

To: All Employees & Retirees Eligible for District Health Insurance
 From: Ruth Dillon, Board Clerk/Business Manager
 Re: Transition to the State Health Insurance
 Date: Tuesday, March 01, 2011

The insurance committee recommended and the board approved joining the state health insurance plan. The earliest we can get into the plan is June 1, 2011. In the interim, the Board has chosen BC/BS Option 2 as the plan of choice for the two month (April-May) coverage gap.

District Health Insurance General Information

| April/May Coverage BC/BS Option 2 Enrollment dates for Section 125 and BC/BS Option 2 through Colonial will be March 16 & 17 | June Coverage State Health Plan Enrollment dates – most likely sometime during the week of March 7-11 | July 2011 through June 2012 State Health Plan Enrollment for 2012 – October 2011 |
|---|---|---|
| <ul style="list-style-type: none"> • Two month coverage with new coverage and new deductibles • Employees adding dependents (example children who went off at age 23 and can come back in to age 26) MUST fill out a change form. • See details under Option 2 notes | <ul style="list-style-type: none"> • Employee coverage from June through December 2011 • New deductibles – no carryover. • District will pay full single and 55% of premium for family-type plans • Tobacco users will be required to pay the \$40 per month tobacco user surcharge or enroll in Tobacco Cessation program. • Employees enrolling a spouse or dependent will need to have copies of marriage licenses and/or birth certificates at the time of enrollment or soon thereafter (preferably within 10 days) • See details under State Plan | <ul style="list-style-type: none"> • District rates increase 15% beginning July 1, 2011 • Employee rates will not change until January 1, 2012 • Classified employees and administrators will be required to pay 5% of single health premium or 45% for family-type coverage. • Certified employees under the Negotiated Agreement TBD • See details under Stat Plan |

DEDUCTIBLE NOTES - There will be two deductible periods; one for the two month period with Blue Cross Option 2, and a second will begin June 1 through December with the state plan. Rates will change in January for employees at which time employees will be on a calendar year plan with new deductibles.

RETIREE NOTES – Under the State Plan, retirees will be billed direct by the insurance company they choose for the full premium. In order to receive the retiree health insurance fringe the district will have to pay this in cash and issue a 1099 for income tax purposes. This new procedure will begin in June. Additionally, retirees will be eligible to stay in a Medicare State plan after age 65.

BLUE CROSS BLUE SHIELD OPTION 2 NOTES

Option 2 includes a deductible of \$1,000 single/\$3,000 family; coinsurance of 50/50 to \$5,000 single/\$15,000 family; office co-pay of \$25 for a maximum of five visits; dental and prescription coverage remains the same as our current coverage.

The premiums for April and May with Blue Cross Option 2 are as follows:

| | Single | Emp/Child(ren) | Emp/Spouse | Family |
|---------------------------|----------|----------------|------------|-----------|
| Premium | \$667.83 | \$1305.23 | \$1432.01 | \$2053.13 |
| Fringe – paid by district | \$667.83 | \$667.83 | \$667.83 | \$667.83 |
| Cost to Employee | \$0.00 | \$637.40 | \$764.18 | \$1385.30 |
| Dental Buy-Up Cost | \$0.00 | \$24.63 | \$26.28 | \$50.93 |

IMPORTANT:

- Any employee currently opting out of district provided Blue Cross Blue Shield who would like to join the group on April 1 MUST COMPLETE AN APPLICATION FORM.
- Employees adding dependents (example children who went off at age 23 and can come back in to age 26) MUST FILL OUT A CHANGE FORM. These forms must be received by Blue Cross by March 30. Forms are available in the Central Office.

STATE HEALTH PLAN NOTES

The premiums for June with the state plan will depend on your salary, the plan, and the company you select with the board paying the single. A representative from the State Plan will come to the district and explain the program, the options, and enroll employees.

Requirements of the State Plan:

- Application must be completed whether you are electing or waiving coverage.
- Working a minimum of 630 hours to be eligible, 1,004 is considered full time.
- Documentation must be submitted within ten days of enrollment for dependent and/or spouse coverage.
 - A copy of the original state marriage certificate if covering a spouse. A copy of the first and last page of the most recent Federal Income tax form may be used in place of a marriage certificate.
 - Copy of birth certificates, if covering children. Birth certificate must list the names of the father, mother and child.
- Social Security numbers required for everyone covered under the policy.
- Dental insurance is with Delta Dental.
 - Employees who take a single plan will be unable to buy up on dental – a dependent or spouse cannot get dental coverage unless they are covered by the health plan.
- Two vision plans are available, Basic and Enhanced through Superior Vision.
 - Vision coverage is voluntary and employee paid with no employer contribution.
 - Vision will not be available until January 1, 2012.
- District provided \$10,000 Advance Life Insurance with BC/BS is not available.

Classified Staff and Administration - Starting July 1, 2011, the premiums for July – December will be paid 95% by the board and 5% by the employee for single and paid 55% by the board for dependents and 45% by the employee.

Certified Staff Falling Under the Negotiated Agreement – Terms of health insurance