

May 2011

Monterey County Schools Insurance Group

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Executive Director Update SPECIAL BULLETIN

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Important Upcoming Dates

Executive Committee

May 17 @ 1:30 p.m.

Full Board

May 17 @ 3:00 p.m.

Executive Committee Members

Garry Bousum, President
Eric Price, Vice
President (CSEA)
Sara Perez, Treasurer
Dee Baker, Member
Robin Blakley, Member
Robert Della Rosa, (CTA)
Clifford Gilkey, Member (CTA)
Rosie Sanchez, Member (CSEA)

Sherrell Freeman, J.D., MPA
Executive Director
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MCSIG BOARD ANNOUNCES TERMINATION OF PPO OPTION II

At their April 26 meeting, the MCSIG Board voted to terminate PPO Option II effective midnight June 30, 2011.

Actuarial data over the last three years has revealed that the claim costs for PPO Option II have consistently and significantly outpaced the premium contributions. For the plan to remain viable for FY11-12, a 20% contribution rate increase was required, causing the premiums to be higher than the premiums for PPO Option I. To avoid that result, PPO Option II is being terminated.

The notice printed on the next pages is being mailed out to all 287 current PPO Plan II participants on or before May 2. All current PPO Option II enrollees will have to complete a change form to make an alternative plan selection and turn it in to your human resources office no later than June 17, 2011. Members will be allowed to move to any other MCSIG plan. Member's new plan choices will take effect July 1, 2011.

MCSIG is hosting information sessions as set out in the notice to review member's alternative plan choices.

MCSIG appreciates the district's help with this transition for the PPO Option II members.



May 2, 2011

MCSIG PPO Option II Plan Subscriber:

The purpose of this letter is to inform you about an **IMPORTANT CHANGE** that the MCSIG Board has made regarding **your medical coverage** under your **MCSIG PPO Option II Plan**.

Please read this material carefully as it affects your current medical coverage and requires you to take action between now and Friday, June 17, 2011.

The MCSIG PPO Option II plan is self-funded. This means that MCSIG pays the medical claims directly from the districts' and your premium contributions. Actuarial data over the past two years has revealed that the claims costs for the PPO Option II plan are significantly outpacing the premium contributions. In order to remain viable for next fiscal year, the PPO Option II plan would require a premium increase of nearly 20%.

To avoid such an increase in premiums the **MCSIG Board has voted to terminate the PPO Option II plan as of midnight, June 30, 2011. All current PPO Option II plan participants will need to enroll in an alternative plan no later than Friday, June 17, 2011.**

Your alternative plan choices are: PPO Option I, PPO Option III or the Exclusive Provider Option (EPO) plan. The chart on the reverse side of this letter shows a comparison of these three plan choices.

MCSIG is hosting three informational sessions on May 12, May 19 and June 9. During these sessions MCSIG staff will go over your alternative plan choices and answer your questions. You only need to attend one session as they are all the same. All sessions are being held at 3:30 p.m. at the MCSIG offices at 76 Stephanie Drive in Salinas. Please RSVP to 755-0161 as space is limited.

Please contact your district human resources office to complete the required change form to select an alternative plan choice by no later than Friday, June 17, 2011.

Sincerely,

Sherrell Freeman
Executive Director

Monterey County Schools Insurance Group

2011-12 Medical Plan Comparison

Participant's share of (You Pay):

Network

	<u>PPO Option I PrudentBuyer</u>	<u>PPO Option III PrudentBuyer</u>	<u>EPO PrudentBuyer except CHOMP/SVMH</u>
Deductibles (Individual / Family)	\$400 / 2x	\$650 / 2x	\$650 / 2x
Coinsurance - Network	10%	20%	20%
Coinsurance - Out Network	40%	40%	40% - Emergency Duration Only
Out-of-Pocket Co-Ins Maximums - Single In Network	\$2,000 ⁽¹⁾	\$4,000 ⁽¹⁾	\$4,000 ⁽¹⁾
Out-of-Pocket Co-Ins Maximums - Family In Network	2 x Individual	2 x Individual	2 x Individual
Out-Network Co-Insurance Maximums	\$4,000 / 2 x Ind.	\$7,000 / 2 x Ind.	\$7,000 / 2 x Ind.
Inpatient Hospital Coinsurance (In-Network)*	10%	20%	20%
Inpatient Hospital Coinsurance (Out-Network)*	40%	40%	40% - Emergency Duration Only
Separate Hospital ER Co-Pay <i>(applies only if non-emergency)</i>	\$250 ER Room	\$250 ER Room	\$250 ER Room
Separate Hospital Inpatient Tier Co-Pay	Tier III & II / \$1,000 \$500	none	none
Separate Hospital Outpatient Tier Co-Pay	Tier III & II / \$500 \$250		
<u>Physician Benefits</u>	<u>In-Net/Out-Net</u>	<u>In-Net/Out-Net</u>	<u>In-Net/Out-Net</u>
Surgery/Anesthesia*	10% / 40%	20% / 40%	20% / ER Only
Hospital Visits*	10% / 40%	20% / 40%	20% / ER Only
Office Visits	\$20 / 40%*	\$25 / 40%*	\$25 / NC
Specialist Visits	\$30 / 40%*	\$35 / 40%*	\$35 / NC
Physical Exams	100% / 40%*	100% / 40%*	100% / NC
Chiropractic Care <i>-Coverage for in Network only</i>	\$10 copay	\$10 copay	\$10 copay
~Chiropractic HealthPlan of California Network only~			
Mental Health/Substance Abuse - <i>OptumHealth</i>	Outptnt: \$15/visit network; 40% out-of-network Inpatient: 100% in-network; 40% out-of-network	Outptnt: \$15/visit network; 40% out-of-network Inpatient: 100% in-network; 40% out-of-network	Outptnt: \$15/visit network; 40% out-of-network Inpatient: 100% in-network; 40% out-of-network
<u>Other Benefits</u>	<u>In-Net/Out-Net</u>	<u>In-Net/Out-Net</u>	<u>In-Net/Out-Net</u>
Well Child Care	0% / 40%*	0% / 40%*	0% / NC
Maternity Care *	10% / 40%	20% / 40%	20% / NC
Skilled Nursing Facility*	0% to 365 days	20% to 365 days	20% to 365 days
Home Health Care*	0%, to 120 days	20%, to 120 days	20%, to 120 days/NC
Outpatient Diagnostic X-ray and Lab Work	10% / 40%*	20% / 40%*	20% / NC
Acupuncture (Any Licensed Acupuncurist)	0% to \$65, 30 visits/year	0% to \$65, 30 visits/year	0% to \$65, 30 visits/year
Durable Medical Equipment*	20% / 40%	20% / 40%	20% / NC
Outpatient surgery @ Ambulatory Surgery Center*	10% / 40%	20% / 40%	20% / NC
<u>Prescription Drugs</u>			
Retail - Generic/Preferred/Brand (NonFormulary)		\$7 / \$20 / \$35 per 30 day supply	
Retail/Mtce. - Gen./Pref./Brand (NonFormulary)		\$9.50 / \$29 / \$44 per 30 day supply	
Mail - Generic/Preferred/Brand (NonFormulary)		\$0 / \$40 / \$70 - per 90 day supply	
Life Insurance (included in rates):	All active employees receive \$25k in life insurance, included in rates below.		
<u>Contribution Rates - Monthly</u>	<u>July 1, 2011</u>		
Employee Only	\$797.37	\$493.70	\$440.29
Employee + One Dependent	\$1,594.76	\$987.41	\$880.58
Employee + Family	\$2,073.73	\$1,283.63	\$1,144.75

Hshare/plancomparison

⁽¹⁾ Includes deductibles, does NOT include Co-Payments

*applies to deductible

This chart is for comparison only; Plan Handbook Prevails

NC=not covered

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