



# COMMONWEALTH OF VIRGINIA

## DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

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To: State Retiree Health Benefits Program Participants Who Are Not Eligible for Medicare

From: Commonwealth of Virginia, State and Local Health Benefits Programs

Date: April 3, 2007

Re:

- Open Enrollment – page 1
- Benefit Changes for July 1, 2007 – pages 1-3
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- Making Changes to Your Coverage – pages 4-5
- Other Important Retiree Group News and Information – pages 5-6

**Recipients of this Package** - Retiree group participants receiving this package include Retirees, Survivors, Virginia Sickness and Disability Program Long Term Disability (VSDP LTD) Participants and some eligible dependents who are covered separately (with a separate ID number) from their spouse or parent, all of whom are not eligible for Medicare.

### **Open Enrollment**

From April 16 through May 16, you have the opportunity to make changes to your health plan and membership (those people you are covering) to be effective July 1, 2007. This package includes information about benefit changes that will go into effect on July 1 so that you can decide if you wish to make any changes. You will find information about how to make changes starting on page 4 of this letter, and the enclosed **Open Forum** newsletter includes a brief overview of plan choices.

**If you wish to maintain your current plan and membership level, you do not need to take any action.** Your new monthly premium (see page 3) will automatically be deducted or billed.

The information in this package does not apply to program participants who are enrolled in Medicare-coordinating plans (e.g., Advantage 65 Plans, Option I and Option II).

### **Benefit Changes for July 1, 2007**

**Enhanced COVA Care Wellness Benefits** - Effective July 1, 2007, the \$500 limit on wellness benefits under the COVA Care Plan will be removed. This means that participants will be covered at 100% of the allowable charge for well-child services (through age 6), one annual routine wellness visit (ages 7 and older) and routine wellness lab, immunizations and x-rays with no dollar limitation (ages 7 and older). Preventive care will continue to be covered at 100% of the allowable charge for one screening per plan year, including pap tests, mammograms, prostate

**(Benefit Changes for July 1, 2007 - continued)**

specific antigen (PSA) tests and colorectal cancer screenings. However, if these tests are associated with a diagnosis, the benefit will be paid as a medical service, and the appropriate deductible, copayment or coinsurance will apply. Other plan provisions (e.g., exclusion for experimental/investigative procedures) will apply to this benefit. If your health care provider or you have any questions about covered wellness or preventive care services, contact Anthem Blue Cross and Blue Shield Member Services at 1-800-552-2682.

**COVA Care Coverage for Diabetic Test Strips and Glucose Monitors - Effective July 1, diabetic test strips and glucose monitors will be covered under your prescription drug benefit and administered by Medco.** (It will no longer be covered under your medical plan by Anthem Blue Cross and Blue Shield.) You will pay 20% coinsurance, **with no deductible**, at Medco participating pharmacies. You may purchase test strips either at a Medco-participating retail pharmacy or through Medco's mail order pharmacy, and **you will get your benefit at the point of sale—no more claims to submit.** (However, if you use a non-participating pharmacy, you will have to submit a paper claim form to Medco and be reimbursed at the appropriate benefit level.) Amounts you pay for test strips and monitors will not count toward your plan year out-of-pocket expense limit. **NOTE—Starting July 1, a prescription from your doctor is required at the pharmacy in order to get test strips and glucose monitors under the program.**

Insulin, syringes and lancets will continue to be covered at the designated copayment level through your Medco prescription drug benefit. Insulin pumps and allowable diabetic education will continue to be covered under your medical benefit through Anthem Blue Cross and Blue Shield.

If there is currently a record of your diabetic diagnosis and/or claims for test strips or diabetic drugs, you will receive additional information directly from Medco that will provide all details you will need to make this transition, including how to obtain a new blood glucose monitor at no cost to you. Be sure to look for this information in late May. If you are not identified as a recipient of the letter but need a summary of information about the new administration of this benefit, consult the Member Handbook *Notification of Changes* that is attached (see page 8).

**NEW! – 24/7 NurseLine** – Effective July 1, 2007, COVA Care members will be able to use the Anthem Blue Cross and Blue Shield 24/7 NurseLine. This service provides access to a registered nurse who can answer general health-related questions, assist with assessing symptoms, and increase your understanding of medical conditions or prescribed courses of treatment. All 24/7 NurseLine nurses have 7+ years of experience and are available 24 hours a day, 7 days a week. If you want to get information confidentially, without talking to a nurse, you may also choose to listen to pre-recorded information on hundreds of health-related topics by choosing the AudioHealth Library. Starting July 1, call 1-800-337-4770 to use this service, and go to **[www.anthem.com/cova](http://www.anthem.com/cova)** to get a list of AudioHealth Library topics.

24/7 NurseLine will not be able to provide information about your plan benefits—contact Member Services if you need benefit information—see page 7. This service does not replace assistance that you can obtain through your Employee Assistance Plan/EAP benefit which is administered by ValueOptions. Consult your COVA Care Member Handbook or contact ValueOptions for more information about EAP services.

**COVA HDHP (High Deductible Health Plan)** - For those maintaining COVA HDHP coverage for the upcoming plan year starting July 1, there are no changes to the plan's benefits. The plan continues to be Health Savings Account (HSA) compatible, but, if you wish to participate in an HSA, you must do so outside of the state program; the state program does not offer an HSA. If you are interested in enrolling in the COVA HDHP, a brief summary of benefits is provided in your

**(Benefit Changes for July 1, 2007 - continued)**

enclosed *Open Forum* newsletter. However, if you would like additional information, please consult Retiree Fact Sheet #6 which is available at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov) or from your Benefits Administrator. Be sure that you understand all of the provisions of this consumer-driven health plan before enrolling.

**Kaiser Permanente Members** - Other than the change in premium, there will be no changes under the Kaiser Permanente Plan, which is available only to participants who live in its Northern Virginia service area.

**Monthly Premium Rates Effective July 1, 2007**

Listed below are **monthly premium costs that will become effective on July 1, 2007**. If your premium is currently deducted from your VRS retirement benefit and the premium increase or a requested plan change results in your retirement payment no longer being sufficient to support the deduction of your monthly premium, direct billing will automatically begin in June for your July premium. Otherwise, your new premium will be deducted or billed in the usual manner. Keep in mind that, due to administrative differences, direct billing occurs in advance of the coverage month, while annuity-deducted premiums are collected in arrears, so you will generally be billed for a two-month premium when you transition from a retirement deduction to direct billing.

<b>Plan</b>	<b>Single Premium</b>	<b>Two-Person Premium</b>	<b>Family Premium</b>
COVA Care Basic	<b>\$437</b>	<b>\$809</b>	<b>\$1,182</b>
COVA Care + Out-of-Network	<b>\$447</b>	<b>\$823</b>	<b>\$1,201</b>
COVA Care + Expanded Dental	<b>\$450</b>	<b>\$834</b>	<b>\$1,220</b>
COVA Care + Vision, Hearing and Expanded Dental	<b>\$459</b>	<b>\$851</b>	<b>\$1,242</b>
COVA Care + Out-of-Network and Expanded Dental	<b>\$460</b>	<b>\$848</b>	<b>\$1,238</b>
COVA Care + Out-of-Network and Vision, Hearing and Expanded Dental	<b>\$469</b>	<b>\$864</b>	<b>\$1,259</b>
COVA HDHP (High Deductible Health Plan)	<b>\$350</b>	<b>\$648</b>	<b>\$947</b>
Kaiser Permanente HMO*	<b>\$434</b>	<b>\$803</b>	<b>\$1,172</b>

\*Kaiser Permanente HMO is only available to participants who live in the Kaiser service area in Northern Virginia. If you are a current Kaiser member and do not live in its service area, you must make another plan selection. You may confirm the Kaiser service area by contacting Kaiser directly or going to the Kaiser Web site—see *Resources* on page 7 of this correspondence for contact information.

There are two reasons for your premium increase:

- The average claims expense for these plans increased. In the self-funded COVA Care Plans (fully funded by the premiums paid by participants—or on behalf of participants who are active employees) an increase in claims experience has a direct relationship to an increase in the amount of the premium. However, while health care costs nationwide have grown, on average, by 6.1%, we are pleased to report that all of the COVA Care premium increases for the upcoming plan year have increased by less than 5%, and that includes the post-employment benefit funding that is described below.

- Based on new Governmental Accounting Standards Board requirements, all future expenses for other post-employment benefits (including retiree health plan benefits) must either be funded, or a plan must be put in place to fund the future obligation. This applies to the State Retiree Health Benefits Program for non-Medicare retirees since the program shares the same plans with active employees. Retirees pay the full cost of their coverage, and the state pays a large part of active employee premiums, but the total premium is the same. The claims experience for non-Medicare retirees and active employees is pooled together for purposes of determining premiums; however, the average claims cost for non-Medicare retirees is substantially higher than that of active employees. The result is that the active employee plan is effectively subsidizing the retiree plan. This is greatly to the benefit of non-Medicare retirees but has little impact on the cost to active employees. If non-Medicare retirees were pooled separately for purposes of premium calculation, their premiums would be approximately two and one-half times higher (the amount of the increased claims experience). Over the next five years, a portion of the premium increase will be set aside in a trust to ensure continuation of the active employee subsidy toward the non-Medicare retiree premium. This is a small price for employees and non-Medicare retirees to pay to maintain this favorable experience pooling arrangement.

### ***Making Changes***

***Open Enrollment Changes*** - If you wish to make a plan or membership change during Open Enrollment, your completed Enrollment Form must be **received** by your Benefits Administrator (see page 7) no later than close of business on May 16, 2007. You may make a change by completing an Enrollment Form (available from your Benefits Administrator or online at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov)) or by using EmployeeDirect on the Web at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov)—click on the EmployeeDirect link. If you make a plan change, be sure that you understand the provisions of the plan that you choose. Once an election is made, it will not be changed except as allowed by the policies of the Department of Human Resource Management. That policy does not allow changing your plan election simply because you changed your mind after the Open Enrollment period ends or you checked the wrong box on the form.

If you need assistance in identifying your Benefits Administrator, refer to your *Resources* on page 7. If you use an enrollment form, ***it must be signed by the eligible Enrollee***. The eligible Enrollee is the retiree, survivor or VSDP/LTD participant through whom eligibility for coverage is obtained—not a covered dependent. Even those covered dependents who have separate/individual coverage must have their Enrollment Forms signed by the Enrollee. Your Enrollment Form will not be accepted if it is not signed by the Enrollee.

While you are reviewing your benefits, if you are interested in more information about:

- COVA Care optional benefits—consult your current COVA Care Member Handbook or, if you do not have a current Member Handbook, obtain a copy on the web at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov) or from Anthem;
- Kaiser Permanente HMO—contact Kaiser directly or go to its Web site—see page 7;
- COVA HDHP—review the Member Handbook or Retiree Fact Sheet #6, either of which is available at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov).

A brief comparison of plan benefits is also provided in the enclosed ***Open Forum*** newsletter.

***Making Changes After Open Enrollment*** - After the Open Enrollment period, membership **increases** will only be allowed based on the occurrence of a consistent qualifying mid-year event (such as marriage or birth of a child). Of course, retiree group participants may **decrease**

### ***(Making Changes – continued)***

membership prospectively (going forward) at any time. Any membership change due to a qualifying mid-year event will also allow for a plan change. If you need more information about making changes to your health plan coverage, a good resource is Retiree Fact Sheet #4, *Making Changes*, which can be found on the Department of Human Resource Management Web site at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov). You may also request any Retiree Fact Sheet from your Benefits Administrator.

### **Other Retiree Group News and Information**

***ID Cards*** - Unless you make a plan change that will affect the information on your current ID card (e.g., changing from COVA Care to the COVA HDHP or from COVA Care to Kaiser Permanente HMO), you will not receive a new ID card for July 1.

***Member Handbooks*** - COVA Care and COVA HDHP members who remain in those plans will not receive a new Member Handbook at this time. However, a *Notification of Changes* for the COVA Care Member Handbook is attached (page 8). COVA Care members should maintain this information with their COVA Care Member Handbook. There are no changes to the COVA HDHP handbook. If you change plans (e.g., from COVA Care to COVA HDHP), you will get a new Member Handbook and a new ID card. Kaiser Permanente HMO Members will receive a new Evidence of Coverage.

***COVA Care Flu Shot Program*** - Did you know that COVA Care members can get a free flu shot? Not only can they use their wellness benefit to get a flu shot with no copayment or coinsurance, they can also take advantage of a program during flu season under the Medco prescription drug benefit at participating pharmacies. Be sure to check the Department of Human Resource Management's Web site ([www.dhrm.virginia.gov](http://www.dhrm.virginia.gov)) in the fall to get more information about this program.

***IMPORTANT!! When You Become Eligible for Medicare*** - When retiree group Enrollees (Retirees, Survivors, VSDP/LTD participants) or their covered dependents become eligible for Medicare, Medicare becomes their primary health plan, and they must make a decision as to whether they wish to maintain secondary coverage under the State Retiree Health Benefits Program. You will be contacted approximately three months in advance of your Medicare eligibility date with your options. If you do not make any election, you will automatically be moved to the Advantage 65 Plan, a Medicare supplemental plan that includes Medicare Part D prescription drug coverage (contingent upon approval by Medicare).

Some important things to consider when making this coverage decision:

- If you wish to select your Medicare-coordinating plan through the state program, you must enroll in Medicare Parts A and B (the Original Medicare Plan) in order to get the full benefit of the Advantage 65 Plan. Failure to enroll in Medicare Parts A and B will result in a significant deficit in your coverage since Advantage 65 will not pay for any benefit that Medicare would have paid had you been enrolled.
- As a Medicare-eligible participant, you may select the Advantage 65 Plan, which includes Medicare Part D outpatient prescription drug coverage, or the Advantage 65 – Medical-Only Plan that does not include any outpatient prescription drug coverage. If you select Advantage 65 (or Advantage 65 with Dental/Vision), **do not** enroll in any other Part D plan. Enrollment in another Part D plan outside of the state program will result in your termination from the state program's Medicare Part D plan.
- If an Enrollee requests termination of coverage in the State Retiree Health Benefits Program, he or she may not re-enroll. Termination of the Enrollee will result in termination of all covered dependents.
- Any Medicare-eligible participant who terminates (or fails to initially elect) outpatient prescription drug coverage (the program's Medicare Part D plan) may not re-enroll for drug coverage.

If it is determined that a retiree group participant is eligible for Medicare and has not enrolled in a Medicare-coordinating plan, he or she will be placed in the Advantage 65 plan immediately and claims that have been paid as primary coverage in error prior to that date are subject to recalculation for secondary coverage, regardless of enrollment in Medicare Part B. Generally, participants will not be moved to a Medicare-coordinating plan retroactively. Enrollment in the program's Medicare Part D plan is subject to the approval of Medicare.

**Becoming Eligible for Medicare During the Open Enrollment Period** - If you become eligible for Medicare during the Open Enrollment period, you may receive both an Open Enrollment package and a package notifying you of your Medicare eligibility. If you become eligible for Medicare prior to or on July 1, your Medicare plan election will supersede any Open Enrollment election. If you become eligible for Medicare after July, you may make an Open Enrollment election for July 1, and your Medicare plan election will take place on the first of the appropriate month after July.

**Prompt Payment of Premiums** - Plan participants are responsible for timely payment of their monthly premiums (either through VRS retirement benefit deduction or by direct payment to the carrier). Participants who pay directly to the carrier (Anthem or Kaiser) receive monthly bills or coupons which indicate when premium payments are due. Monthly premiums that remain unpaid for 31 days after the due date will result in termination of coverage. Claims during any period for which premium payment is due but not received may be suspended until payment in full has been received or coverage is terminated for non-payment, including prescription drug benefits. Resubmission of any denied claims may be required once payment is made. Once an Enrollee and his/her dependents have been terminated for non-payment of premiums, re-enrollment in the program is not allowed except in extreme circumstances and at the discretion of the Department of Human Resource Management.

Participants are responsible for understanding their premium obligation and for notifying their Benefits Administrator within 31 days of any qualifying mid-year event that affects eligibility and/or membership level. Premium overpayments due to failure of the Enrollee to advise the program of membership reductions may result in loss of the overpaid premium amount.

Retiree group participants who are billed directly by Anthem may have their premiums automatically deducted from their bank account instead of having to write a monthly premium check. Also, Anthem can accept on-line payments from your checking or savings account when you are a registered member. To register, go to [www.anthem.com](http://www.anthem.com), Virginia site. Please contact Anthem (see page 7) to obtain enrollment materials for participation in the Automatic Bank Draft program or for more information on the on-line check payment process.

**Address Changes - Was this package forwarded to you from an old address?** If so, be sure to contact your Benefits Administrator immediately to make an address correction, including an updated telephone number. If you have an e-mail address, you may ask to have it included in your eligibility record. Failure to update your address can result in your missing important information about your health benefits program. The Department of Human Resource Management will not be responsible for information that participants miss because their address of record is incorrect. The Department's only means of communicating important information to retiree group participants is through the mail. Please let your Benefits Administrator know when you move! You may also change your address by using *EmployeeDirect* on the Web at [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov)—click on the *EmployeeDirect* link.

**If You Need Help...** - Retiree group participants should contact their Benefits Administrator with questions regarding Open Enrollment or about eligibility and administrative issues. For most retiree group participants, the Virginia Retirement System (VRS) acts as Benefits Administrator. However, local and optional retirement plan retirees and survivors continue to use their pre-retirement agency's Benefits Administrator. Benefits Administrators are generally not able to assist with claims concerns, and those questions should be directed to your claims administrator. Please see your *Resources* on page 7 for contact information.

Attachments:

- Resources (page 7)
- Women's Health and Cancer Rights Notice (page 7)
- Notification of Changes (page 8)

Enclosure:

- ***Open Forum*** Newsletter

**RESOURCES**

***If you have questions regarding claims or participating providers, contact:***

<b><i>Benefit</i></b>	<b><i>Contact This Administrator</i></b>
<ul style="list-style-type: none"> <li>• COVA Care Medical</li> <li>• COVA Care Optional Vision and Hearing</li> <li>• COVA HDHP (all benefits)</li> </ul>	Anthem Blue Cross and Blue Shield Member Svcs. 1-800-552-2682 Hearing impaired: Contact your state's relay service by dialing 711. Web site: <a href="http://www.anthem.com/cova">www.anthem.com/cova</a> <a href="http://www.anthem.com/cova">BlueCard Worldwide</a> (for assistance outside of the US) 1-800-810-BLUE (2583) Web site: <a href="http://www.bcbs.com">www.bcbs.com</a>
<ul style="list-style-type: none"> <li>• COVA Care Behavioral Health or Employee Assistance Program</li> </ul>	ValueOptions, Inc. 1-866-725-0602 Web site: <a href="http://www.achievesolutions.net/covacare">www.achievesolutions.net/covacare</a>
<ul style="list-style-type: none"> <li>• COVA Care Dental</li> </ul>	Delta Dental Plan of Virginia 1-888-335-8296 Web site: <a href="http://www.deltadentalva.com">www.deltadentalva.com</a>
<ul style="list-style-type: none"> <li>• COVA Care Prescription Drugs</li> </ul>	Medco Health Solutions, Inc. 1-800-355-8279 Web site: <a href="http://www.medco.com">www.medco.com</a>
<ul style="list-style-type: none"> <li>• Kaiser Permanente HMO</li> </ul>	Kaiser Foundation Health Plan of the Mid-Atlantic States 1-800-777-7902 or 1-301-468-6000 (in Washington, DC) Web site: <a href="http://my.kaiserpermanente.org/mida/commonwealthofvirginia/">http://my.kaiserpermanente.org/mida/commonwealthofvirginia/</a>

***If you have questions about eligibility and enrollment, contact:***

<b><i>If You Are A:</i></b>	<b><i>Contact This Benefits Administrator</i></b>
<b>Virginia Retirement System Retiree/Survivor or a VSDP Long Term Disability Program Participant</b>	The Virginia Retirement System 1-888-827-3847 <a href="http://www.varetire.org">www.varetire.org</a>
<b>Local or Optional Retirement Plan Retiree or Survivor</b>	Your Pre-Retirement Agency Benefits Administrator

The Department of Human Resource Management Web site also has information about the State Retiree Health Benefits Program. Go to [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov).

**Notice**

**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;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedemas.

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

## **COVA Care**

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

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

Page 4 – Summary of Benefits, Routine Wellness

**2) The outpatient prescription drug benefit through Medco covers:**

- Diabetic blood glucose test strips and monitors (glucometers): You pay 20% coinsurance with no deductible at Medco pharmacies.
  - A prescription from your physician is required at the pharmacy for the purchase of blood glucose tests strips and monitors.
- Insulin, syringes and lancets: You pay applicable prescription drug tier copayment.
- Amounts you pay for blood glucose test strips, monitors, insulin, syringes and lancets do not apply to your annual out-of-pocket expense limit.

Page 5 – Summary of Benefits, Prescription Drugs (outpatient)

Page 28 – Prescription drugs

**3) The medical plan through Anthem covers:**

- Insulin pumps (and associated supplies): You pay 20% after the deductible. The deductible and coinsurance apply to your out-of-pocket expense limit.
- Outpatient self-management training and education: No deductible, coinsurance or copayment is required.

Page 22 – Diabetic equipment and education

- This notification and your member handbook constitute a full and complete description of your coverage. Keep this notification with your member handbook.
- 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](http://www.dhrm.virginia.gov).