

Perspectives

FOR ACTIVE
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COBRA Premium Subsidy Assistance

The American Recovery and Reinvestment Act (ARRA) signed into law on February 17, 2009, provides that certain individuals known as “assistance eligible individuals” (AEIs) are eligible for a 65% reduction in the premiums for group insurance continuation coverage under COBRA for a period of 9 months. This includes coverage under the NDPERS group health, dental or vision plans. The premium subsidy provisions of the ARRA are in effect from September 1, 2008 through December 31, 2009.

“Assistance-eligible individuals” (AEI) are entitled to elect COBRA coverage and will pay 35% of the applicable premium if you lost group insurance coverage due to being involuntarily terminated from employment during the qualifying period from September 1, 2008 through December 31, 2009. Involuntary termination is a termination that was at the direction of your employer and will not generally include voluntary resignation or retirement.

Continued on page 2

EPO Discontinued July 1, 2009

The EPO program will no longer be an option in the PERS group health plan effective July 1, 2009. After that date, the only coverage option will be the PPO/Basic plan (formerly the EPO/PPO/Basic option).

The EPO program has been a part of the PERS plan since the mid 1990s. The foundation of this program was a contract between PERS/BCBSND and the participating provider networks. This contract transferred a portion of the financial risk of providing health care services to the provider in exchange for our members selecting a specific network as their Exclusive Provider. If the provider network was able to meet the health care needs of its members for less than the plan payments, they could keep all or a portion of the difference. If the cost to the provider was higher than the plan’s payments, then the provider paid all or a portion of the excess cost. Payments were based upon the methodology in the contract rather than the traditional method of payment for actual services performed. The objective of the program was to create a risk/reward relationship for the health care network that encouraged them to effectively manage the health care needs of its members and, in so doing, reduce the rate of increase in overall plan costs.

Two years ago BCBSND was unable to renew EPO network provider contracts without removing the risk-sharing provision. Since this occurred after the 2007-2009 biennium premium rates had already been accepted by the PERS Board; included in the Governor’s budget; and in final consideration by the Legislature, BCBSND agreed to continue the option without an adjustment in the premium rates for this biennium.

In the renewal for PERS 2009-2011 biennium, BCBSND indicated it would cost approximately 2% of overall premiums for us to maintain the EPO program for our members. This would require about \$7.2 million in premium payments for all our plan participants, with the state paying about 75% of that amount. Therefore, because of the additional cost to maintain the program, it will not be a part of the PERS plan for the 2009-2011 biennium.

Wellness Programs A New Benefit for You

Blue Cross Blue Shield of North Dakota is pleased to offer two wellness programs. Employees and spouses age 18 and older who are covered by the NDPERS Dakota Plan plan are eligible to participate.

Employees and eligible spouses can each qualify to receive up to a total of \$250 each year that can be earned for one or both of the following programs:

- **Health Club Credit.** Employees and their eligible spouses can earn up to a \$20 credit monthly for visiting a participating health club a minimum of 12 days a month.
- **MyHealth Center.** Employees and their eligible spouses can earn points to apply toward incentive prizes in this online program. MyHealthCenter provides personal coaching, the QuitNet tobacco cessation program, customized plans for fitness and nutrition, and family tools for kids.

You will receive a wellness packet with your new health ID cards which will include:

1. A letter that explains both programs in detail as well as the member's enrollment process.
2. Health Club Credit Schedule and list of frequently asked questions.
3. Login/Know Your Numbers card. Chronic diseases lead to an estimated 45 million sick days and \$7.4 billion in lost productivity each year. A strong wellness program is a win-win for all.

Health Dialog Services to End

Health Dialog, the online disease management program provided by MyHealth Connection will no longer be available after June 30, 2009. This is the computer based program provided to participants in the NDPERS group health plan that contained a toolbox of health resources that focused on using lifestyle behaviors and health history to assess and improve overall wellness.

In conjunction with our renewal with BCBS for the 2009-2011 biennium, we will be offering a new disease management program called MediQHome. Be watching for more information on this program in the future.

Preferred Provider Organization (PPO) Plan Features

Effective July 1, 2009 the EPO will no longer be an option under the NDPERS Dakota Plan. Following is a brief description of the PPO/Basic benefits as well as the schedule of out-of-pocket expenses. There is no change to the schedule from the previous biennium.

The PPO is a group of hospitals, clinics and physicians who have agreed to discount their services to members of NDPERS. You have "freedom of choice" in selecting which physician or medical facility to use for services. No referral is needed. If you choose a provider who participates in the PPO program, you will have lower out-of-pocket expenses. PPO benefits are only available in the State of North Dakota, unless the medical facility provides services at a satellite location in another State.

Plan Features:	Basic*	PPO
Deductible for All Services		
– Per Person	\$400	\$400
– Per Family	\$1,200	\$1,200
Copayment for Physician Office Visits (no limit)	\$ 30	\$ 25
Copayment for Emergency Room	\$ 50	\$ 50
Coinsurance on all covered services EXCEPT Physician Office Visits	75/25	80/20
Annual Coinsurance Maximum		
– Individual	\$1,250	\$750
– Family	\$2,500	\$1,500
Out-of-Pocket Maximums (Deductible and Coinsurance)**		
– Individual	\$1,650	\$1,150
– Family	\$3,700	\$2,700

* Providers that do not participate in the PPO are paid at the Basic level.

**Office visit, emergency room, and prescription drug copayments do not accrue towards your annual coinsurance maximum limits.

COBRA Premium Continued from cover

If any of the following apply, you are not eligible for the subsidy:

- Were terminated for gross misconduct,
- Voluntarily resigned or retired,
- Are eligible for or are enrolled in other health, dental or vision insurance coverage (such as through another group plan or through a spouse's plan),
- Are eligible for Medicare, or
- Are eligible for assistance under the Trade Act via the HealthCare Tax Credit.

How Do You Elect the Subsidized COBRA Coverage?

When the NDPERS office receives notice of termination from your employer, you will be sent a notice outlining your COBRA continuation and premium

subsidy rights, a COBRA Premium Subsidy Election Form and a COBRA Continuation Election form. You will have 60 days to respond. If you fail to respond within the 60-day time period, you will have irrevocably waived any right to a COBRA premium subsidy for all years for which the subsidy is otherwise available and will also forfeit your right to COBRA continuation coverage.

If you are not eligible for the premium subsidy, this in no way affects your eligibility to continue your coverage under the COBRA continuation provisions; however, you will pay the full premium in effect for your elected level of coverage.

Summary of Benefit Plan Changes for NDPERS Dakota Plan

The following information is intended to provide a brief summary of your Benefit Plan changes effective July 1, 2009. It should not be used to determine whether your health care expenses will be paid. The written Benefit Plan governs the benefits available. Covered Services are subject to your Benefit Plan Cost Sharing Amounts, unless otherwise indicated. You will receive an updated Benefit Plan and new ID cards in the near future. If you have any questions, please call the number listed on the back of your Identification Card.

Note: The capitalized terms are defined in the Benefit Plan.

EPO Program

BCBSND is terminating all EPO agreements with Health Care Providers and as a result, this network option and category of Health Care Providers will no longer be available after June 30, 2009. Members on the EPO will be transitioned to the PPO/Basic plan effective July 1, 2009. The PPO/Basic cost sharing amount will apply and will remain at the same levels as they were the past biennium. For further information, refer to the PPO and EPO articles in this edition.

Preventive Screening Services

The current PPO Preventive Schedule has been changed and has been replaced with a \$200 maximum benefit allowance. Once that has been exhausted, preventive services will be allowed subject to applicable Cost Sharing Amounts.

Benefits include:

- One routine physical examination per Member per Benefit Period, including sports physicals.
- Routine diagnostic screenings.
- Routine screening procedures for cancer.

A Health Care Provider will counsel Members as to how often preventive services are needed based on the age, gender and medical status of the Member.

Wellness benefits such as Mammography Screenings, Routine Pap Smears, Prostate Cancer Screenings, Fecal Occult Blood Testing and Immunizations will be processed under their own specific benefit schedules and will not apply to the \$200 Maximum Benefit Allowance.

Well Child Care

Well Child Care visits have been increased to 7 visits in the birth through 12 months age category and benefits will be subject to the Copayment amount (\$30 Basic Plan/\$25 PPO plan) and then paid at 100% of allowed charge. Deductible amount will be waived.

Immunizations

Immunizations for all age groups will be paid at 100% of Allowed Charge, Deductible Amount is waived. Covered immunizations are those that have been published as policy by the Centers for Disease Control. Immunizations will be allowed at the Network level. Certain age restrictions may apply.

Chiropractic Services

Only one Copayment Amount will apply when an Office Visit and Therapy/ Manipulation are received from the same Health Care Provider on the same date of service. When both services are billed, only the Office Visit Copayment Amount will apply.

Outpatient Prescription Medications and Drugs Copayment Amount Application

Copayment Amount application will be as follows:

- One Copayment Amount per Prescription Order or refill for a 1-34 day supply
- Two Copayment Amounts per Prescription Order or refill for a 35-100 day supply

Routine Circumcision

The exclusion for routine circumcision has been removed – Benefits are available subject to cost share.

Outpatient Nutrition Care Services

Benefits have been added to allow 1 visit per Member per Benefit Period for the treatment of obesity provided by a Licensed Registered Dietitian.

Outpatient Therapy Services

Physical Therapy, Occupational Therapy and Speech Therapy will now apply a copayment (\$30 Basic plan/\$25 PPO plan) and then coinsurance (75% Basic plan/80% PPO plan). Deductible amount is waived.

Health Dialog

This program will end June 30th, 2009. See related article on page 2 of this newsletter.

Wellness Programs

Effective July 1, 2009, you will now be eligible to participate in the new Wellness Program being offered as part of your group health coverage in the NDPERS Dakota plan. For further information, refer to the Wellness Program article in this edition.

NDPERS Proposed Legislation

The following is the status of the bills submitted by PERS:

HB 1120 – Relating to non-Medicare retiree insurance rates. *Failed in House*

HB 1121 – Provides an increase for OASIS retirees. *Passed*

SB 2153 – NDPERS administrative bill. *Passed*

SB 2154 – Provides for an increase in the retiree health credit from \$4.50 to \$5.00. *Passed. Awaiting Governor's Signature*

Know Your Retirement Account Options

If you participate in the Defined Benefit Retirement plan, when you leave employment you must choose a retirement account option. The kit you must complete depends on which option you choose. The following is a brief description of each option:

- If you meet the Rule of 85 or are vested and age 55 or older, you may choose to apply for a monthly retirement benefit by completing the RETIREMENT KIT SFN 53723.
- Whether or not you are vested, you may choose to take a refund or rollover by completing a REFUND/ROLLOVER KIT SFN 53725.
- Whether or not you are vested, you may choose to leave your member account balance intact by completing the DEFERRED RETIREMENT KIT SFN 53724.
- Disability benefits are available after you have 6 (six) months of service credit. To apply for disability retirement benefits use the DISABILITY RETIREMENT KIT SFN 53726.

More detailed information is in the Defined Benefit Hybrid Retirement Plan book available on our web site at www.nd.gov/ndpers/retirement-plans/db-plan.html.

Prior to separating from employment, you should be aware of your options with regard to your retirement account. On-line services are available for NDPERS members to

access their individual retirement account. Through this service, you may view your retirement account balance, annual statements, and access the tools needed to compute retirement and disability benefit estimates. A one time registration for a logon ID is required to access your personal data.

Health Insurance Premium to Increase

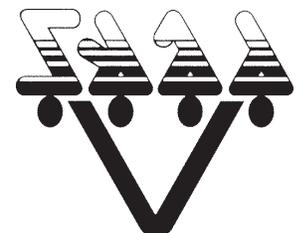
Group health insurance premiums for the 2009-2011 biennium will increase by approximately 26% for state agencies and participating political subdivisions. For political subdivisions that will transition from the EPO only option to the PPO/Basic option, premiums will increase by about 34%. The proposed rate increase will be effective July 1, 2009 through June 30, 2011. The rates will not be finalized until after the legislative session adjourns.

In conjunction with our renewal with BCBS, there will be several benefit plan changes. For an outline of the changes, please refer to the "Summary of Benefit Plan Changes" article.

The articles and opinions in this publication are for general information only and are not intended to provide specific advice or recommendations for any individual. We suggest that you consult your attorney, accountant, financial or tax advisor with regard to your individual situation. This newsletter is available in alternate formats upon request. Printed on recycled paper.

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