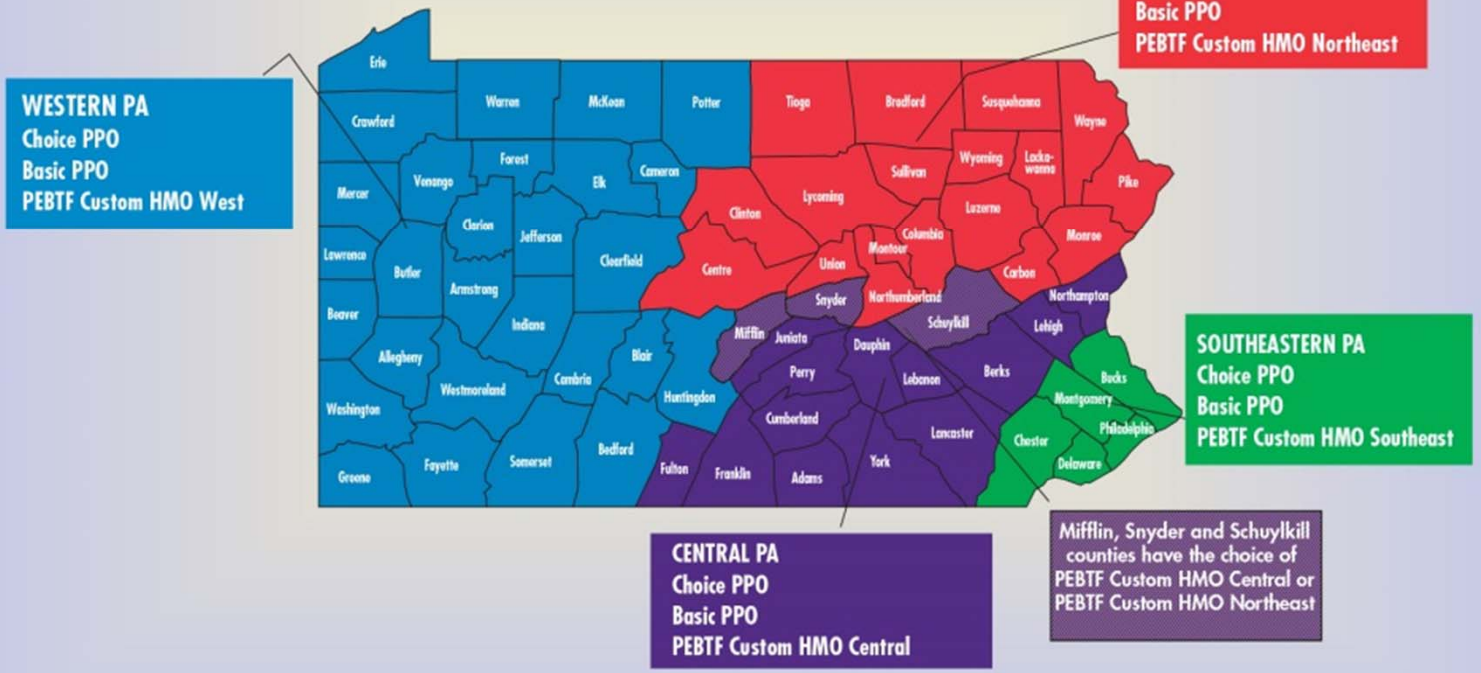
Plans by Region

Plan Choices by Region

You may choose a plan that is offered in your region. If you live out of state, you may enroll in the Choice PPO or the Basic PPO.



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PPO Options

- Choice PPO (Aetna)
  - Offered in all regions
- Basic PPO (Highmark)
  - Offered in all regions
- Flexible
  - In-network and out-of-network benefits
    - You receive greater benefits when you use in-network providers
  - A referral is not required to see a specialist or to receive care outside of the network
- Preventive care covered at 100%
  - Refer to Summary Plan Description for a list of covered services
- Very important that you take a look at the plan's network of providers and facilities to ensure that your primary care physician and other providers (e.g., hospitals, physical therapists, urgent care) are in-network before enrolling in either plan

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PPO Options — Copayments

- PPO <u>copayments</u> are the same for both plans

PPO Options effective January 1, 2017	
PCP Copay	$20
Specialist Copay	$40
Urgent Care	$50
Emergency Room (waived if admitted)	$150

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PPO Options — Deductible

- Annual deductible amounts both in and out of network

	Choice PPO (Aetna)	Basic PPO (Highmark)
In-network	$300 single/$600 family* (on certain services)	$1,000 single/$2,000 family* (on certain services)
Out-of-network	$600 single/$1,200 family *	$2,000 single/$4,000 family*
*Each individual is responsible for his/her single deductible; see limit above for the most a family would have to pay in deductibles		

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What Is a Deductible?

- The amount a member owes for health care services before the plan begins to pay
  - Effective January 1, 2017 – plans will have an annual in-network deductible
  - The PPO plans also have an out-of-network deductible (not new)
  - The HMO plan has no deductible. If you go out of network, you pay 100% of costs

- Deductible applies to all services **except**
  - Preventive care
  - Primary care physician and specialist office visits and outpatient therapy copays
  - Emergency room and urgent care copays
  - Labs done at a Quest Diagnostics or LabCorp

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Understanding the Deductible

	Yes	No
Primary Care Physician (Regardless of Diagnosis)		✓
Specialist		✓
Immunizations		✓
Preventive Care		✓
Annual Physical/Well Visit		✓
Inpatient Facility/Surgical	✓	
Outpatient Facility/Surgical	✓	
Diagnostic Imaging (X-Ray, MRI, CAT-Scan, PET)	✓	
Lab (bloodwork)	✓	
Lab (bloodwork at Quest or Labcorp)		✓

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PPO – When You Will Pay the Annual In-Network Deductible

Examples include, but are not limited to:

- You have outpatient surgery at a PPO in-network hospital
  - You pay the in-network deductible and then the plan pays 100%
    - Choice PPO – $300 single/$600 family
    - Basic PPO – $1,000 single/$2,000 family
- Blood test at an in-network hospital
  - You pay for the cost of services which are applied toward your annual deductible. Once your deductible is met, the plan pays 100%

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PPO – When You Will Not Pay the Annual In-Network Deductible

Examples include, but are not limited to:

- You visit your primary care physician (PCP; your family doctor) for an ear infection
  - No deductible – pay PCP office visit copay of $20
- You visit an orthopedic surgeon
  - No deductible – pay the specialist office copay of $40
- Blood test at Quest Diagnostics
  - Covered 100% – you pay no copay or deductible
- Your doctor draws the blood and submits it to Quest Diagnostics
  - Test is covered 100%; you would have to pay a copay for the doctor's office visit/blood draw

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PEBTF Custom HMO

- Regional HMO networks:
  - PEBTF Custom HMO Southeast – Aetna
  - PEBTF Custom HMO Central – Aetna
  - PEBTF Custom HMO West – Aetna
  - PEBTF Custom HMO Northeast – Geisinger
- Smaller network of providers
- Low copayments and no annual deductible

PCP referral is required for all services

PEBTF Custom HMO – effective January 1, 2017	
PCP Copay	$5
Specialist Copay	$10
Urgent Care Copay	$50
Emergency Room (waived if admitted)	$150
Annual deductible	$0

- Only in-network benefits
- Preventive care covered at 100% (Refer to the SPD)

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PEBTF Custom HMO

- In-Network benefit only
- You **must** choose an in-network Primary Care Physician (PCP) at time of enrollment
  - Your PCP **must** refer you for all in-network services
- Networks are limited to help keep costs low
  - Very important that you take a look at the plan's network of providers and facilities to ensure that your primary care physician and other providers (e.g., hospitals, physical therapists, urgent care) are in-network before enrolling in the plan.
  - A customized network for PEBTF members is used for this plan.

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Plan Buy-Up
(hired on or after 8/1/2003)

- Employees hired on or after 8/1/2003 pay a plan buy-up for the Choice PPO
  - Deducted from their biweekly pay

Buy-Up Amounts for Choice PPO	
In 2016, Post 8/1/03 employees pay	**In 2017, Post 8/1/03 employees will pay**
• $979 annual – single coverage ($37.66 per pay) • $2,524 annual – family coverage ($97.07 per pay)	• $300 annual – single coverage ($11.54 per pay) • $600 annual – family coverage ($23.08 per pay)

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Options at a Glance – In Network

In 2016, you pay	
	PPO/HMO
PCP Copay	$15
Specialist Copay	$25
Urgent Care	$15 - $50 (varies by plan)
Emergency Room (waived if admitted)	$50
Annual Deductible	$0
Biweekly PPO Buy-up (Hired on/after 8/1/03)	$37.66 single ($979 annually)/ $97.07 family ($2,524 annually)

Effective January 1, 2017, you will pay			
	Choice PPO	Basic PPO	HMO
PCP Copay	$20	$20	$5
Specialist Copay	$40	$40	$10
Urgent Care	$50	$50	$50
Emergency Room (waived if admitted)	$150	$150	$150
Annual Deductible	$300 single/ $600 family	$1,000 single/ $2,000 family	$0
Annual in-network deductible must be paid first for the following services: Diagnostic tests (labs) if not done at a Quest Diagnostics or LabCorp, imaging, hospital expenses (inpatient and outpatient) and medical/surgical expenses including physician services (except office visits), skilled nursing facility care and home health care.			
Biweekly PPO Buy-Up (Hired on/after 8/1/03)	$11.54 single ($300 annually)/ $23.08 family ($600 annually)	N/A	N/A

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What Will You Pay Under Each Plan

- For PPOs and PEBTF Custom HMO
  - You visit your network PCP for your annual physical
    - You pay $0
  - You get your annual preventive mammogram
    - You pay $0
  - Your child has a well-child visit and gets a covered immunization
    - You pay $0

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What Will You Pay Under Each Plan

- For PPOs and PEBTF Custom HMO
  - You visit your in-network PCP for a sore throat
    - $20 copay (PPOs)
    - $5 copay (HMO)
  - You visit an in- network specialist
    - $40 copay (PPOs)
    - $10 copay (HMO) – referral required
  - You get outpatient physical therapy (in-network provider)
    - $20 copay (PPOs)
    - $5 copay (HMO)
  - You sprain your ankle, are treated and released
    - At urgent care, $50 copay (PPOs & HMO)
    - At the emergency room, $150 copay (PPOs & HMO)

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What Will You Pay Under Each Plan

- For PPOs and PEBTF Custom HMO
  - MRI
    - PPO – covered 100% after you meet the annual deductible
    - HMO – covered 100% in-network (referral required, no deductible)
  - Inpatient surgery – in-network facility
    - PPO – covered 100% after you meet the annual deductible
    - HMO – covered 100% (referral required, no deductible)

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Prescription Drug Plan

- Continues to be administered by CVS Caremark
- Continues to have a formulary, which is a list of the preferred drugs
  - 30 day supplies – network pharmacy
  - 90 day supplies
    - Mail order
    - CVS pharmacy
    - Rite Aid pharmacy

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Prescription Drug Copay Changes

	Your Copayment Today	Your Copayment Effective January 1, 2017
Prescriptions at a Network Pharmacy Up to a 30 Day Supply		
Tier 1: Generic drug	$10	$10
Tier 2: Preferred brand-name drug	$18*	$20*
Tier 3: Non-Preferred brand-name drug	$36*	$40*
CVS - Retail Maintenance & Mail Order Up to a 90 Day Supply		
Tier 1: Generic drug	$15	$15
Tier 2: Preferred brand-name drug	$27*	$30*
Tier 3: Non-Preferred brand-name drug	$54*	$60*
Retail Maintenance at a Rite Aid Pharmacy Up to 90 Day Supply		
Tier 1: Generic drug	$20 Rite Aid	$20 Rite Aid
Tier 2: Preferred brand-name drug	$36 Rite Aid*	$40 Rite Aid*
Tier 3: Non-Preferred brand-name drug	$72 Rite Aid*	$80 Rite Aid*
*plus the cost difference between the brand and the generic, if one exists		

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Get Healthy Program Changes

Through December 31, 2016	Effective January 1, 2017*	Effective July 1, 2017*
Percent contribution 5% (varies)	Contribution rate changes to 2% plus a surcharge of 30% of least expensive plan's premium, which is $1,616.94 annually/ $62.19 per pay — employee did not complete wellness screening by 12/31/2015	Contribution rate changes to 2.25% plus a surcharge of 30% of least expensive plan's premium, which is $1,616.94 annually/ $62.19 per pay — employee did not complete wellness screening by 12/31/2016
With waiver, percent contribution 2%	Percent contribution 2% — employee completed wellness screening by 12/31/2015	Percent contribution 2.25% — employee completed wellness screening by 12/31/2016
*Union-represented members should refer to relevant collective bargaining agreement for details.		

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If you make less than $53,898, and you do not participate in Get Healthy, you will pay more in the future.

Other Benefits

- Optum continues to administer the mental health and substance abuse benefits
  - Benefits mirror the medical plan option you choose
    - Outpatient mental health office visit copay
      - $20 – if enrolled in the PPO
      - $5 – if enrolled in the PEBTF Custom HMO
  - DMEnsion continues to administer the durable medical equipment (DME) prosthetics, orthotics, medical and diabetic supply benefit
- Vision, dental and hearing aid benefits continue with no changes

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Making the Right Decision for You and Your Family

1. Take a look at the plans available in your region
2. Check the plan's network of doctors, providers and facilities to see if they participate in the network
   - Important if you are considering the PEBTF Custom HMO because it has a limited network
   - PEBTF Custom HMO offers lowest copayments, no annual deductible and you need a referral for specialist care
3. Determine if you would like an out-of-network benefit – both PPOs offer that
4. Both PPOs have annual deductibles on certain services
5. Consider the buy-up for the Choice PPO –employees hired on/after 8/1/2003 only

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Enrollment Instructions

- During Open Enrollment – October 17 – November 4
  - Everyone currently enrolled must make a plan change for January 1, 2017
  - Follow the instructions in the Open Enrollment newsletter mailed to your home in early October or view online at www.pebtf.org
  - When you are ready to select a medical plan, use employee self service or contact the commonwealth's HR Service Center
    - Call your local HR office if your agency is not supported by the commonwealth's HR Service Center
- All enrollments must be done by November 4

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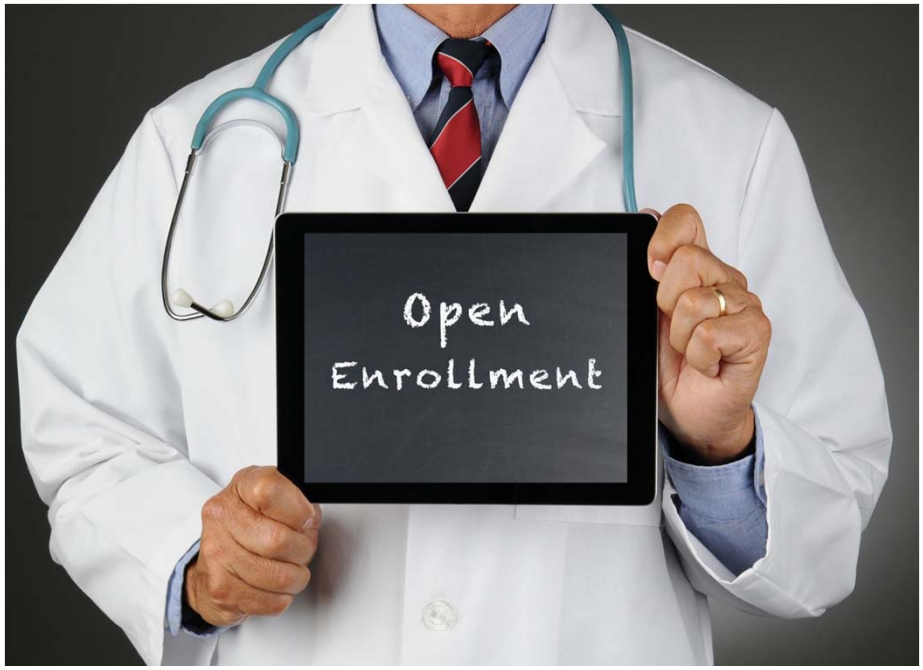
For More Information

- Review the Open Enrollment Newsletter – mailed in early October
- Visit www.pebtf.org
  - FAQs
  - Links to medical plans online directories
  - Recorded webinar
- Contact the PEBTF with questions
  - 717-561-4750
  - 800-522-7279
  - Email: openenrollment@pebtf.org



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Questions

- Visit www.pebtf.org
- Contact the PEBTF with questions
  717-561-4750
  800-522-7279
  Email: openenrollment@pebtf.org

- Medical Plans:

Choice PPO - Aetna	1-800-991-9222 www.aetna.com/dse/custom/pebtf
Basic PPO – Highmark	1-888-301-9273 https://provdir.highmarkblueshield.com/; Select PPOBlue
PEBTF Custom HMO:	
West – Aetna	1-800-991-9222
Central – Aetna	1-800-991-9222
Southeast – Aetna	1-800-991-9222
Northeast – Geisinger	1-800-504-0443

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