

opersHealthCare

For all OPERS health care plan participants in 2015.

2015 Health Care Bulletin

OPERS announces updates to health care plan for 2015

The OPERS Board of Trustees recognizes that providing access to meaningful health care coverage is an important element in providing retirement security. Though providing health care coverage is not required by law, the Board and OPERS staff continually search for solutions to meet the challenges of funding retiree health care coverage in today's marketplace.

In 2015, retirees participating in the OPERS medical plans administered by Humana and Medical Mutual will not see changes to their medical coverage. Copays, co-insurance, out-of-pocket costs and deductibles will all remain the same as in 2014.

Participants will see changes to their pharmacy coverage impacting certain copays, co-insurance, out-of-pocket costs and deductibles. Pharmacy coverage changes are detailed on page 6 along with an explanation of a new prescription drug formulary being introduced in 2015.

Most plan participants will see an increase in their monthly premium in 2015. Increases will

vary based on their retirement date and years of service. For their own premiums, retirees enrolled in Medicare Parts A and B will see an average monthly increase of as much as \$11, and non-Medicare a monthly premium increase of as much as \$32. Both Medicare and non-Medicare retirees should anticipate additional cost increases for covered dependents. Your open enrollment statement, mailed in September, will provide specific details.

Multiple factors are behind the need for premium increases in 2015. First, the cost for OPERS to provide retiree health care coverage will rise next year. We know this based on an evaluation of health care trends performed by our actuarial firm.

Also, over recent years, we have been able to use more than \$180 million dollars from the Early Retiree Reinsurance Program (ERRP), which is a provision of the Affordable Care Act (ACA), to help offset premium increases. Without the dollars from ERRP, many retirees would have seen premium increases in previous years. ERRP dollars have been exhausted; therefore, they are not available to help offset premium increases in 2015.



Ken Thomas, Chair
Health Care Committee
OPERS Board of Trustees

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Retirees may draw the conclusion that the cost increases in 2015 are due to the recently adopted health care preservation plan. Actually, cost increases for 2015 are unrelated to the new health care plan which will be launched incrementally over the next few years. The preservation plan changes are designed to allow us to provide coverage to career employees for the long term. And, the majority of funding revenue for health care comes from investment returns. It only takes one bad investment return year to drastically hurt the plan's solvency.

Please read this bulletin carefully. It provides details on the OPERS health care plan for 2015. This is the final year that we'll be conducting open enrollment in this way for Medicare-eligible retirees. For 2016, most Medicare retirees will make the transition to the OPERS Medicare Connector.

Please read the enclosed *2016 Preview Guide*. The guide provides information on health care changes for both Medicare-eligible and non-

Medicare retirees. Also included is a discussion regarding why a Connector is the right choice for OPERS retirees and additional details on Medicare and how the Connector will work. It will be important for you to stay informed during the transition process in 2015. Please read the publications you receive and visit www.opers.org for the latest information.

I, along with the rest of the Board and staff, will continue to work tirelessly to provide both our current and future retirees with responsible, meaningful and affordable health care coverage. Thank all of you for your input and support through these efforts

Sincerely,

Ken Thomas, Chair
Health Care Committee
OPERS Board of Trustees

2015 Open Enrollment - Oct. 1 – Oct. 31, 2014

Open enrollment for the OPERS health care plan will be held from Oct. 1 – Oct. 31, 2014. During this time, eligible retirees may add or change coverage for themselves and/or their eligible dependents. Changes made during the open enrollment period will become effective Jan. 1, 2015.

To help participants make informed decisions regarding their health care coverage in 2015, OPERS will send an open enrollment packet in September.

Within the packet, participants will find an *Open Enrollment Guide*. The guide features in-depth coverage details for 2015. The packet will also contain a personalized *Health Care Cost Statement*,

a personalized *Health Care Open Enrollment Change Form* and a brochure containing documents OPERS is required to send annually.

Open enrollment packets will be sent to plan participants beginning the first week of September. Mailing of the packets will continue over two weeks. All participants should receive their packet by late September.

If you are eligible to participate in the OPERS health care plan but waived coverage at retirement, you will receive a letter, a cost chart and an open enrollment guide during the month of September.



Humana Medicare Advantage Plan

- Monthly premiums will increase in 2015.
- Medical coverage, annual deductibles and out-of-pocket costs will remain the same as in 2014.
- Humana Medicare Advantage Plan network access will not change in 2015.

2015 Humana Medicare Advantage Plan	% = Plan Pays
Lifetime Maximum	Unlimited
Annual Deductible	\$250 (not included in out-of-pocket maximum)
Annual Out-of-Pocket	\$850 (excluding deductible)
Office Visit Copay - Primary Care Physician (PCP)	96%
Office Visit Copay - Specialist	92%
Preventive Services (billed as routine)	100%
Emergency Room (copay waived if admitted)	\$50 copay
Diabetic Testing Supplies	100%
Inpatient Charges	96%
Skilled Nursing Facility	100%
Hospice (Respite Care)	95% (by Medicare at a certified hospice agency)

Medicare Part D Prescription Plan administered by Express Scripts

- The annual out-of-pocket maximum will be increased from \$4,550 to \$4,700 for 2015. Once the out-of-pocket maximum has been met, the plan pays 100 percent.
- The annual deductible for brand medications will increase from \$50 to \$100.
- OPERS will adopt a new prescription drug formulary. See more information on page 6.

2015 OPERS Medicare Part D Prescription Plan	
Deductible (Calendar year)	\$100 annual deductible for brand medications
Generic	\$4 Retail copay
	\$10 Mail copay
Formulary Brand	30% Retail co-insurance (\$20 min/\$30 max) 30% Mail co-insurance (\$50 min/\$75 max)
Non-Formulary Brand	Not covered
Formulary Specialty Drugs	40% co-insurance (\$60 max)
Annual Out-of-Pocket Maximum (100% coverage after \$4,700 has been spent in copays/co-insurance)	\$4,700 per participant
Diabetic Medications*	\$0 copay for generic or formulary brand
2105 Proton Pump Inhibitor (PPI) Coverage	
OTC - Examples include: OTC Prilosec, OTC Omeprazole	Not covered
Generic - Examples include: Omeprazole, Pantoprazole, Lansoprazole	\$4 Retail \$10 Mail
Brand - Examples include: Nexium, Prevacid, Aciphex, Prilosec, Protonix, Zegerid, Kapidex	Not covered

*Retail is a 31-day supply at a retail pharmacy. *Mail is up to a 90-day supply via Home Delivery.

*All diabetic testing supplies will be covered at 100% under Medicare Part B

Medicare plans are subject to change based on the Centers for Medicare and Medicaid (CMS) guidelines.

Medicare Part D Annual Notification

Express Scripts will provide detailed coverage information regarding the OPERS Medicare Part D Prescription Plan to you by mail in late September. You will receive an *Annual Notice of Change* and an *Evidence of Coverage* document. **This notification does not require any action on your part.**



For non-Medicare retirees in 2015

OPERS Retiree Health Plan *administered by Medical Mutual*

This chart is a basic overview of medical coverage for non-Medicare retirees participating in the OPERS Retiree Health Plan in 2015. More detail will be available in your open enrollment packet which will be mailed to your home in September.

Please see page 5 for information on prescription drug coverage for non-Medicare plan participants in 2015.

- Monthly premiums will increase in 2015.
- Medical coverage, annual deductibles and out-of-pocket costs will remain the same as in 2014.

2015 OPERS Retiree Health Plan	In-Network	Out-of-Network
Lifetime Maximum	Unlimited	Unlimited
Annual Deductible	\$850	\$1,500
Annual Out-of-Pocket	\$2,500	\$4,500
Office Visit Copay - Primary Care Physician (PCP)	\$20	60%
Office Visit Copay - Specialist	\$35	60%
Office Visit Copay - Medical Home	\$10	60%
Office Visit Copay - Chronic conditions PCP/Specialist	\$10 / \$20	60%
Annual Physical/Preventive Services (Plan Pays)	100%	60%
Emergency Room (for emergency conditions)	\$150 copay	\$150 copay
Emergency Room (for non-emergency conditions)	\$250 copay	\$250 copay
Urgent Care	\$45 copay	60%
Inpatient Charges (Plan Pays)	80% <i>(After \$150 deductible)</i>	70%
Skilled Nursing Facility (Plan Pays)	100%	70%
Hospice (Plan Pays)	100%	70%
Most Other Charges (Plan Pays)	80%	60%

All charges subject to medical necessity.

Important Contact Information for All Participants

Aetna Vision

1-866-591-1913
www.aetnavision.com

Humana

1-877-890-4777
www.humana.com/opers

MetLife Dental

1-888-262-4874
www.metlife.com/dental

Medical Mutual

1-877-520-6728
www.medmutual.com

Express Scripts

1-866-727-5873 (Non-Medicare)
1-800-789-7416 (Medicare)
www.express-scripts.com





For non-Medicare retirees in 2015

OPERS Retiree Health Plan Prescription Drug Coverage

The chart on this page is a basic overview of prescription drug coverage for non-Medicare retirees participating in the OPERS Retiree Health Plan in 2015. More detail will be available in your open enrollment packet which will be mailed to your home in September.

- In compliance with the Affordable Care Act, the annual out-of-pocket maximum will be decreased from \$4,550 to \$3,250 for 2015. Once the out-of-pocket maximum has been met, the plan pays 100 percent.
- The annual deductible for brand medications will increase from \$50 to \$100.
- OPERS will adopt a new prescription drug formulary. See more information on page 6.

2015 Non-Medicare Prescription Plan	Retail - Preferred Network Home Delivery	Retail - Non-Preferred Network
Deductible (calendar year) including OTC PPIs	\$100 annual deductible for brand medications	\$100 annual deductible for brand medications
Generic Copay (\$)	\$4 Retail \$10 Home Delivery	\$7
Formulary Brand Co-insurance (%)	30% Retail (\$30 min/\$60 max) 30% Home Delivery (\$75 min/\$150 max)	35% (\$35 min/\$65 max)
Non-Formulary Brand	Not covered	Not covered
Formulary Specialty Drugs	40% co-insurance (\$60 max)	40% co-insurance (\$60 max)
Diabetic medications and testing supplies for those participating in a Disease Management (DM) program. <i>*Standard co-insurance applies for those not participating in a DM program.</i>	Generic or Formulary Brand = *\$0 copay Non-formulary Brand - Not covered as listed above	Generic or All Brand = copay or co-insurance as listed above
Annual Out-of-Pocket Maximum <i>(100% coverage after \$3250 has been spent in copays/co-insurance)</i>	\$3,250 per participant	\$3,250 per participant
Value-based coverage - Medications treating certain chronic conditions*	Generic (Retail or Home Delivery) = \$0 copay All Brand = co-insurance as listed above	Generic or All Brand = copay or co-insurance as listed above
2015 Proton Pump Inhibitor (PPI) Coverage (medications treating acid-reflux or heartburn)		
OTC - examples include: Prilosec, Omeprazole, Prevacid, Zegerid	50% Retail (\$15 minimum) 50% Home Delivery (\$40 minimum)	60% Retail (\$15 minimum)
Generic - examples include: Omeprazole, Pantoprazole and Lansoprazole		
Brand - examples include: Nexium, Prevacid, Aciphex, Prilosec, Protonix, Zegerid and Kapidex	Not covered	Not covered

*Participants will have \$0 copays for generic medications treating certain chronic conditions under Value-Based coverage. "Retail" is a 30-day supply. "Mail" is a 90-day supply.



2015 prescription drug changes

OPERS is changing our prescription formulary with Express Scripts with the goal of increasing use of generic medications.

Who it affects

Implementation of the new formulary will affect less than 20 percent of Medicare and Non-Medicare recipients. At the individual level, the switch to a new formulary will be more restrictive, meaning fewer brand name drugs will be covered. The vast majority of prescriptions filled today are for generic drugs. Participants that are directly impacted by drug coverage changes will receive a letter in the fall stating drug alternatives.

What's changing?

- **Deductibles.** The annual brand drug deductible will change from \$50 to \$100. Generic drug coverage will continue to have no deductible.
- **Specialty drug copay.** A new tier has been adopted for formulary specialty drugs. Participant cost share for specialty drugs will be 40 percent (\$60 maximum).
- **Out-of-pocket maximum.** The Medicare out-of-pocket maximum is increasing from \$4,550 to \$4,700 and the Non-Medicare out-of-pocket maximum is decreasing to \$3,250 from \$4,550.
- **Change in coverage for Proton Pump Inhibitors (PPI's).** Medicare prescription PPIs will be

covered at the same cost share level as other medications and over-the-counter PPIs will not be covered.

Why the changes are necessary

Changes were needed for the following reasons:

- To be compliant with Center for Medicare and Medicaid Services (CMS) and Affordable Care Act requirements impacting prescription drug plans.
- To help participants keep total out-of-pocket costs for prescriptions down.
- To help keep health care costs down for OPERS.

Benefits of the new prescription drug formulary

- Encourages the use of generic and select brand drugs. This is a cost savings to the individual.
- Participants who use generics when possible will save on out-of-pocket costs now and in the future. This will ultimately prepare participants for the OPERS Medicare Connector in 2016.

OPERS will continue to work with Express Scripts to communicate about generic drugs, Medication Therapy Management and the new prescription drug formulary. Look for more information in Open Enrollment seminars, future webinars and videos.

Timeline of communications

- **September 2014:** OPERS Open Enrollment materials mail
- **September 2014:** Express Scripts will mail annual plan documents to Medicare-eligible participants
- **October 2014:** Express Scripts Customer Service will begin answering questions regarding the upcoming changes to prescription drug coverage.
- **Late 2014:** OPERS retiree newsletter mails with further information.
- **November/December 2014:** Participants impacted by the formulary drug changes will be notified by letter.



Open enrollment education seminars for 2015

The OPERS education team will be holding seminars around the state to help retirees learn about their health care coverage for 2015.

Registration for live seminars is required and space is limited! You can register by signing in to your online account at www.opers.org or by calling OPERS at 1-800-222-7377. You must be registered for an online account to make a reservation online.

Dates and locations are listed below. For those unable to attend, webinars will be held every Tuesday at 1 p.m. and every Thursday at 10 a.m. Please visit www.opers.org and click on the "Seminar Options" section under the heading of "Retirees" for more information. The open enrollment seminar presentation (slideshow with audio) will be available on the OPERS website, www.opers.org, in September.

Please do not contact the meeting facilities directly except to obtain directions. Contact OPERS with any questions regarding the seminar or your reservation.

Representatives from Humana, Medical Mutual, Express Scripts, Aetna and MetLife will be in attendance.



Open enrollment seminars

Akron

Oct. 23
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Athens

Sept. 23
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Bellville

Oct. 22
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Cambridge

Oct. 2
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Canton

Oct. 7
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Chillicothe

Oct. 16
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Cincinnati

Oct. 8
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Columbus

Sept. 24
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Dayton

Oct. 16
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Lima

Oct. 2
12:00 p.m.-2:00 p.m.
3:00 p.m.-5:00 p.m.

Newark

Oct. 7
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Oberlin

Oct. 3
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Rootstown

Oct. 21
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Sharonville

Oct. 14
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Steubenville

Sept. 30
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Strongsville

Sept. 23
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Toledo

Oct. 14
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Westlake

Oct. 15
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.

Youngstown (Boardman)

Sept. 30
10:00 a.m.-12:00 p.m.
1:00 p.m.-3:00 p.m.



For all OPERS health care participants
in 2015

Change is coming to the OPERS Wellness Incentive Programs

In previous years, all OPERS retirees and eligible dependents covered under Medical Mutual of Ohio have been able to earn money for deposit into their Retiree Medical Account (RMA) when they participated in the OPERS Personal Health Management Program. Participants have been able to earn up to \$100 in wellness incentives.

In 2015, we will implement changes to the incentive program which will impact both Non-Medicare and Medicare recipients.

Non-Medicare participants will continue to earn up to a \$100 incentive (\$50/program, 2 program maximum) over a rolling 12-month period, for participation in the following programs: completing an online health assessment, completing a lifestyle

coaching program or completing a disease management program. Participants will no longer earn an incentive for completing an annual physical. Did you know that the Medical Mutual plan offers FREE coverage for annual physicals? Take advantage today and you'll be one step closer to a healthier you.

Medicare participants will no longer be able to earn the yearly \$100 wellness incentive. Please know that while the incentive is going away, Humana offers HumanaVitality which is a wellness program offering incentives to help Humana participants live a healthy lifestyle. What's great is that this program is available to you at no cost. For more information about the HumanaVitality program, visit Humanavitality.com.

Optional dental and vision coverage for 2015

Optional dental coverage administered by MetLife and optional vision coverage administered by Aetna will remain the same in 2015 as it was in 2014.

Monthly costs for the vision plan will remain the same as in 2014. Monthly costs for the dental plan will increase slightly (approximately \$1 or less per month).

HealthSpan partnership is ending in 2015

Due to changes in the availability of a Medicare HMO Plan through HealthSpan (formerly Kaiser Permanente), OPERS will no longer be offering HealthSpan to participants and eligible dependents as of Jan. 1, 2015. This change affects current participants in the HealthSpan Medicare HMO Plan and all non-Medicare participants currently enrolled in HealthSpan.

Beginning Jan. 1, 2015, retirees and Medicare-eligible dependents will be covered under the OPERS-sponsored Humana Medicare Advantage Plan. These participants can continue to see their HealthSpan doctors who will bill Humana. Non-Medicare retirees and eligible dependents will be covered under the OPERS Retiree Health Plan administered by Medical Mutual. These participants will likely need to select a new doctor who is part of the Medical Mutual network. Affected participants recently received information detailing next steps for the transition.



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