

PEBP Plan Design Changes Enacted at August 2010 Board Meeting

Effective July 1, 2011

I. Core Medical Plan

1. Those who have single coverage (employee or retiree only), there is a \$2,000 annual individual medical deductible.
2. Those who cover two or more family members (including the employee), there is a \$4,000 family annual medical deductible. The individual deductible does not apply under the family coverage tier. The family deductible can be met by any combination of eligible medical expenses from one or more members of the same family coverage tier.
3. Annual out of pocket maximums will increase from \$3700 for an individual to \$3900. Family out of pocket maximums increase from \$7400 to \$7800. The out of pocket maximums are exclusive of the deductible requirement. It's important to understand that the purpose of the out of pocket maximum is to help protect individuals who are dealing with catastrophic medical situations from financial devastation by providing a "stop loss" amount by way of limiting their annual out of pocket (their 25% coinsurance). Catastrophic is defined as certain types of cancers, head injuries, organ transplants, pre-mature birth, certain heart surgeries such as bypass, etc. The out of pocket maximum is typically not something that an individual who is not dealing with a catastrophic medical condition should be concerned with.
4. PEBP coinsurance amount reduced from 80% to 75% (reimbursement after annual deductible). Participant coinsurance is increased from 20% to 25%.
5. All services (except wellness/preventive medical services) including prescription medications are subject to the annual medical deductible.
6. HMO options in southern Nevada and northern Nevada will continue.

II. Changes to covered items on the PPO plan

1. Coverage for outpatient laboratory tests performed at hospitals will be eliminated. The exceptions are, lab services for pre-admission testing (those provided prior to an elective hospital admit); lab testing performed at an urgent care facility or emergency room or when determined by PEBP or PEBP's claims administrator that the services could only be provided by a hospital because a free standing lab facility/blood draw station is more than 50 miles from the participants residence.
2. Coverage for treatment of temporomandibular joint (TMJ) disorder has been reduced from 80% to 50%.
3. Participants will be able to purchase a 90 day supply of maintenance medications, e.g. blood pressure and cholesterol reducing medications and birth control medications at certain retail pharmacies. Currently, the plan limits retail prescription purchases to a 30 day supply. A list of the participating retail pharmacies will be provided at a later date.
4. For participants who cover their spouse or domestic partner, PEBP coverage will be eliminated for the spouse or domestic partner who have or who are eligible for coverage under their own employer sponsored health plan. Other employer coverage will be verified by PEBP by way of PEBP enrollment documents, PEBP's third party claims administrator or PEBP's HMO vendors.
5. The term "or as needed" has been removed from the Wellness and Preventive Guidelines in the PEBP Master Plan Document. Wellness and Preventive services will be subject to the frequency guidelines recommended by the Centers for Disease Control (CDC).

III. Dental Plan

1. All dental benefits have been eliminated except for routine preventive services such as cleanings, oral examinations, bite wing x-rays, fluoride treatment and sealants. The dental plan will continue to allow payment for up to four cleanings each plan year.

IV. Other Benefits

1. Basic life insurance amount has been reduced by 50%. Effective July 1, 2011, the life insurance amount for an active employee will be \$10,000 and \$5,000 for a retiree. Dependent life insurance, including accidental death and dismemberment has been eliminated.
2. Reduction of long term disability income replacement benefit is reduced from 60% to 40%. Employees will be given the option of purchasing additional voluntary long term disability coverage to fill the 20% coverage gap.

V. Medicare Retirees (current and future)

1. All Medicare retirees (those with Medicare parts A and B) will be moved to a Medicare Exchange program. The Medicare Exchange will assist the retiree with the purchase of a Medicare Supplemental policy that will help pay some of the health care costs not covered by Medicare. The policies will be offered by large insurance companies such as Anthem, Cigna, Aetna and United Health. Many of the policies include coverage for prescription drugs.
2. Retirees with Medicare part B only and who are not eligible for free Medicare part A will be shifted to the non-Medicare retiree premium rates. Currently, these retirees receive the same rates as those who have both parts A and B Medicare coverage. To assist these retirees with payment of their premium, PEBP will provide a "rate credit" equal to the amount of the Medicare part B premium as published by the Centers for Medicare and Medicaid Services (CMS) at the time PEBP sets its rates each year.
3. Medicare retirees will continue to have preventive dental benefits and basic life insurance through PEBP.