

President's Message

Dear MCSIG Member:

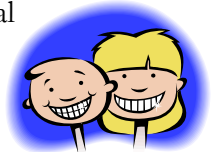
Summer's here and I hope you are taking a much needed pause from your busy work schedule and are preparing for activities and vacations with your families. Be sure to take some time for yourself; as we all know, school will begin again before we know it.



I'd like to make a few announcements that you will be pleased to hear about, most importantly, the fact that the cost of your benefits for 2008 will only increase by 3% for the 2008 plan year. MCSIG's Board of Directors has worked diligently to hold down costs including most recently changing the prescription benefit provider. The results of these and past efforts has generated savings that are being passed on to our members.



Also, we are excited about the addition of new coverages offered through Delta Dental: tooth implants and an extra periodontal cleaning for pregnant women (which is beneficial for both mother and child). In addition, any member that reaches their annual maximum before having a cleaning may request coverage for one cleaning above their maximum.



Please keep reading to learn more about these changes. We look forward to seeing you next school year!

Garry P. Bousum, Associate Superintendent
Administration and Business Services
Monterey County Office of Education
President, MCSIG Board of Directors

MCSIG Holds Rate Increase to 3% for 2007-08.....2

New Pharmacy Provider Offers Lower Prescription Costs.....2

Delta Dental Plan Expands Coverage..3

New Pharmacy Co-Pay Structure For Medicare Retirees.....3

Did you know.....4

HIPAA Annual Notice.....insert

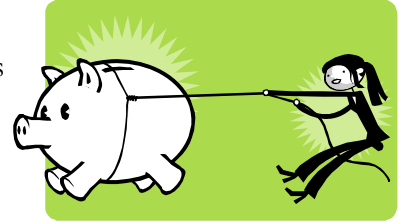
WHCRA Annual Notice.....insert

Wellness Works!.....insert



MCSIG Holds Rate Increase to 3% for 2007-08

The monthly cost of benefits for members, including those for medical, dental and vision plans, will increase by only 3% in the 2008 plan year. This is the lowest increase for the medical plans in 12 years and far less than the national average. MCSIG’s Board of Directors was able to contain the rates by using a small portion of the reserve funds (savings) and by changing your pharmacy benefit provider (see related article).



“We worked very hard with our staff and vendors to find ways to contain costs and are pleased we can pass these savings along to our members,” said David Barrett, Executive Director. “We have been conservative in our use of reserves and will continue to work hard toward containing future increases.”

New Pharmacy Provider Offers Lower Prescription Costs



Express Scripts, Inc. (ESI) one of the nation’s leading prescription benefit managers, will take over as our plan provider effective July 1. This change was approved by the Board because it will result in equal or better service at a substantial savings to MCSIG members. **Savings include a \$2.50 reduction in generic copays** for up to 60 days retail (now only \$7.50) and 90 day mail-order (now only \$5.00) prescriptions. In addition, all of our members’ Blue Cross/Wellpoint participating pharmacies are also ESI’s participating pharmacies. So prescriptions on file with refills will be honored with your new ESI ID card. In addition, all current grandfathered copays will transfer over. Should you have any questions about your grandfathered or dual coverage copays call MCSIG customer service at 831-755-8055 or toll free at 800-287-1442.

If you have mail-order prescriptions on file with Precision Rx, those records will transfer to Express Scripts automatically effective July 1st. To refill your existing mail order prescriptions you may either call 1-866-321-9650 or log onto www.expressscripts.com and register. If you have new prescriptions you will need to use the mail order form to place your order through the Express Scripts Mail Service Pharmacy. If you need a mail order form, please call MCSIG Customer Service at 831-755-8055 or toll-free at 800-287-1442.

Please note, however, that prescriptions with no remaining refills, or, due to legal restrictions, prescriptions for controlled substances and compound medications, will not be transferred to Express Scripts. Please contact your physician’s office about writing new prescriptions in these instances.

New ID Cards

Towards the end of June, you will receive a new Pharmacy ID card. Until then, please continue to use your combined Blue Cross medical and pharmacy ID card. After July 1, please use your new ESI ID card when filling prescriptions. You will also receive a new medical ID card from Blue Cross with their pharmacy information deleted from the card. If you have questions about this change, please call MCSIG Customer Service at 831-755-8055 or toll-free at 800-287-1442.

Prescription Copays—Effective July 1

Retail (60 day supply)	Mail-Order (90 day supply)
\$7.50 generic*	\$5 generic*
\$20 preferred brand/single source	\$17 preferred brand/single source
\$30 non-preferred brand	\$27 non-preferred brand

Delta Dental Plan Expands Coverage

All Delta Dental plans will now offer coverage for tooth implants, as well as an additional periodontal cleaning for pregnant women effective July 1, 2007. These changes are based on the fact that implants are now considered the preferred procedure when an implant is feasible; and that an additional deep periodontal cleaning for pregnant women has positive health benefits for both the mother and child. In addition, if you reach your annual maximum before you have a chance to have one dental cleaning, you may now contact MCSIG customer service and request additional coverage for one cleaning.



New Pharmacy Co-Pay Structure for Medicare Retirees



The Centers for Medicare and Medicaid Services (CMS) contracts with *retail* pharmacies so that they can now fill both 60 and 90 day supply prescriptions for Medicare Part D retirees. Retail pharmacies that are *not* contracted with CMS are no longer allowed to fill Medicare retirees' 60 day prescriptions and they are now restricted by CMS to 34 day supply prescriptions. Although most retail pharmacies are CMS contracting Maintenance Drug Plan (MDP) Pharmacies, many of the locally owned pharmacies in Monterey County have yet to contract with CMS. In order for the MCSIG Medicare Part D benefits to accommodate both types of retail pharmacies, we have arranged with Express Scripts to convert the standard 60 day retail co-pay to 34, 60 and 90 day equivalents.

Active employees and early (non-Medicare) retirees are not affected by the CMS mandate and will continue to have the up to 60 day prescription co-pays at all network retail pharmacies.

<u>Medicare Co-Pays</u>	<u>Retail</u> 1-34 Days	<u>Retail MDP</u> 35-60 Days	<u>Retail MDP</u> 61-90 Days	<u>Mail</u> 90 Days
Generic	\$3.75	\$7.50	\$11.25	\$5.00
Formulary Brands	\$10.00	\$20.00	\$30.00	\$17.00
Non -Formulary Brands	\$15.00	\$30.00	\$45.00	\$27.00

Did you know . . . ?



. . . that your full time student/dependent who graduates from school, may continue their coverage as your dependent for six months after graduation. This applies to full time students ages (19 through 24). Student/dependent eligibility ends at age 25.

. . . you can download ID cards for your Delta Dental and Vision Service Plan coverage online at deltadentalca.org or VSP.com. It is not necessary to have an ID card, but you may find it helpful, for instance, to provide to your dependent/students away at school.

. . . if you plan to travel this summer, remember to always take your medical ID card with you. Then you'll have easy access to phone numbers including out-of-state Blue Card Network and the MCSIG Customer Service should you need it.



...that you can review and print a copy of the MCSIG's Privacy Policy and the HIPAA annual notice from a link on the homepage of the MCSIG website at www.mcsig.com.



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Salinas, CA 93926

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Wellness Works!

MCSIG Health Promotion Newsletter

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2nd Quarter 2007

Salad Bowl of Health Fair - "Mix your Favorite Ingredients"

MCSIG held its 13th annual health fair at the Monterey County Office of Education on May 31st. The fair was a spectacular success with over 600 school employees and their families attending the much anticipated event. School members had the opportunity to talk with 50 health and safety experts, win door prizes, get a massage, and take advantage of a variety of free health screenings and nutritious food. The fair has become the premier healthy living event in the county and is an exciting and educational experience for the whole family.

David Kong (right) of MCOE won the grand prize one-night stay at the Inn at Spanish Bay and dinner for two at Sticks restaurant in Pebble Beach. David qualified for the grand prize drawing by completing 6 of the 12 health screenings at the fair.

MCSIG would like to thank MCOE for hosting the event, and all of our sponsors, wonderful volunteers, and members who helped make the fair a huge success.

No time to cook? Try Dinners Ready!

Do you yearn for a good home cooked meal? MCSIG is excited to offer our members a new healthy alternative to fast food. Dinners Ready! is a meal preparation company that provides restaurant-quality meals you can freeze and cook whenever you want. You assemble or pick up ready made meals at Dinners Ready! located in Pacific Grove.

MCSIG members receive a 7% discount. It is also less if you make up the meals yourself. All meals are analyzed by a registered dietician and can be customizable to your tastes. Enter your MCSIG Code **D040-049HF** at www.dinnerready.com or by phone 645-9100. Dinners Ready! is located at 193 Country Club Gate Center in P.G.

Massage Awards

MCSIG offers a free therapeutic massage to the employees of the four districts with the highest percentage of participants (by category) in the Exercise Challenge. To be eligible, participants must register and exercise aerobically for 90 minutes each week of the program. The 2007 Exercise Challenge



ended on April 28. Congratulations to the winning districts and everyone who participated. The four winning districts are: **Learning For Life (75%), Washington USD (35%), Gonzales USD (18%) and Salinas City ESD (13%).** These lucky exercisers will receive a free massage beginning in August.

SP ☺ TLIGHT ON:

Elia Castro-Gonzales

Wellness Employee of the Third Quarter '06

Nutrition Parent Educator – 5 A Day Program
Alisal Union School District

Exercise routine:

I walk and go to Curves.

Stress buster tip:

Smell some mint or drink peppermint tea.

Favorite activities:

Painting, reading and art and crafts.

One area of your life

you would like to

improve: My health.

Wellness Achievement: Confronted by a major illness, Elia rededicated herself to maintaining her health. "I started exercising and practicing what I preach, eating more fruits and vegetables and drinking more water. I began to watch the size of my servings. It has changed my life. I feel younger and ready to do more activities." Elia received a gift certificate for a dinner for two and a framed award. **Congratulations Elia and keep up the good work!**

SP ☺ TLIGHT ON: Delia Alvarado

Wellness Employee of the Fourth Quarter '06

Health Aide and Instructional Aide
Loma Vista School -
Salinas City ESD

Favorite healthy snacks:

Fruit salad and Weight Watchers 1 point mini bars (chocolate caramel!)

Exercise routine: I stretch in the morning (20 minutes) and walk. Then I repeat in the evening while giving my spirit lots of pep talks.

Stress buster tip: Getting out with friends – music – trying new snacks.

Wellness Achievement: Delia has seen big changes in her co-workers and herself as a result of the wellness program. Delia began exercising and lost several inches. Delia's doctor was so impressed by her improvement, that he asked her to continue what ever she was doing. "I'm more positive, in less pain, and I am ready to enjoy friends and life. I look at it as baby steps on a road to a new way of life." Delia received a gift certificate for a dinner for two and a framed award. **Congratulations Delia and keep up the good work!**

Spotlight recognizes school employees who have improved their health and become healthy role models for students and staff. If you know someone who deserves to be in the Spotlight, please submit a nomination form. Nomination forms are available at www.mcsig.com or by calling MCSIG (831) 755-0161.

YOUR RIGHT TO KNOW

ANNUAL NOTICES TO ALL MCSIG PLAN PARTICIPANTS

MCSIG provides the following annual notices regarding the Health Insurance Portability and Accountability Act (HIPAA) and the Women's Health and Cancer Rights Act (WHCRA) so that our members are well informed of the provisions of each Act.

MCSIG has elected to be exempt from the required provisions of HIPAA. However, all of our plans still substantially comply with the provisions of HIPAA. This allows MCSIG flexibility in providing cost effective services to participants and reduces the administrative expenses associated with federal regulatory compliance.

The MCSIG medical plans have always been in compliance with the Women's Health and Cancer Rights Act provisions, even prior to its enactment, and MCSIG continues to provide these benefits.

Health Insurance Portability and Accountability Act - HIPAA

Under a Federal law known as the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public Law 104-191, as amended, group health plans must generally comply with the requirements listed below. However, the law also permits State and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is "self-funded" by the employer, rather than provided through a health insurance policy. Monterey County Schools Insurance Group (MCSIG) has elected to exempt all medical plans and all dental and vision plans from all of the following requirements:

1. Limitations on preexisting condition exclusion periods. A preexisting condition exclusion period generally may not exceed 12 months, and generally must be reduced by prior health coverage an individual has had. Also, a plan may not impose any preexisting condition exclusion relating to pregnancy as a preexisting condition, nor, under certain conditions, with respect to newborns or children adopted or placed for adoption.
2. Special enrollment periods. Group health plans are required to provide special enrollment periods for individuals who do not enroll in the plan because they have other coverage, but subsequently lose that coverage. Also, if a plan provides dependent coverage, the plan must provide a special enrollment period for new dependents (and the employee if not already enrolled) within 30 days after a marriage, birth, adoption or placement for adoption.
3. Prohibitions against discriminating against individual participants and beneficiaries based on health status. A group health plan may not discriminate in enrollment rules or in the amount of premiums or contributions it requires an individual to pay based on certain health status-related factors: health status, medical condition (physical and mental illnesses), claims experience, receipt of health care, medical history, genetic information, evidence of insurability, and disability.
4. Standards relating to benefits for mothers and newborns. Group health plans offering health coverage for hospital stays in connection with the birth of a child generally may not restrict benefits for the stay to less than 48 hours for a vaginal delivery, and 96 hours for cesarean section.

5. Parity in the application of certain limits to mental health benefits. Group health plans (of employers that employ more than 50 employees) offering mental health benefits may not set annual or lifetime dollar limits on mental health benefits that are lower than limits for medical and surgical benefits. A plan that does not impose an annual or lifetime dollar limit on medical and surgical benefits may not impose that type of limit on mental health benefits. These requirements do not apply to benefits for substance abuse or chemical dependency.
6. Required coverage for reconstructive surgery following mastectomies. Group health plans that provide medical and surgical benefits for a mastectomy must provide certain benefits in connection with breast reconstruction as well as certain other related benefits.

The exemption from these Federal requirements is in effect for the plan year beginning July 1, 2007 and ending June 30, 2008. The election may be renewed for subsequent plan years.

HIPAA also requires the Plan to provide covered employees and dependents with a “certificate of creditable coverage” when they cease to be covered under the Plan. There is no exemption from this requirement. This certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain right to reduce or eliminate a preexisting condition exclusion if you join another employer’s health plan, or if you wish to purchase an individual health insurance policy.

Women’s Health and Cancer Rights Act - WHCRA

The *Women’s Health and Cancer Rights Act* (WHCRA) of 1998 requires group health plans that provide medical benefits for mastectomies to also provide coverage for the following related procedures to a participant or beneficiary who is receiving medical benefits for a mastectomy. This includes:

- Reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

The MCSIG medical plans continue to provide coverage for mastectomies and the related procedures listed above, subject to the health plan’s usual deductible and coinsurance limitations. This notice is intended to notify you of your rights and to comply with the notice requirements of the Women’s Health and Cancer Rights Act of 1998. If you have any questions, please refer to your Summary Plan Description or contact MCSIG Customer Service at (831) 755-8055 or (800) 287-1442.

