

Special Health Care

Bulletin

OPERS announces changes to health care plan for 2013

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.



Charlie Adkins

I am pleased to announce that, for the majority of retirees, monthly premiums for medical/pharmacy coverage will not increase in 2013.

Medicare-eligible

participants enrolled in the Humana Medicare Advantage Plan will not see a change in their monthly premium. Non-Medicare participants will only see a premium increase if they are currently participating in the Intermediate or Basic plans.

Funds gained through our participation in the Early Retiree Reinsurance Program (ERRP) were used to offset cost increases and keep premiums steady. The ERRP dollars were made available to pension systems as a part of the Patient Protection and Affordable Care Act, or national health care reform. We also engaged in negotiations with plan administrators to gain the best coverage rates.

In 2013 OPERS will offer only one level of coverage for non-Medicare participants, the OPERS Retiree Health Plan. This one plan will replace the Enhanced, Intermediate and Basic plans and all non-Medicare retirees will be enrolled in it. Medicare-eligible participants will be enrolled in the Humana Medicare Advantage Plan.

The Board has also approved adding some value-based plan design features to the OPERS Retiree Health Plan beginning in 2013. These features are designed to support non-Medicare participants' efforts to improve their health and quality of life and help OPERS to preserve the health care fund. A more detailed explanation of the value-based coverage options can be found on page 5 of this bulletin.

Please read this bulletin carefully. It provides details on all changes made to the OPERS health care plan for 2013. These modifications were carefully researched and considered by both the Board and OPERS staff. I am proud of the solutions we have implemented and the plan we are able to offer our retirees despite the array of challenges we face.

Sincerely,



Charlie Adkins, Chair
Health Care Committee
OPERS Board of Trustees

PRESERVING HEALTH CARE for the future.

In the past year, OPERS staff and the Board of Trustees have put a great deal of time and effort toward developing a plan that will allow us to continue offering OPERS retirees access to health care coverage. The financial and demographic challenges we currently face simply will not allow us to maintain our current level of coverage. If we do nothing, the OPERS health care trust fund will be exhausted in approximately eight years. At that point, access to coverage at any level would cease.

Our objective is to develop a health care program that preserves access to meaningful health care coverage for a career employee upon retirement. With this goal in mind, we have needed to make some very tough choices. The proposed changes to the health care plan are currently being communicated to our retirees and active members. Please see page 8 to learn more about the proposed changes and also how you can provide your feedback.

**See page 8 for
more details**



Medicare-eligible retirees

What you need to know for 2013

Humana Medicare Advantage Plan

- Monthly premiums will not increase in 2013.
- Medical coverage, annual deductibles and out-of-pocket costs will remain the same as in 2012. Coverage details can be found within your open enrollment packet and also by visiting www.opers.org
- Humana Medicare Advantage Plan network access will remain the same as in 2012. Participants can continue to use the same providers, in or out of the network.

OPERS Medicare Part D Prescription Plan

In 2013, the following changes will affect your prescription drug coverage.

- Formulary brand name prescription drugs purchased at a retail pharmacy or through Express Scripts home delivery will be subject to a 30 percent co-insurance in 2013.
- Non-Formulary brand name prescription drugs purchased at a retail pharmacy or through Express Scripts home delivery will be subject to a 40 percent co-insurance in 2013.
- Over-the-counter and generic medications in the Proton Pump Inhibitor (PPI) class (treating acid reflux disease and heartburn) will be subject to a 25 percent co-insurance. Brand name PPI medications will be subject to a 50 percent co-insurance.
- The annual maximum out-of-pocket amount for prescription drugs will change from \$4,700 to \$4,750 in 2013.

More information will be included in your open enrollment packet or you can contact Express Scripts at 1-800-789-7416.

2013 OPERS Medicare Part D Prescription Plan

Deductible (Calendar year)	\$50 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	40% Retail co-insurance (\$55 min/\$70 max) 40% Mail co-insurance (\$137.50 min/\$175 max)
Annual Out-of-Pocket Maximum (100% coverage after \$4,750 has been spent in copays/co-insurance)	\$4,750 per participant
Diabetic medications*	\$0 copay for generic or formulary brand Co-insurance as listed above for non-formulary

2013 Proton Pump Inhibitor (PPI) Coverage

OTC Prilosec, OTC Omeprazole	25% Retail co-insurance (\$15 min) 25% Mail co-insurance (\$40 min)
Generic Omeprazole, Pantoprazole, Lansoprazole	25% Retail co-insurance (\$15 min) 25% Mail co-insurance (\$40 min)
Nexium, Prevacid, Aciphex, Prilosec, Protonix, Zegerid, Kapidex	50% Retail co-insurance

“Retail” is a 30-day supply at a retail pharmacy. “Mail” is a 90-day supply via Home Delivery. Changes for 2013 are highlighted in gray with blue ink.

*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 Coverage 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.

OPERS retiree health care coverage is not a guaranteed benefit nor is it required by law.

Non-Medicare-eligible retirees

What you need to know for 2013

OPERS Retiree Health Plan - administered by Medical Mutual

- In 2013 OPERS will offer only one level of coverage for non-Medicare participants, the OPERS Retiree Health Plan. This one plan will replace the Enhanced, Intermediate and Basic plans and all non-Medicare participants will be enrolled. Medicare-eligible participants will be enrolled in the Humana Medicare Advantage Plan. Participants enrolled in the Kaiser Permanente HMO will remain with Kaiser unless they elect to change during the open enrollment period.
- For the majority of participants, monthly premiums will not increase in 2013. Non-Medicare participants will only see a premium increase (cost difference) if they are currently participating in the Intermediate or Basic plans.
- The annual deductible and annual out-of-pocket maximum have both increased for the majority of participants.
- Value-based coverage elements to be introduced in 2013 include:
 - Lower office visit copay for care received from an accredited Patient Centered Medical Home (PCMH)
 - Lower office visit copay for primary care physicians and specialists for specific chronic conditions.

For more information on value-based coverage, see page 5.
- In 2013, the Disease Management program for non-Medicare participants will no longer feature programs for pain management and depression.

The following chart is a basic overview of medical coverage for non-Medicare retirees participating in the OPERS Retiree Health Plan in 2013. Items highlighted in gray with blue ink are changing in 2013. More detail will be available in your open enrollment packet which will be mailed to your home in September.

2013 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 - Patient Centered 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% (After \$150 deductible)	70% (After \$250 deductible)
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

*Specific chronic conditions as detailed on page 5

Please see page 4 for information on prescription drug coverage for non-Medicare plan participants in 2013.

Non-Medicare-eligible retirees

What you need to know for 2013 *(continued)*

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 2013. More detail will be available in your open enrollment packet which will be mailed to your home in September. Changes for 2013 are printed in blue ink.

- In 2013 participants will need to use a *preferred* network of retail pharmacies in order to pay the lowest copay and co-insurance amounts. To find out if a pharmacy is *preferred*, call the number on the back of your Express Scripts ID card.
- Over-the-counter and generic medications in the Proton Pump Inhibitor (PPI) class will be subject to a 50 percent co-insurance at a preferred retail pharmacy or through home delivery.
- The annual maximum out-of-pocket amount for prescription drugs will change from \$4,700 to \$4,750 in 2013.
- With value-based coverage, participants will have a \$0 copay for generic medications treating certain chronic conditions. See page 5 for details.

2013 Non-Medicare Prescription Plan	Retail - Preferred Network Home Delivery	Retail - Non-Preferred Network
Deductible (Calendar year) Including OTC PPIs	\$50 annual deductible for brand medications	\$50 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 Co-insurance (%)	40% Retail (\$75 min/\$150 max) 40% Home Delivery (\$187.50 min/\$375 max)	45% (\$80 min/\$155 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 - co-insurance as listed above	Generic or All Brand = copay or co-insurance as listed above
Annual Out-of-Pocket Maximum (100% coverage after \$4,750 has been spent in copays/co-insurance)	\$4,750 per participant	\$4,750 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

2013 Proton Pump Inhibitor (PPI) Coverage (Medications treating acid-reflux and heartburn)

OTC - Prilosec, Omeprazole, Prevacid, Zegerid	50% Retail (\$15 minimum) 50% Home Delivery (\$40 minimum)	60% Retail (\$15 minimum)
Generic - Omeprazole, Pantoprazole and Lansoprazole		
Nexium, Prevacid, Aciphex, Prilosec, Protonix, Zegerid and Kapidex	Participant pays full cost - Available only at a retail pharmacy	Participant pays full cost - Available only at a retail pharmacy

*Participants will have \$0 copays for generic medications treating certain chronic conditions under Value-Based coverage. please see page 5 for details. "Retail" is a 30-day supply. "Mail" is a 90-day supply.

OPERS introduces value-based coverage for all non-Medicare plan participants

Value-based coverage is designed to support participants' efforts to improve their health and quality of life and help OPERS in preserving the health care fund. OPERS began offering some value-based coverage elements to participants in the Intermediate Plan in 2012 and is expanding the program to include all non-Medicare participants enrolled in the OPERS Retiree Health Plan in 2013.

Value-based coverage elements include:

- Zero dollar copays for generic medications used to treat common chronic conditions including high blood pressure, high cholesterol, asthma, congestive heart failure, coronary artery disease and depression. Generic diabetes medications will continue to be covered at 100% for Disease Management participants.
- Lower office visit copays to both primary care physicians and specialists for participants diagnosed with the following chronic conditions: high blood pressure, high cholesterol, asthma, congestive heart failure, chronic obstructive pulmonary disease, coronary artery disease, diabetes and depression.
- Lower office visit copays for care received from a provider who has achieved recognition as a Patient Centered Medical Home (PCMH) from the National Committee for Quality Assurance (NCQA). A Patient Centered Medical Home is a model of care that allows a team of health professionals to work together to provide comprehensive and coordinated care covering all of your wellness and illness needs. PCMH models coordinate care among primary care physicians, specialists, hospitals, home health care and even community services and other resources.
- Medical nutritional counseling for participants who are obese (Body Mass Index of 30 or more).
- Certain community-based chronic disease self-management programs and resources
- Education regarding end-of-life planning

More details will be available in your open enrollment packet which will be mailed to your home in September.

All OPERS health care plan participants What you need to know for 2013

- **Costs to participate in the OPERS dental coverage plan will increase slightly for 2013** and the plan will continue to be administered by MetLife.
- **Costs to participate in the OPERS vision coverage plan will increase slightly for 2013** and the plan will continue to be administered by Aetna.
- **OPERS will continue to offer Kaiser Permanente HMO to retirees living in certain Ohio counties.** Premiums to participate in the Kaiser HMO in 2013 will decrease for Medicare-eligible participants and remain stable for non-Medicare participants. The plan does not include dental or vision coverage.
- **OPERS complies with all requirements of federal health care reform legislation.** This includes allowing adult children up to age 26 to be covered under the OPERS health care plan regardless of marital status or enrollment as a full-time student. There are no additional eligibility changes effective in 2013 as a result of health care reform legislation.

Also as part of federal health care reform, OPERS is participating in the Early Retiree Reinsurance Program (ERRP). This program is designed to reimburse medical plan sponsors for the cost of insuring retirees under the age of 65. The funds OPERS received through this program allowed us to keep medical coverage rates stable for 2013.

More detailed information will be available within your open enrollment packet which will be mailed to your home in September.

Open enrollment education seminars

The OPERS education team will be holding seminars around the state to help retirees learn about their health care coverage for 2013. Representatives from Humana, Medical Mutual, Express Scripts, Kaiser, Aetna and MetLife will be in attendance.

Dates and locations are listed below and also on page 7. For those unable to attend, webinars will be held every Tuesday (1 p.m.) and every Thursday (10 a.m.) between Sept. 18 and Oct. 18. 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.

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.

All locations will feature a seminar beginning at 9 a.m. Based on demand, afternoon sessions may be added. Your registration confirmation will show the start time of your seminar.

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

Open enrollment seminars

Akron

Holiday Inn Akron - Fairlawn
4073 Medina Road
Akron, Ohio 44333
Sept. 25

Athens

Ohio University Inn
331 Richland Avenue
Athens, Ohio 45701
Oct. 9

Bellville

Quality Inn Bellville
1000 Comfort Plaza Drive
Bellville, Ohio 44813
Sept. 25

Cambridge

Pritchard Laughlin Civic Center
7033 Glenn Highway
Cambridge, Ohio 43725
Oct. 11

Canton

Holiday Inn - Canton
4520 Everhard Road
Canton, Ohio 44720
Sept. 17

Chillicothe

Christopher Conference Center
20 North Plaza Blvd.
Chillicothe, Ohio 45601
Sept. 26

Cincinnati (East)

Holiday Inn Eastgate
4501 Eastgate Blvd.
Cincinnati, Ohio 45245
Sept. 20
Oct. 15

Cincinnati

Holiday Inn 1-275 North
3855 Hauck Road
Cincinnati, Ohio 45241
Sept. 28

Cincinnati

Crowne Plaza Cincy North
11320 Chester Road
Cincinnati, Ohio 45246
Oct. 10

Columbus

Holiday Inn Worthington
707 North High Street
Worthington, Ohio 43085
Oct. 12

Columbus

Courtyard West
2350 Westbelt Drive
Columbus, Ohio 43228
Oct. 18

Dayton (North)

Beavercreek Golf Club
2800 New Germany-Trebein Road
Dayton, Ohio 45432
Oct. 1

Dayton (South)

Wyndham Garden South
31 Prestige Plaza Drive
Miamisburg, Ohio 45342
Oct. 11

Findlay

Findlay Inn &
Conference Center
200 East Main Street
Findlay, Ohio 45840
Sept. 18

Huron

BGSU Firelands - Cedar Point Center
One University Drive
Huron, Ohio 44839
Oct. 2

Open enrollment seminars (continued)

Independence

Holiday Inn Independence
6001 Rockside Road
Independence, Ohio 44131

Sept. 17

Lima

Howard Johnson Lima
1920 Roschman Avenue
Lima, Ohio 45804

Oct. 4

Mentor

Holiday Inn Express LaMalfa
5783 Heisley Road
Mentor, Ohio 44060

Oct. 10

Columbus/Newark

Cherry Valley Lodge
2299 Cherry Valley Road
Newark, Ohio 43055

Sept. 20

Ravenna (Rootstown)

NEOUCOM - Northeast Ohio Universities
Colleges of Medicine & Pharmacy
4209 State Route 44
Rootstown, Ohio 44272

Oct. 9

Strongsville

Holiday Inn Strongsville
15471 Royalton Road
Strongsville, Ohio 44136

Oct. 16

Toledo

Dana Conference Center
(Connected to Hilton Toledo)
3110 Glendale Avenue
Toledo, Ohio 43614

Sept. 18

Oct. 17

Toledo/Perrysburg

Holiday Inn French Quarter
10630 Fremont Pike
Perrysburg, Ohio 43551

Sept. 26

West Chester

Wingate by Wyndham
7500 Tyler Place
West Chester, Ohio 45069

Oct. 1

Westlake

Holiday Inn Cleveland West
1100 Crocker Road
Westlake, Ohio 44145

Oct. 3

Youngstown (Boardman)

Holiday Inn Boardman
7410 South Avenue
Boardman, Ohio 44512

Sept. 19

Oct. 2

2013 OPERS health care open enrollment Oct. 1 - 31, 2012

Open enrollment for the OPERS health care plan will be held from Oct. 1 – Oct. 31, 2012. 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, 2013. To help participants make informed decisions regarding their health care coverage in 2013, OPERS will be sending the following communications within the open enrollment packet:

Open enrollment packet: the guide will provide in-depth coverage details for 2013 and 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 in September. Mailing of the packets will continue over two weeks. All participants should receive their packet by September 20.

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.

PRESERVING HEALTH CARE *for the future.*

Proposed plan changes to be implemented in 2014 or 2015

OPERS faces many challenges to offering our current level of retiree health care coverage. The passage of pension legislation in 2012 will allow OPERS to continue providing retiree health care coverage at some level. However, we still need to make substantial changes to the current plan in order to preserve the health care program into the future.

The objective is to develop a health care program that can be funded and sustained with 4 percent of employer contributions. OPERS' focus is to preserve access to health care coverage for career employees upon retirement.

Although these changes are not yet finalized, the new health care plan could:

- Require a minimum age of 60 for members to become eligible for health care coverage.
(for those retiring after the implementation date)
- Increase minimum years of service for health care eligibility to 20 years.
(for those retiring after the implementation date)
- Provide health care for those with 30 years of service at any age.
(could increase to 32 years after pension legislation is enacted)
- No longer feature an OPERS-sponsored plan for Medicare-eligible participants but introduce a Personalized Model allowing participants more choices and greater flexibility.
- Eliminate access to coverage and premium allowance for spouses. Spouses eligible for Medicare Parts A and B may participate in the Personalized Model.
- Eliminate the Medicare Part B premium reimbursement.
(OPERS currently provides eligible retirees with \$96.40 per month in Medicare Part B premium reimbursement)
- Limit the types of service credit counting toward health care eligibility to contributing service, service transfers from other Ohio retirement systems and restored service credit only. Only service where you and your employer contributed to OPERS will count towards health care eligibility and allowance. Purchased service will not count toward eligibility with the exception of service credit obtained for service in the uniformed services (USERRA), as required in federal law.
(for those retiring after the implementation date)
- Feature a new allowance table based on age at retirement and years of service with a minimum allowance of 51% and a maximum of 90%. No retiree will have a 100% allowance. Many current retirees would see a reduction in their allowance, resulting in an increase in their monthly premium.

To minimize hardship on those already retired, any retiree with a current allowance at or above 75% will not have an allowance below 75% under the new plan, regardless of what the new allowance table shows.
- Transition some changes over three years.

Additional information and Feedback

Your feedback is very important. Before the Board takes final action, we ask that you complete our online health care survey which asks retirees and active members to give feedback on the proposed changes. Please visit www.opers.org before the end of August to complete this survey.

The OPERS Board is expected to finalize changes by the end of 2012 with implementation as early as 2014. Please be sure OPERS has your current e-mail address on file so that you can receive electronic news bulletins. You can do this by accessing your account at www.opers.org.

OPERS retiree health care coverage is not a guaranteed benefit nor is it required by law.