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Spotlight

On Your Benefits

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Health and Flexible Benefits Open Enrollment April 16 – May 16, 2007

Open Enrollment is the time each year to make changes to your health benefits or enroll in flexible reimbursement accounts (FRAs). Any changes you make will be in effect July 1, 2007-June 30, 2008, so be sure to base your decisions on what's best for you and your family.

*You may enroll in or change your plan, add or remove family members, or enroll in an FRA. Remember that FRA enrollment is not automatic. **Submit all Open Enrollment actions by May 16.***

Important!

Take no action to continue your current health plan and membership

Take action to enroll in or continue a Medical or Dependent Care FRA

2007 Open Enrollment

When thinking about your options, visit www.dhrm.virginia.gov to check out:

- ✓ **The eligibility rules** to determine if you and your family members can still be covered.
- ✓ **Spotlight's valuable information** about your health benefits and FRAs for 2007.
- ✓ **EmployeeDirect** to review your current elections and enroll or make changes online.
- ✓ **Health care plan** premiums, benefits and out-of-pocket costs. Then make any changes you want to your current health plan and membership. Or make no changes to health care and keep everything the same.
- ✓ **Your tax savings** by enrolling in an FRA. With a Medical and/or Dependent Care FRA, you can set aside part of your salary each pay period before taxes and be reimbursed for eligible expenses. Log on to www.myFBMC.com.



On the Back Page...

**Your Personal
EmployeeDirect
Invitation!**

Coming to Your Health Benefits Program on July 1, 2007

COVA Care has changes....

- **Routine wellness benefit enhanced** by removing \$500 cap on what the plan pays for lab work, shots and x-rays.
- **Pay less for diabetic test strips and monitors covered under the prescription drug benefit!** See Notification of Changes on page 7.

Confidential medical information available 24/7...

- **COVA Care and COVA HDHP members** may call Anthem's new **24/7 NurseLine** at **1-800-337-4770** any time—day or night—365 days a year. Speak to a registered nurse trained to answer your medical questions or access a variety of topics in the **AudioHealth Library**. Visit www.anthem.com/cova starting July 1, 2007.

Quick, convenient reimbursement for Medical FRAs...

- **A new EZ REIMBURSE® MasterCard®** can be used to pay for certain medical and prescription drug expenses not covered by your health plan. See page 6.

Premium increase...

- **Beginning in 2008, new accounting rules** for government entities require state and local governments to report the amount needed to fund early retiree health benefits. A part of your premium over the next five years will be set aside in a special trust fund for retiree coverage, including more than a third of your premium increase this year.
- **Look for new health plan premiums and FRA contributions** on your paycheck in July.

The Ombudsman Responds

Question: Are wellness and preventive care services always free under COVA Care and COVA HDHP?

Answer: When there is a medical problem, you are responsible for your share of the cost. This could mean a copayment, coinsurance or deductible depending on the plan or service.

Let your doctor know the purpose of your visit when you arrive.

Are you there for a routine wellness check-up, lab or x-ray, or for a

preventive care screening? If so, tell the doctor that your plan covers certain

wellness and preventive care services at 100% of the allowable charge. Also, ask your doctor to tell you if any services will be diagnostic so you will be prepared to pay your share.

Check your Explanation of Benefits when it arrives in the mail. Contact Anthem's member services toll-free number any time you have questions about the difference between these services.



Focus on the COVA HDHP

The COVA HDHP High Deductible Health Plan is a special type of plan that allows you to set up a Health Savings Account (HSA). Use the tax-deductible funds you put into the HSA to help pay for medical expenses. Your HSA can accumulate over time, goes wherever you go and you are not required to “use it or lose it”.

• The COVA HDHP offers...

- **No employee premium again this year...**the state pays the total premium. Save the amount you would have paid for your premium in an HSA to help pay for the plan’s deductible.
- **One administrator...**Anthem Blue Cross and Blue Shield administers medical, behavioral health and Employee Assistance Program (EAP), prescription drug and dental benefits.
- **Higher plan year deductible** than other health plans for single and family (two or more persons) that applies to your medical, behavioral health and prescription drug benefits. For family coverage, the entire deductible must be met before the plan pays for any one family member, even if that person has met the individual deductible.
- **Coinsurance** is what you pay for most covered services once the deductible is met.
- **Routine wellness benefits and EAP** are covered at 100 percent of the allowable charge with no deductible, coinsurance or plan year limit on routine lab, shots and x-rays.
- **Dental benefits** are covered with a separate deductible.
- **HSA opportunity...**Participating in the COVA HDHP makes it possible for you to set up an HSA through a bank or other financial institution for tax advantages. But you may not have both a Medical FRA and an HSA. The maximum amount you may contribute to an HSA is no longer limited to the amount of your deductible. The 2007 contribution is \$2,850 for a single individual and \$5,650 for a family. Consult your financial advisor for more

information on special rules concerning HSAs or visit the Internal Revenue Service Web site at www.irs.gov.

• COVA HDHP coverage does not offer...

- **Out-of-network benefits** except in an emergency.
- **Vision or hearing** optional benefits.

• Tips and Tools

- **Take the time to look at the total medical expenses** you expect to incur this plan year. Review what you paid in medical expenses in the past year under your current plan, and project what you expect to spend this year if you enroll in the COVA HDHP. Remember that you will be liable for more out-of-pocket costs before the plan pays.
- **Take advantage of cost estimating tools at www.anthem.com/cova.** Select the Health Info/Offers tab, and Health Care Decision Tools. Use these tools to predict your family’s routine medical costs over the next year and to help you plan for costs associated with unexpected illnesses or conditions. Use the **Coverage Advisor** to estimate your anticipated health care expenses. Plus, learn about potential tax savings if you are considering pairing the COVA HDHP with an HSA.



Women’s Health and Cancer Rights

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women’s Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- All stages of reconstruction of the breast on which the mastectomy was performed;

- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prosthesis; and
- Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan.

2007 Benefits At A Glance

Benefits	COVA Care You Pay	COVA HDHP You Pay	Kaiser Permanente You Pay
Deductible – per plan year			
• One person	\$200	\$1,200	None
• Two or more persons	\$400	\$2,400	None
Out-of-pocket expense limit – per plan year			
• One person	\$1,500	\$5,000	None
• Two or more persons	\$3,000	\$10,000	None
Doctor's visits			
• Primary Care Physician	\$25	20% after deductible	\$10
• Specialist	\$35	20% after deductible	\$10
Hospital services			
• Inpatient	\$300 per stay	20% after deductible	\$100 per admission
• Outpatient	\$100 per visit	20% after deductible	\$10 per visit
Emergency room visits	\$100 per visit (waived if admitted)	20% after deductible	\$50 per visit (waived if admitted)
Outpatient diagnostic laboratory, tests, shots and x-rays	10% after deductible	20% after deductible	\$10 physician, x-ray and diagnostic services \$0 copayment lab, pathology, radiology, diagnostic testing
Prescription drugs – mandatory generic			
• Retail Pharmacy	<i>Up to 34-day supply:</i> \$15/\$20/\$35	20% after deductible	<i>Up to 60-day supply</i> • Kaiser On-Site Pharmacy\$10 • Community Pharmacy\$20
• Home Delivery Pharmacy	<i>Up to 90-day supply:</i> \$30/\$40/\$70	20% after deductible	<i>Up to 90-day supply</i> • Mail Service\$8
• Diabetic test strips and glucose monitors	20%, no deductible	20% after deductible	Test strips 20%, no deductible Glucose monitors \$10
Wellness & Preventive Services			
• Through age 6	<i>Office visits at specified intervals, immunizations, lab and x-rays</i> \$0	\$0	\$0
• Age 7 and older	<i>Annual checkup visit (Primary Care Physician or Specialist)</i> \$0 <i>Immunizations, lab and x-rays</i> \$0	\$0	\$10 \$0
• Specified ages	<i>Routine gynecological exam, Pap test, mammography screening, prostate exam (digital rectal exam), prostate specific antigen test (PSA), and colorectal cancer screening.</i> \$0	\$0	\$0

Benefits	COVA Care	COVA HDHP	Kaiser Permanente
Dental – per plan year	Basic <ul style="list-style-type: none"> • No deductible • Plan pays up to \$1,200 per member 	Expanded <ul style="list-style-type: none"> • \$25 deductible per member up to \$75 per family • Plan pays up to \$1,500 per member 	Expanded <ul style="list-style-type: none"> • In-plan: \$25 deductible per member; plan pays up to \$1,000 per member
Out-of-Network	Buy-up available	Not available	Not available
Expanded Dental	Buy-up available	Included	Included
Vision & Hearing	Buy-up available	Not available	Routine vision only

This is an overview of your health care benefits. For details, see the appropriate Member Handbook or plan document, or visit www.dhrm.virginia.gov.

Plans and Monthly Premiums Effective July 1, 2007

Premiums	You Only	You + One	You + Two or More
COVA HDHP			
<i>Employee Pays</i>	\$0	\$0	\$0
<i>Total Premium</i>	\$350	\$648	\$947
COVA Care (with basic dental)			
<i>Employee Pays</i>	\$42	\$103	\$147
<i>Total Premium</i>	\$437	\$809	\$1,182
COVA Care + Out-of-Network			
<i>Employee Pays</i>	\$52	\$117	\$166
<i>Total Premium</i>	\$447	\$823	\$1,201
COVA Care + Expanded Dental			
<i>Employee Pays</i>	\$55	\$128	\$185
<i>Total Premium</i>	\$450	\$834	\$1,220
COVA Care + Out-of-Network + Expanded Dental			
<i>Employee Pays</i>	\$65	\$142	\$203
<i>Total Premium</i>	\$460	\$848	\$1,238
COVA Care + Expanded Dental + Vision & Hearing			
<i>Employee Pays</i>	\$64	\$145	\$207
<i>Total Premium</i>	\$459	\$851	\$1,242
COVA Care + Out-of-Network + Expanded Dental + Vision & Hearing			
<i>Employee Pays</i>	\$74	\$158	\$224
<i>Total Premium</i>	\$469	\$864	\$1,259
Kaiser Permanente (available only in Northern Virginia)			
<i>Employee Pays</i>	\$42	\$102	\$146
<i>Total Premium</i>	\$434	\$803	\$1,172

Important: Part-time classified employees pay the total premium.

What You Need to Know About Flexible Reimbursement Accounts (FRAs)

Announcing the New Medical FRA Reimbursement Card!

You have immediate access to your Medical FRA dollars! You or your family members may use the new EZ REIMBURSE® MasterCard® for the plan year beginning July 1 to pay for eligible medical expenses not covered by your health plan.

- When purchasing eligible medical services, prescription or over-the-counter drugs, you present the FRA reimbursement card for payment.



- The expense cannot exceed your account balance.
- You may be required to provide documentation for certain expenses. If you fail to submit requested documentation, your card will be suspended until the next plan year.

If you want to receive the card, complete the enrollment form in the EZ REIMBURSE card brochure available from your Benefits Administrator. The card and instructions on how to use it will be mailed to your home address.

Enrolling in FRAs

FRAs do not continue unless you take action to enroll each year. To participate in a Medical or Dependent Care FRA, enroll during Open Enrollment from April 16 – May 16, 2007.

Making FRA Contributions

- You may contribute **\$10 or more each pay period** to a Medical and/or Dependent Care FRA, up to a total of \$5,000 per plan year. Contributions must be in whole dollars.
- **Important!** There is an Internal Revenue Service calendar year limit for Dependent Care FRAs. If you enroll in a Dependent Care FRA for the plan year beginning July 1, carefully evaluate your elections to be sure they remain within the IRS limits. You cannot exceed the calendar year maximum set by the IRS. See the *Flexible Benefits Program Sourcebook* for more information.
- **New for 2007!** FRA account statements will change from quarterly to monthly.

Use It or Lose It!

You must file for reimbursement **on time** or lose the remaining money in your accounts.

File for reimbursement by:

- **Sept. 30, 2007**, for an FRA ending June 30, 2007.
- **Sept. 30, 2008**, for an FRA ending June 30, 2008.

How to Find Out More

- **www.myFBMC.com:**
 - **Frequently Asked Questions** may be found on the EZ REIMBURSE MasterCard.
 - **The tax savings calculator** shows how FRAs may save you in tax dollars since contributions are deducted from your paycheck before taxes are calculated.
- **Your Benefits Administrator or www.dhrm.virginia.gov:**
 - **For questions** on FRA Open Enrollment, the FRA worksheet, program eligibility or making changes.

COVA Care

Notification of Changes to Your Member Handbook Effective July 1, 2007 Commonwealth of Virginia Health Benefits Program

1) Under Routine Wellness & Preventive Services (age 7 and older), the \$500 per plan year limit for routine immunizations, lab and x-ray services is eliminated.

Member Handbook page 4 – Summary of Benefits, Routine Wellness

2) The outpatient prescription drug benefit covers diabetic blood glucose test strips and glucometers:

- You pay 20% coinsurance with no deductible at retail and mail order pharmacies. A prescription is required at the pharmacy for purchase of these supplies.
- You continue to pay the applicable prescription drug tier copayment for insulin, syringes and lancets.

Member Handbook page 5 – Summary of Benefits, Prescription Drugs (outpatient)

Member Handbook page 28 – Prescription drugs

3) The medical benefit covers diabetic equipment and education:

- You pay 20% coinsurance after the deductible for insulin pumps and associated supplies.
- Outpatient self-management training and education are covered at no cost to you.
- Amounts you pay under the medical benefit for diabetic equipment apply to your out-of-pocket expense limit.

Member Handbook page 22 – Diabetic equipment and education

- Keep this notification with your Member Handbook, as together they constitute a full and complete description of your coverage.
- Beginning July 1, 2007, the COVA Care 2007 Member Handbook which incorporates these changes will be available on the DHRM Web site at www.dhrm.virginia.gov.

Open Enrollment Contact Information

HEALTH PLANS

COVA HDHP – High Deductible Health Plan

- Anthem Blue Cross and Blue Shield: **1-800-552-2682**

COVA Care

Medical, Vision and Hearing: Anthem **1-800-552-2682**

Behavioral Health and EAP: Value Options **1-866-725-0602**

Dental: Delta Dental of Virginia **1-888-335-8296**

Prescription Drug: Medco **1-800-355-8279**

Kaiser Permanente HMO

- Kaiser Permanente: **1-800-777-7902** or **(301) 468-6000** in Washington, D.C.
- Employee Assistance Program: **1-866-517-7042**

FLEXIBLE BENEFITS

- Medical and Dependent Care FRA: Fringe Benefits Management Company **1-800-342-8017**

HEALTH AND FLEXIBLE BENEFITS ENROLLMENT INFORMATION AND CHANGES

- EmployeeDirect and DHRM: www.dhrm.virginia.gov

MORE INFORMATION

Contact your Benefits Administrator for:

- Paper enrollment form
- Flexible Benefits Program Sourcebook
- Medical FRA *EZ-Reimburse MasterCard* brochure

Join the Growing Number of EmployeeDirect Users Today!

Your Registration Information

Visit EmployeeDirect!

Review your current elections
and make changes during
Open Enrollment
April 16 - May 16, 2007

www.dhrm.virginia.gov

Health Benefits Enrollment and Information Online!

*You can securely access EmployeeDirect on the Web 24 hours a day.
All it takes is a few clicks on your computer. It's quick and easy!*

Step 1: Verify your registered e-mail address and date of birth.

Inform your Benefits Administrator of updates before you visit EmployeeDirect.

Step 2: Create a password.

Think of a password that is easy for you to remember but hard for someone else to guess. EmployeeDirect's strict privacy standards require that it have a minimum of 9 characters with at least one UPPERCASE letter, lowercase letter and number. *For example:* "Password8", "My dog is 4 years old", or "April 16, 2007".

Step 3: Sign-up or login.

Go to www.dhrm.virginia.gov. Click "EmployeeDirect" under "Links of Interest".

Step 4: Click and follow prompts.

After logging in, click on "Health Benefits Enrollment and Information" and then "Health Benefits Menu". Each new page has easy-to-follow instructions. Carefully read each page and keep your confirmation number.

Step 5: Ask questions if you need help.

Use the links to contact EmployeeDirect or your Benefits Administrator for assistance.

It's Efficient and Convenient!

EmployeeDirect immediately confirms receipt and automatically notifies your agency when you request a change. You can also link to Payline, Plan Administrators, the Virginia Retirement System and your personal Benefits Administrator.