

# Retiree Enrollment Guide

(HMO / PPO and Medicare plans)



## Step-by-step

This is your handy guide in choosing a health-care plan

## **NEW!** More options

Four new plans to choose from — a starting-line up's worth of choices

## Low cost, high value

The best deals of the year

# Win for Life

Making SMART health choices

# May 2010 Open Enrollment

## Contacts

For more information or to request a Medicare plan enrollment package from Aetna, KelseyCare, TexanPlus, Texas HealthSpring, or UnitedHealthcare, call the customer-service numbers below.

We don't want to overload your mailbox, so we let you request the information you want. Feel free to call all five.



800-307-4830

[www.aetnamedicare.com](http://www.aetnamedicare.com)



866-534-0554

[www.kelseycareadvantage.com](http://www.kelseycareadvantage.com)



866-556-4614

[www.sctexas.com](http://www.sctexas.com)



Texas HealthSpring

800-846-2098

[www.texashealthspring.com](http://www.texashealthspring.com)



800-545-1797-AARP plan F  
888-556-6648 - drug plan  
[www.uhc.com](http://www.uhc.com)

### Human Resources Benefits

713-837-9400

888-205-9266

[www.houstonhumanresources.org](http://www.houstonhumanresources.org)

### HMO Blue Texas

713-837-9377

713-837-9448

713-837-9376

## A message from the coach

Dear Retirees,

You worked for the residents of this city. I sincerely thank you for that. As you enjoy your retirement, we're working hard to keep the health plans affordable in these dire economic times.

But health-care costs are going up every year, and at a faster rate than the city's income. Maintaining comprehensive coverage for 68,000 employees, retirees and dependents and the quality you expect is important to me, and that requires we share the increased cost. That means that those who cost the plan the most will have to take on a bigger share of the costs.

Medical-claims costs for retirees who are under age 65 are 65 percent higher than the costs for active employees and retirees covered by Medicare. So this year, we're increasing the contribution percentage that retirees under age 65 pay. Starting May 1, retirees under age 65 will pay 48 percent of the total premium for your coverage. (See the contributions chart on page 22.)

Additionally, for members in the BCBSTX HMO and PPO plans, copayments for doctor visits and brand-name prescriptions are going up \$5.

However, there is good news: We're also introducing a money-saving option for retirees. The new Opt-out Opt-in feature allows you to dis-enroll from your city medical and dental coverage and re-enroll later - even years later. That way, if you find affordable insurance elsewhere, you can drop your city coverage for now, and then if you want to come back for whatever reason, you can re-join the city's medical and dental plans.

And, for Medicare-covered retirees, we have more money-saving options than ever. This year, we introduced four new Medicare plans for retirees age 65 and older, giving you nine options from which to pick exactly the coverage that suits your needs. The new plans have great health-care coverage and doctors you expect, and all cost less than the BCBSTX HMO and PPO plans.

All seven of the Medicare plans cost you less than \$100 a month per member - and one costs you just \$3.50 a month per member.

I know the rising cost of health-care is a strain on your wallet just as it's a strain on our budget. But by working together, we can keep your health coverage strong, and secure the future of our plans.

Respectfully,

Mayor Annise Parker

## What are your options during open enrollment?

- Change from HMO to PPO or PPO to HMO
- Do nothing and remain in the plan you are in now.
- Enroll in a Medicare plan for yourself only.
- Enroll in a Medicare plan for yourself and your Medicare-covered dependents.
- Enroll in a Medicare plan for a Medicare-covered family member and leave another Medicare- or non-Medicare-covered family member in the BCBSTX HMO or PPO plan.
- Return to the BCBSTX HMO or PPO within 90 days of Medicare-plan enrollment if you are not satisfied.
- After 90 days, your next opportunity to return to the BCBSTX HMO or PPO will be Jan. 1, 2011.

If you are covered by Medicare

## **A good strategy for victory over rising health-care costs**

Medicare offers you different ways to get your Medicare benefits when you reach age 65 or become covered under Medicare before age 65. Original Medicare is the traditional form that underlies your retiree health coverage from the city.

One option is a Medicare Advantage plan, where Medicare contracts with private companies to provide the benefits. Another option is a Medicare supplement plan, which fills in some gaps that Medicare doesn't pay.

If you are covered by Medicare, these Medicare plans are just a different way to have Medicare coverage at a lower premium.

The federal government is still responsible for making sure each Medicare beneficiary gets full Medicare benefits. With Medicare plans, employers can increase benefits and provide some that are better than Medicare alone.

## **You have the choice of six Medicare Advantage plans and one supplement plan for 2010.**

In all, you and your dependents will be able to choose from **nine** health-benefits plans, including the BCBSTX HMO and PPO plans:

- Four HMO plans: BCBSTX HMO, KelseyCare Advantage HMO, TexanPlus and Texas HealthSpring.
- Two PPO plans: BCBSTX PPO and Aetna PPO
- A point-of-service plan: KelseyCare Advantage Plus Choice POS
- A private-fee-for-service plan: Aetna PFFS
- Medicare supplement plan F

Turn to **pages 5-6** to read about the differences among the types of plans.



## **New plays for 2010**

- In January, we added **four new fantastic plans** for you to choose from:

- NEW!** KelseyCare Advantage HMO, with low copayments. Your contribution is just \$3.50 a month. See page 8.
- NEW!** KelseyCare Advantage Plus Choice POS, which has the same Kelsey-Seybold network as the KelseyCare Advantage HMO but allows you to see out-of-network specialists. See page 13.
- NEW!** Aetna PPO covers 24 counties in Texas, and allows you to see a doctor or specialist outside the network. See page 13.
- NEW!** Medicare supplement plan F is a “medigap” plan that pays for most services not covered by Medicare. See page 18.
  - Plus - UnitedHealthcare Prescription Drug Plan is a companion plan for the Medicare supplement plan F. This Medicare prescription drug plan allows you to pay the same copayments you now pay.
- New Opt-out Opt-in feature allows you to opt-out of the city’s medical plans upon retiring and opt back in at a future date. See page 3.
- Monthly contributions in the BCBSTX HMO and PPO are increasing effective May 1. See page 22.
- Copayments in the BCBSTX HMO, PPO and prescription drug plans are changing. See pages 10 and 15.
- Time limitations on mental-health and substance-abuse treatment are being removed. See page 25 for details.
- By mid-June, HMO and PPO members will receive new ID cards to show the new copayments for prescription drugs, PCP, and specialists.

# 2010 January Open Enrollment for

## New Opt-out Opt-in feature

As a retiree, you have city medical and dental benefits. In the past, if you waived these benefits, you couldn't come back to your city plan. Your only option was to keep the city's plan, even if you could get less-costly coverage somewhere else.

Now, you can opt out of your city benefits and re-enroll later – so when you and your spouse are no longer eligible for medical benefits from another source you can still get great city benefits coverage. Even if you have a city Medicare plan, you can opt out and return later.

However, there are rules that Medicare plans must follow. So before you opt out, check with your plan administrator about how Medicare's rules will affect you. If you opt out of your city Medicare plan, you'll automatically be enrolled in Original Medicare, and you'll have to enroll in a prescription-drug plan if you want prescription-drug coverage. If you do not have a creditable Medicare Part D prescription-drug plan during your opt-out period, you may be limited to when you can enroll in a Part D plan and you may have to pay late-enrollment penalties.

Your opt out applies to your dependents, including dependents covered under a Medicare plan. So if you drop your city coverage, your dependents' city coverage will be dropped as well.

You can opt back into a city plan during any open enrollment, after a family status change that causes you to lose coverage, or after a 90-day waiting period.

To opt out, you must submit a Retiree Medical/Dental Opt-out form to HR benefits. Your opt-out election is effective the first of the month after benefits receives your form. For more information, call 713-837-9400.

To re-enroll, you'll need to submit a Retiree Medical/Dental Opt-In form to HR benefits and provide relationship documents for dependents you want to cover. If your opt-in election is caused by loss of coverage, you'll need to submit a Certificate of Coverage from the insurance company or the company that provided the medical plan. You must opt-in within 31 days after the family status change, or you'll have to wait through the 90-day eligibility period.

## Savings? Show me the money!

Medicare plans offer you significant savings. Below are some examples of how:

- The contribution for health coverage in a Medicare plan for one retiree is only \$3.50 to \$91.74 per month. Compare that to \$163.82 per month to enroll in the HMO and \$600 in the PPO.
- Copayments are at least 40 percent lower for a visit to the PCP and specialist – and one plan has a zero copayment for PCP visits.
- Most other copayments are lower:
  - Save \$200- \$500 on hospital admissions
  - Save \$100 on emergency-room visits
  - Save an extra 5-10 percent on durable medical equipment
  - 100 percent coverage for home health visits
- The prescription benefit is better than Medicare Part D benefits.
- There is no Medicare Part D premium.
- You can join a Medicare plan now, and your dependents can remain in the BCBSTX HMO or PPO.
- You can enroll in a city-sponsored Medicare plan on the first day of any month in 2010. If the plan does not meet your needs, you can re-enroll in the BCBSTX HMO or PPO within 90 days of your enrollment in the Medicare plan, or on Jan. 1, 2011.
- Free rides if you enroll in Texas HealthSpring, KelseyCare or TexanPlus. Up to 15 round trips to doctors, hospitals and pharmacies per year in Texas HealthSpring; up to 10 round trips per year to doctors and hospitals in KelseyCare and Texan Plus.

### Texas HealthSpring

"It couldn't be any better. I guess I'm kind of old school in that if something is working, what's the point in messing with it? Besides, if they make me mad, I got a phone number. I can just call them. But I haven't needed to call them at this point."

- Jerry Keefe, retired in 2000

# Medicare-covered retirees

## Who's eligible for Medicare plans?

Here are the FIVE requirements to enroll in one of these Medicare plans. You must:

1. Be a city retiree, dependent or survivor covered under a city medical plan
2. Pay the required premium to the city
3. Be enrolled for coverage in Medicare Part A, hospital insurance, and Medicare Part B, medical insurance
4. Not have end-stage renal disease, except for the Aetna PFFS plan
5. If you opted out of a city plan, you must re-enroll

### Age has its benefits

If you are covered by Medicare, this book explains all your options for high-quality, affordable health-care coverage.

If you're a retiree under age 65, you have fewer options, so we've simplified things for you: **The only part of the medical benefits plans and prescription information you'll want to pay attention to is in red.**

The dental and resources sections apply to all retirees, regardless of age.



There are no waiting periods, and you cannot be turned down for coverage for a pre-existing health condition.



## How to navigate the playing field

You have the choice of **seven Medicare plans**. That's a lot of options, and a lot of details to consider.

This year's guide is different. It's organized by color-coded tabs to help walk you through the decision-making process in choosing a plan.

Plans are grouped by three types: HMO plans, PPO and POS plans, and network-free plans. On pages five and six, you'll find a comparison of each type of plan. After you decide which type best fits your needs, turn to the color-coded tabbed pages to compare the plans and contributions within each type.

Be sure to look at prescription benefits, which have the same copayment structure for all Medicare plans and are described on pages 20-21, and the dental benefits described on page 23.

**Use the worksheet provided on the back of your comparison charts to calculate total monthly contributions for you and your dependents.**

# Comparison of plans

## Your playbook



You've got options like never before. There are five different kinds of plans — a total of **nine plans to choose from**. There's bound to be a plan that fits you. To choose which is best for you, read over the summary of each plan type below. See which one best fits your priorities. Then, follow the directions to choose a specific plan.

We've grouped the nine plans into three categories: HMO plans, PPO and similar plans, and network-free plans. Prescription drug coverage is almost the same under each plan, although the formulary for each plan is different.

## Which plan type is best for me?

### HMO plans:

- Texas HealthSpring HMO
- TexanPlus HMO
- KelseyCare Advantage HMO **NEW!**
- BlueCross BlueShield of Texas HMO

Low-cost, great care. These four plans offer you low premiums and copayments — *you can pay as little as \$3.50 a month for coverage*, and copayments for primary care services are between \$0 and \$25. But you have to stay within a network for services and must select a primary-care physician to coordinate your care.

These are high-quality doctors who will get to know you and your ailments well and who are close by where you live. Service areas vary by plan. Available networks include Kelsey-Seybold, Renaissance, Sadler, Memorial and independent doctors. If you don't mind having your coverage access limited to a local network of doctors, and you want to save money, turn to page 7 to compare these different HMO plans.



### PPO and POS plans:

- Aetna PPO **NEW!**
- BlueCross BlueShield of Texas PPO
- KelseyCare Advantage Plus Choice POS **NEW!**

Room to stretch your wings. These plans give you greater flexibility. You select a network for coverage, but you can go outside that network for a slight increase in cost. You select a primary-care physician but have the freedom to see a doctor outside your network. *The KelseyCare Point-of-Service plan lets you go out of network only for specialists.*

These plans may cost a little more — although KelseyCare Advantage Plus Choice POS is just \$17.24 a month. Copayments for most primary care services in-network are \$15-\$35. If you want to balance a little more freedom to choose a doctor near your grandkids with paying a little more, turn to page 13 to compare these plans.

## Nationwide coverage:

- Aetna Private-Fee-For-Service

- Medicare supplement plan F **NEW!**

Unfettered freedom! But, as freedom fighters everywhere discover, freedom comes with a price. These plans allow you to go to doctors nationwide, but they have a slightly higher monthly contribution. In the Aetna PFFS, there are no deductibles, and copayments for most services are \$15 or less — and in the Medicare supplement plan F, the plan pays most out-of-pocket expenses for most Medicare-approved services not paid by Original Medicare.

Medicare supplement insurance plans, or “Medigap plans,” are Medicare-based. Medicare supplement plans are sold to individuals by many companies in the U.S. There are 12 different supplement plans, each with their own features. Medicare supplement insurance companies can only sell you a “standardized” Medicare supplement plan identified by letters A through L. Each standardized Medicare supplement policy must offer the same basic benefits.

Recently, a few companies have offered these plans through employers. That’s why we can offer this new plan to you now. The cost is the same to you. The advantage is that you can have the monthly premiums deducted from your pension check, and the city handles the administration for you.

The more expensive plans move beyond the basic benefits and cover most time-of-service costs. We’re offering Medicare supplement plan F. For less than \$92 a month, you get coverage for nearly everything that Medicare doesn’t cover — leaving you with very little out-of-pocket expenses. The plan costs you less than the BCBSTX PPO and has better benefits, and it is especially beneficial to retirees living outside Texas, or for those who travel.

If freedom to choose any doctor who will have you is more important to you than the price tag of the plan, turn to page 17 to compare these plans.

**Medicare is eliminating PFFS plans throughout the United States. On Dec. 31, 2010, the Aetna PFFS will no longer be available to city of Houston retirees and you will need to elect another plan for the future.**

## Insider’s tip

You’re used to your BCBSTX HMO or PPO plan. You’re comfortable with the great service you get. Why change? Sure, these plans are cheaper, but what if you don’t like the new plan?

If you find that you don’t like the Medicare plan you’re in, you can go back to BCBSTX HMO or PPO within 90 days. Or, if you like the savings but find the plan you selected just isn’t right for you, you can change to another Medicare plan at the first of the month, any month.

Think of it as taking the new plan out for a test drive. We think you’ll like the road it takes you down.

## Spotlight:

### Primer on Medicare

- There is an annual out-patient deductible and a hospital deductible, and Medicare usually changes them every year.
- Medicare pays about 80 percent of most Medicare-approved services.
- Medicare also pays about 80 percent for certain Part B drugs.
- If you have no other insurance, you pay the annual deductibles plus the 20 percent Medicare doesn’t pay.
- Coverage for drugs beyond Part B is available only if you buy a Medicare Part D drug plan.

## HMO plans at a glance

There are three Medicare HMO plans and the BCBSTX plan to choose from. Pages 8-12 display HMO comparison information to help you make your decision. The following are key features of each plan:

### BCBSTX HMO

The reliable coverage you're familiar with, with a huge service area and access to more than 8,000 primary-care physicians and 22,000 specialists. This plan allows you to live in many areas of Texas and still get the money savings of an HMO.

### Texas HealthSpring HMO

Great coverage at a low price. Texas HealthSpring is a great savings opportunity for those who live in Houston, southeast and east Texas, and parts of the Valley.

### TexanPlus HMO

The plus is the low-cost of this quality plan. TexanPlus is a great savings opportunity for retirees who live in Houston and southeast Texas.

#### Service areas - see page 9

Established physician networks covering 220 Texas counties.

Established physician networks in 25 Texas counties.

Established physician networks in 12 Texas counties.

#### Plan features and costs comparison - see page 10

You must select a primary-care physician, and your PCP must refer you to network specialists.

You must have a primary-care physician, and your PCP must refer you to network specialists.

You must have a primary-care physician, and your PCP must refer you to network specialists.

Copayments for PCP visits are \$25 and specialist visits cost \$50 – an increase of \$5 per doctor visit.

PCP visits cost \$10.

PCP visits cost \$10.

Out-of-network coverage for emergencies only.

Worldwide emergency care is available.

Nationwide emergency care is available.

#### Hospitals - see page 12

Access to 11,460 hospitals in Texas.

Access to 50 hospitals.

Access to nearly 50 hospitals.

#### Prescription coverage - see pages 20-21

Medicare Part B drugs are covered for a \$34 or \$50 copayment.

Medicare Part B drugs are covered with a 15 percent coinsurance, to \$1,000. After you have paid \$1,000, Texas HealthSpring will pay for Part B drugs at 100 percent.

Medicare Part B drugs are covered with a 10 percent coinsurance, to \$1,500. After you have paid \$1,500, TexanPlus will pay for Part B drugs at 100 percent.

#### Extra benefits - see the fold-out HMO plan comparison chart

Extra benefits include free case management, health education, and vision and eyewear are covered at in-network facilities. You also have access to the BlueExtras Discount Program.

Extra benefits include free health-club membership for Silver Sneakers and discounts for hearing aids and dental services.

Extra benefits include the “Nifty after 50” program, and discounts on fitness memberships, hearing exams, dental services, eye exams and lenses.

Up to 30 free rides (15 round trips) to the doctor, pharmacy or hospital per year.

There is a one-time \$500 reimbursement on a hearing aid.

**NEW!**

### KelseyCare Advantage HMO

KelseyCare is the lowest-cost health-insurance option available from the city. But, you have to stay in the Kelsey-Seybold network for services, and Kelsey-Seybold clinics are only in eight counties. You can travel from anywhere in Texas to a Kelsey-Seybold clinic for services.

A network of quality, accessible Kelsey-Seybold physicians in eight counties.

You don't need a primary-care physician, and you don't need a referral to see a network specialist.

Zero copayment for PCP visits.

Worldwide emergency care is available.

Access to 20 hospitals.

Medicare Part B drugs covered with a 15 percent coinsurance, to \$1,500. After you have paid \$1,500, KelseyCare will pay for Part B drugs at 100 percent.

Extra benefits include free case management, health education, wellness programs and nutrition therapy, and discounts for eyewear and hearing aids.

Up to 20 free rides (10 round trips) to the doctor or hospital per year.

### Insider's tip

#### What to do with \$1924 in savings each year

A retiree over age 65 with Medicare can save \$1,924 a year by switching from the BCBS HMO to the KelseyCare Advantage HMO. And if you are already a member of the Kelsey-Seybold network, why wouldn't you want to save \$1,924 a year for one person or \$3,848 for two people? Here's a few ideas to get you started:

1. Take a cruise to the Bahamas. Get your spouse to switch plans too and you can go together.
2. Put it in a holiday savings account to buy gifts at the end of the year.
3. Buy a new flat-screen TV and surround-sound system.
4. Visit your grandchildren and spoil them rotten.
5. Use it to pay for your prescription, office visit and hospital copayments.
6. Buy a brand-new washer and dryer set.
7. Use it to pay for many rounds of golf and golf cart rentals.



### Spotlight: Free ride

Texas HealthSpring, KelseyCare and TexanPlus take members for a ride – a free ride to the doctor's office or hospital.

Below is the total number of trips provided per year.

- Texas HealthSpring..... 30 one-way trips
- KelseyCare..... 20 one-way trips
- TexanPlus..... 20 one-way trips

## HMO Service areas

If TexanPlus, Texas HealthSpring or KelseyCare expand into other counties, we will notify you about enrollment opportunities.

### TexanPlus HMO counties are:

Austin, Brazoria, Chambers, Fort Bend, Galveston zip codes: 77510, 77511, 77517, 77518, 77539, 77546, 77549, 77563, 77565, 77568, 77573, 77574, 77590, 77591, 77592, Harris, Hardin, Jefferson, Liberty, Montgomery, Orange, and Waller

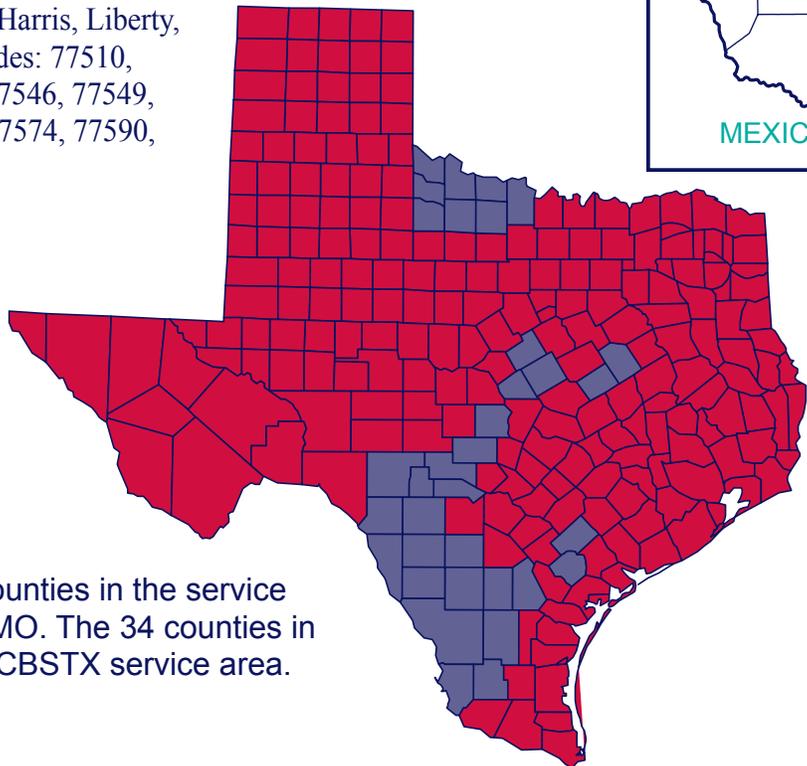
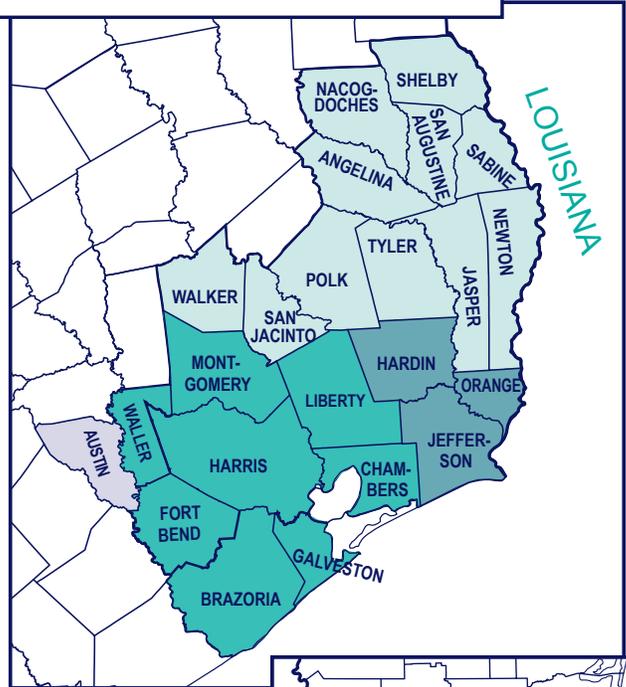
### Texas HealthSpring HMO counties are:

Angelina, Brazoria, Cameron, Chambers, Fort Bend, Galveston zip codes: 77510, 77511, 77517, 77518, 77539, 77546, 77549, 77563, 77565, 77568, 77573, 77574, 77590, 77591, 77592, Harris, Hardin, Hidalgo, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Tyler, Walker, Waller and Willacy

### KelseyCare Advantage HMO counties are:

Brazoria, Chambers, Ft. Bend, Harris, Liberty, Montgomery, Galveston zip codes: 77510, 77511, 77517, 77518, 77539, 77546, 77549, 77563, 77565, 77568, 77573, 77574, 77590, 77591, 77592 and Waller

	All Medicare HMOs: TexanPlus, Texas HealthSpring and KelseyCare Advantage
	TexanPlus and Texas HealthSpring
	Texas HealthSpring Only
	TexanPlus Only



Areas in red are counties in the service area for BCBSTX HMO. The 34 counties in blue are not in the BCBSTX service area.

## Time of service costs

Use the chart below to compare plan features and time of service costs. This is a brief comparison of covered features. Be sure to use the fold-out HMO comparison chart to see all the features. The BCBSTX HMO copayments in **bold red** are changes that are effective May 1.

HMO plan features and costs comparison									
Plan feature	What you pay								
	KelseyCare Advantage HMO		TexanPlus		Texas HealthSpring		BCBSTX HMO		
Deductible (Individual/Family)	N/A		N/A		N/A		N/A		
PCP office visit copayment	\$0		\$10		\$10		<b>\$25</b>		
Specialist office visit copayment	\$15		\$25		\$25		<b>\$50</b>		
Routine physical copayment	\$0		\$0		\$0		\$0		
Well woman/man exam	\$0		\$0		\$0		\$0		
Inpatient copayment/coinsurance	\$300		\$300		\$275		<b>\$500</b>		
Emergency room	\$50		\$50		\$50		<b>\$150</b>		
Ambulance	\$100		\$50		\$100		<b>\$100</b>		
Outpatient surgery	\$150/\$175		\$125 / \$175		\$200		<b>\$200</b>		
<b>Prescriptions</b> <i>participating pharmacy</i>	31-day supply	90-day supply	30-day supply	90-day supply	30-day supply	90-day supply	30-day supply	90-day supply	
Generic	\$10	\$20	\$10	\$20*	\$10	\$20	<b>\$10</b>	<b>\$20</b>	
Preferred brand	\$30	\$60	\$30	\$60*	\$30	\$60	<b>\$35</b>	<b>\$70</b>	
Non-preferred brand	\$45	\$90	\$45	\$90*	N/A	N/A	<b>\$50</b>	<b>\$100</b>	
Specialty drugs	\$45	N/A	\$45	\$90*	\$45**	\$90**	<b>\$35/\$50 ***</b>	N/A	

\* TexanPlus has no mail-order option; however, you can fill a 90-day prescription for a two-months copayment at your local network pharmacy.

\*\* Prior authorization required

\*\*\* Specialty-prescription drugs must be obtained through the Triessent Specialty Drug Program.

New copayments on May 1, 2010		
BCBSTX HMO		
	From	To
PCP visit	\$20	\$25
Specialist visit	\$45	\$50
Generic prescription	\$10	\$10
Preferred Brand prescription	\$30	\$35
Non-preferred brand prescription	\$45	\$50

Mail order = 90 day supply for 2x copayments

### Insider's tip

#### How to get your maintenance medications for less

If you are on maintenance medication that you will be taking for more than 30 days, you should try the mail-order drug plan. It's convenient and saves you money. You can order over the phone or online and receive a three-month supply of your medication for two months copayment. If you are using a non-preferred drug, the mail-order plan will save you \$180- \$200 per year per non-preferred prescription.



## HMO networks chart

The chart below shows the networks available in each of the HMO plans you can select. TexanPlus, Texas HealthSpring and BCBSTX HMO require you to select a PCP to direct your care. To see if your preferred physicians are in one of the networks, use the contact information on page 1.

Physician Group	KelseyCare Advantage HMO	TexanPlus HMO	Texas HealthSpring	BCBSTX HMO
Brazosport Regional Health System			X	
Clear Creek Clinic			X	
CyFair IPA		X		
Family Practice Associates			X	
Heritage		X		
North Central LPO		X		
Independent Physicians			X	X
Integranet		X		
Katy IPA		X		
Kelsey-Seybold (20 clinics)	X	X	X	X
Memorial Clinical Associates		X	X	
Northwest Diagnostic Clinic		X		X
Pasadena LPO		X		
Physicians of East Texas			X	
Renaissance			X	X
Sr. SelectCare Clinic		X		
Sadler Clinic			X	X
Southeast Regional LPO		X		
Village Family Practice		X	X	
<b>Total PCPs</b>	<b>129</b>	<b>478</b>	<b>1,080</b>	<b>2,038</b>
<b>Total Specialists</b>	<b>1,734</b>	<b>1,668</b>	<b>1,476</b>	<b>9,708</b>
<b>Total Physicians</b>	<b>1,863</b>	<b>2,146</b>	<b>2,556</b>	<b>11,746</b>

### Insider's tip

Going beyond the playing field? BCBSTX HMO, KelseyCare and Texas HealthSpring cover emergencies worldwide. TexanPlus covers emergencies only in the United States.



### Texas HealthSpring

"You have a lot of people afraid to switch plans, but I like what we have. It's a big peace of mind knowing that my wife and daughter are still covered. When you get to the point of retirement, you can't put a price on peace of mind."

- Floyd E. Nelson, a retired Public Works & Engineering section chief.

## HMO hospitals chart

The chart below shows the hospitals in the Houston area available in each of the HMO plans. For a complete list, check the Web sites or call one of the numbers in the contact box on page 1. In an emergency, you may seek treatment at any hospital, but you may be transferred to a network facility as soon as your condition is stabilized.

Hospital	KelseyCare Advantage HMO	TexanPlus HMO	Texas HealthSpring	BCBSTX HMO
Angleton Danbury Medical Center		X		X
Bayshore Medical Center		X	X	X
Brazosport Regional Health System		X		
CHRISTUS St. John	X	X	X	X
CHRISTUS St. Catherine	X			X
Clear Lake Regional Medical Center		X	X	X
East Houston Medical Center		X	X	
Houston Northwest Medical Center		X	X	X
Kingwood Medical Center		X	X	X
Mainland Medical Center		X	X	X
M.D. Anderson Cancer Center	X*			X*
Memorial Hermann Hospital Syst.	X (12 facilities)	X (12 facilities)	X (12 facilities)	X
Methodist Hospital		X	X	X
Park Plaza		X	X	X
St. Joseph Medical Center		X	X	X
St. Luke's Episcopal Hospital	X	X (Kelsey only)	X (Kelsey only)	X
St. Luke's - Sugarland	X	X	X	X
St. Luke's - Woodlands	X	X (Kelsey only)	X (Kelsey only)	X
Spring Branch Medical Center		X	X	X
Tomball Regional Hospital	X	X	X	X
West Houston Medical Center		X	X	X
Woman's Hospital of TX	X	X (Kelsey only)	X	X

\* By referral only.

### HMO not your game?

If one of the HMO plans doesn't work for your needs - turn the page. You've got a choice of three PPO or POS plans and two network-free options to choose from.



# PPO and POS plans

## PPO and POS plans at a glance

KelseyCare POS plan is similar to a PPO. It gives you a network, but you can go out of that network at a higher cost at the time of service. Both have lower time-of-service payments when you stay in network. Pages 14-16 display comparison information to help you make your decision. These are key features of the PPO and POS plans.

### Aetna PPO **NEW!**

Your favorite doctor not in your network? Aetna PPO gives you the flexibility to choose whether you want to use one of the fine doctors in the large network or go outside it.

### BCBSTX PPO

Reliable coverage and a huge service area – more than 10,000 primary-care physicians and 36,000 specialists. In-network and out-of-network services are covered at different rates.

### KelseyCare Advantage Plus Choice POS

The KelseyCare POS gives you access to the Kelsey-Seybold network and lets you go to specialists outside the network.

#### PPO and POS service areas - see page 14

Spans 24 counties.

United States plus Puerto Rico.

Every Kelsey-Seybold clinic.

#### Plan features and costs comparison - see page 15

You don't have to select a primary-care physician, but it is recommended that you have one. No referrals are needed for specialists.

\$15 copayment for most services in network.

You can use an out-of-network doctor, but you'll pay 15 percent of the Medicare-approved fee.

You can choose any doctor, hospital or specialist. You don't have to select a primary-care physician, and referrals are not required for specialist visits.

PCP visits are \$35, and specialists visits \$55 – an increase of \$5 each.

Services are subject to deductibles, copayments and coinsurance. You may have to file a claim for reimbursement.

You don't have to select a primary-care physician, but you do need to stay in the Kelsey-Seybold network for routine care and most services.

Zero copayment for PCP visits. Your PCP must be in-network.

You can visit an out-of-network specialist who accepts Medicare assignment. You'll pay 20 percent of the Medicare-approved fee. If the doctor only accepts Medicare, you may pay up to 35 percent of the Medicare-approved fee.

#### PPO and POS in-network hospitals chart - see page 16

Access to 59 in-network and unlimited out-of-network hospitals.

Access to more than 13,000 in-network hospitals in Texas.

Access to 20 in-network and unlimited out-of-network hospitals.

#### Prescription coverage - see pages 20-21

Medicare Part B drugs are covered with a 20 percent coinsurance.

Medicare Part B drugs are covered for a \$35 or \$50 copayment.

Medicare Part B drugs are covered with a 15 percent coinsurance, to \$1,500. After that, KelseyCare will pay for Part B drugs at 100 percent.

#### Extra benefits - see the fold-out PPO and POS plan comparison chart

Free healthy lifestyle coaching, and vision, hearing, and dental discounts.

Free health education and case management. Vision and eyewear discounts through Davis Vision. You also have access to BlueExtras Discount Program.

Free health education, wellness programs and nutrition therapy. Discounts for eyewear, hearing aids and dental services. Up to 10 free round trips to in-network doctors or hospitals per year.

## **PPO and POS Service areas**

If Aetna or KelseyCare Advantage Plus Choice POS expand into other counties, we will notify you about enrollment opportunities.

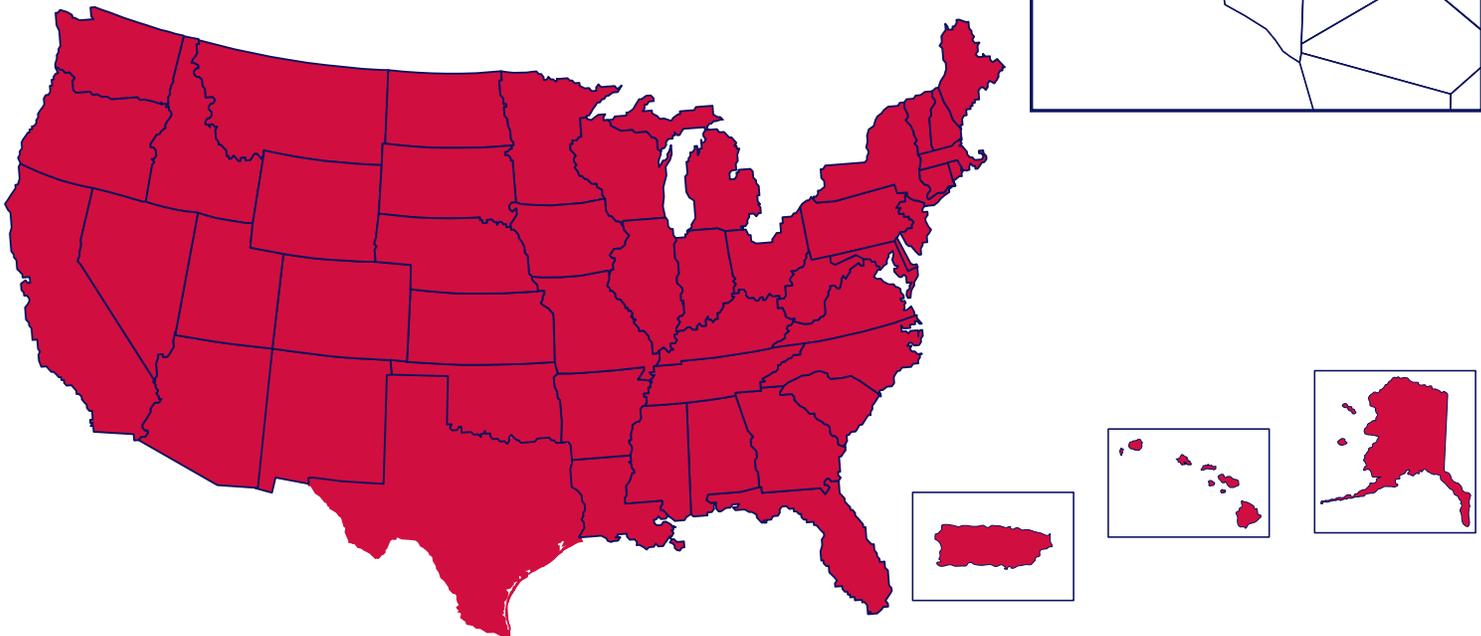
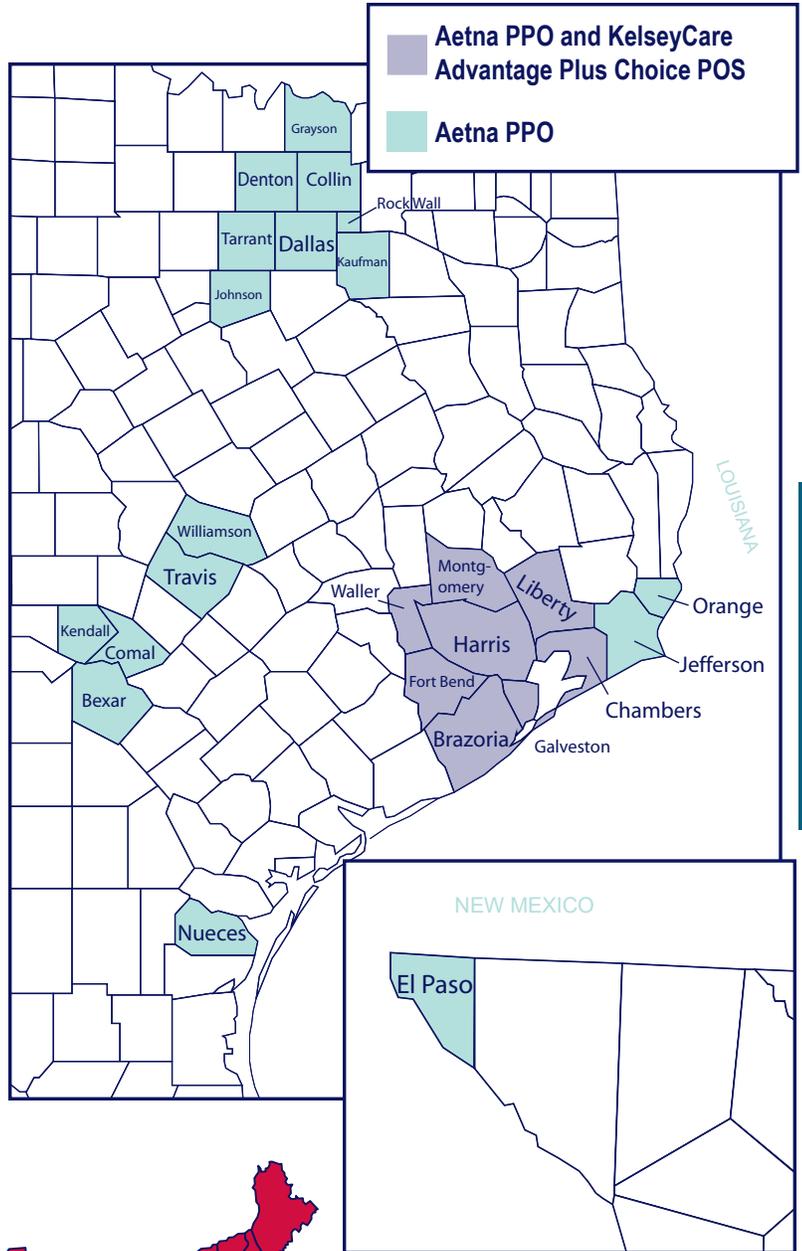
### **Aetna PPO counties are:**

Bexar, Brazoria, Chambers, Collin, Comal, Dallas, Denton, El Paso, Fort Bend, Galveston, Grayson, Harris, Jefferson, Johnson, Kaufman, Kendall, Liberty, Montgomery, Nueces, Orange, Rock Wall, Tarrant, Travis, Williamson

### **KelseyCare Advantage Plus Choice POS counties are:**

Brazoria, Chambers, Ft. Bend, Harris, Liberty, Montgomery, Galveston zip codes: 77510, 77511, 77517, 77518, 77539, 77546, 77549, 77563, 77565, 77568, 77573, 77574, 77590, 77591, 77592 and Waller

The BCBSTX PPO service area is nationwide, plus Puerto Rico.



# PPO and POS plans

## Time-of-service costs

Use the chart below to compare plan features and time-of-service costs. This is a brief comparison of covered features. Be sure to use the fold-out PPO/POS comparison chart to see all the features. The BCBSTX PPO copayments in **bold red** are changes that will be effective May 1.

PPO and POS plan features and costs comparison						
Plan feature	What you pay					
	Aetna PPO		KelseyCare Advantage Plus Choice POS		BCBSTX PPO In-network	
	In-network	Out-of-network	In-network	Out-of-network	In-network	Out-of-network
Deductible (Individual/Family)	N/A	N/A	N/A	N/A	\$200/\$600	\$400/\$1,200
PCP office visit copayment	\$15	15%	\$0	N/A	<b>\$35</b>	40% after deductible
Specialist office visit copayment	\$15	15%	\$15	20% of Medicare-approved fees	<b>\$55</b>	40% after deductible
Routine physical copayment	\$0	15%	\$0	N/A	\$0	40% after deductible
Well woman/man exam	\$0	15%	\$0	N/A	\$0	40% after deductible
Inpatient copayment/coinsurance	\$0	15%	\$300	\$1000 (days 1-60) \$250/day (days 61-90) \$500/day (days 91-150)	\$500 + 20%	\$1,000 + 40%
Emergency room	\$50	\$50	\$50	\$50	\$150 + 20%	\$150 + 40%
Ambulance	\$15	15%	\$100	\$100	20%	40% after deductible
Outpatient surgery	\$0	15%	\$150/\$175	20% of Medicare-approved fees	20%	40% after deductible
<b>Prescriptions</b> <i>participating pharmacy</i>	31-day supply	90-day supply	31-day supply	90-day supply	30-day supply	90-day supply
Generic	\$10	\$20	\$10	\$20	<b>\$10</b>	\$20
Preferred brand	\$30	\$60	\$30	\$60	<b>\$35</b>	\$70
Non-preferred brand	\$45	\$90	\$45	\$90	<b>\$50</b>	\$100
Specialty drugs	\$45	\$90	\$45	N/A	<b>\$35/\$50*</b>	N/A

\* Specialty-prescription drugs must be obtained through the Triessent Specialty Drug Program.

BCBSTX PPO		
	From	To
PCP visit	\$30	\$35
Specialist visit	\$50	\$55
Generic Rx	\$10	\$10
Preferred brand Rx	\$30	\$35
Non-preferred brand Rx	\$45	\$50

Mail order = 90 day supply for 2x copayments

### Aetna

"Since we live in Burton instead of Houston, we are able to go to the doctors of our choice on this plan. We were on BlueCross at first, but then switched. At first, we were really scared. What if something happened and we needed insurance? But this plan has worked for us."

- Betty Chenault, whose husband, Charley, retired from the Police Department in 1989.

## PPO and POS in-network hospitals

Listed below are in-network hospitals for the PPO and POS Medicare plans. Out-of-network hospitals require higher copayments. For a complete list, check the Web sites or call one of the numbers in the contact box on page 1. In an emergency, you may seek treatment at any hospital.



In-network hospitals for the PPO and POS plans			
Hospital	KelseyCare Advantage Plus Choice POS	Aetna PPO	BCBSTX PPO
Angleton Danbury Medical Center		X	X
Bayshore Medical Center		X	X
Brazosport Regional Health System		X	X
CHRISTUS St. Catherine	X	X	X
CHRISTUS St. John	X	X	X
Clear Lake Regional Medical Center		X	X
East Houston Medical Center		X	
Houston Northwest Medical Center		X	X
Kingwood Medical Center		X	X
Mainland Medical Center		X	X
M.D. Anderson Cancer Center	X*		X
Memorial Hermann Hospital System			X
Methodist Hospital			X
Park Plaza		X	X
St. Joseph Medical Center		X	X
St. Luke's Episcopal Hospital	X	X	X
St. Luke's - Woodlands	X	X	X
St. Luke's - Sugarland	X	X	X
Spring Branch Medical Center		X	X
Tomball Regional Hospital	X		X
West Houston Medical Center		X	X
Woman's Hospital of TX	X		X

\* By referral only.

### TexanPlus HMO

"There's very little waiting. I like the copayments, I like the premiums, and I like the doctors at Kelsey-Seybold. They seem well-managed, so patients are taken care of and there's little waiting around to see somebody."

- Ronald Beylotte, a retired city prosecutor.

### Need more choices than a PPO?

If one of the HMO, PPO or POS plans doesn't work for your needs - turn the page. You've got two more options to choose from.



# Network-free plans

## Network-free plans at a glance

There are two Medicare plans that are network-free to choose from. Pages 18-19 display network-free comparison information to help you make your decision. These are key features of the network-free plans you can choose from:

### Aetna Private Fee-For-Service:

Live out of Texas? Do you spend the summers with your grandkids up north? With the Aetna PFFS, there's no network to worry about. Just call your doctor, ask the questions in the box to the right to ensure the doctor will agree to participate in the plan, and schedule an appointment. The plan includes thousands of doctors.

**Remember: This plan will be discontinued on Dec. 31, 2010.**

### Medicare supplement (Medigap) **NEW!** plan F:

Medicare is a good program. But it doesn't cover all your expenses. The Medicare supplement insurance plan picks up a lot of that slack by paying many of those expenses that Original Medicare doesn't pay. See page 20 for more information about this new plan and how it works.

#### Network-free plans service areas - see page 19

Nationwide coverage.

About 96 percent of doctors in the U.S. can become part of the Aetna PFFS plan – they must accept Medicare assignment and agree to Aetna's terms and conditions.

Nationwide coverage.

There's no need to join a network. Just keep your same doctor.

#### Plan features and costs comparison - see page 19

You do not need a primary-care physician, but it is recommended you have one. No referrals are needed for specialists.

\$15 copayment for most services.

Precertification for certain services is recommended but not required.

Worldwide emergency care is available.

You do not have to select a primary-care physician.

Covers nearly everything that Original Medicare doesn't with very little, if any, out-of-pocket charges at the time of service.

It covers the Part A hospitalization deductible and coinsurance plus coverage for an additional 365 days of hospital care after regular Medicare coverage ends.

Worldwide emergency care is available. There is a \$50,000 lifetime maximum.

#### Prescription coverage - see pages 21-22

The same great prescription-drug copayments offered in our other Medicare plans.

Medicare Part B drugs are covered at 100 percent.

The same great prescription-drug copayments offered in our other Medicare plans is offered through the Medicare supplement companion prescription plan.

#### Extra benefits - see the fold-out PPO, POS and PFFS plan comparison and Medicare charts

Extra benefits include free case management, free healthy-lifestyle coaching, one free routine eye exam per year, discounts on frames and lenses, one free routine hearing exam per year, \$500 reimbursement on hearing aids every 36 months, and membership discounts in GlobalFit Health Clubs.

N/A

#### Insider's tip

Disabled individuals under age 65 are not eligible to participate in Medicare supplement plan F.



## Questions for your doctor before you choose Aetna PFFS

- Do you accept Aetna’s Medicare Advantage Private-Fee-for-Service plan?
- Do you accept Medicare Assignment?
- Do you balance-bill?
- Will you read the terms and conditions of participation and agree to be a deemed provider through Aetna?

Reconfirm the doctor’s participation at the time of your appointment. If the doctor treats you, he/she has agreed to Aetna’s terms and is a deemed provider.

**The Aetna PFFS plan will no longer be available as of Jan. 1, 2011. If you join this plan or are a member of it, you will need to select another plan in November, 2010, for coverage effective Jan. 1, 2011.**

## Medicare supplement plan F

Medicare supplement plans (also known as “Medigap”) are a totally different concept than the Medicare Advantage plans familiar to you. In a Medicare supplement plan, Original Medicare continues to be your primary provider of Medicare-covered medical services, and the supplement plan fills in most “gaps” not paid for by Original Medicare (Parts A and B).

Of the 12 Medicare supplement plans, A through L, available to all age 65 or older Medicare-covered individuals, the city selected Medicare supplement plan F for our retirees. You will have almost no out-of-pocket expenses for Medicare-approved services. This plan will pay most costs not covered by Original Medicare such as deductibles for Medicare parts A and B and the coinsurance for Part B, generally 20 percent, that is your share of Medicare-approved medical expenses.

Since Medicare supplement plans do not include prescription drugs, the city is providing anyone enrolling in Medicare supplement plan F with a Medicare Part D prescription plan. The plan has the same copayments as other city-sponsored Medicare plans. Medicare Part D also has a preferred drug listing, or formulary.

The best part is the cost is significantly less than the BCBSTX PPO plan, and the city will contribute 75 percent of the premiums for both Medicare supplement plan F and the Medicare Part D prescription drug plan. Instead of paying the monthly PPO premium of \$807 for two Medicare-covered people, you could pay \$183.48 per month for plan F. The annual savings in contributions is \$624 per month, or \$7,484 per year. Now that’s real savings!

UnitedHealthcare is the insurance company providing both Medicare supplement plan F and the Medicare Part D prescription drug plan to city retirees. All Medicare supplement insurance policies must follow federal and state

laws designed to protect you, and the benefits in the plans are standard. We chose UnitedHealthcare because it offers group Medicare supplement plans. You can pay your monthly premiums through deductions from your pension check – that means the city can take care of all administrative details for retirees who elect this plan.

Enrollment in the Medicare supplement plan is slightly different than in the other retiree plans. The Medicare D Prescription Drug plan and Medicare supplement plan F are separate plans and are administered by two different UnitedHealthcare offices, so you will need to complete a total of four separate enrollment forms:

- One for Medicare supplement plan F (medical)
- One for Medicare Part D (prescription drugs)
- A city of Houston disenrollment form if you are changing from a Medicare plan
- The city’s Medicare plans election form

If your spouse or any other dependents will also be enrolling in Medicare supplement plan F, each of them will also have to complete the two UnitedHealthcare enrollment forms for medical and prescription drug benefits and a form to disenroll from an MA plan. However, only the retiree completes the city of Houston Medicare plans election form.

### Insider’s tip

If you are not a member of AARP, UnitedHealthcare will pay the first year membership fee of \$16 for your household. After that, AARP will request you to pay the annual membership - one per household.

# Network-free coverage

## Network-free service areas

Both network-free options are available nationwide.



## Time of service costs



Listed below are the copayments for certain services in the Medicare supplement and PFFS plans.

### Network-free plan features and costs comparison

Plan feature	What you pay				
	Medicare supplement plan F		Aetna PFFS		
Deductible (Individual/Family)	Medicare supplement plan F pays most Medicare-covered medical expenses that Medicare does not.		N/A		
PCP office visit copayment			\$15		
Specialist office visit copayment			\$15		
Routine physical copayment			\$0		
Well woman/man exam			\$0		
Inpatient copayment/coinsurance			\$0		
Emergency room			\$50		
Ambulance			\$15		
Outpatient surgery			\$0		
<b>Prescriptions</b> participating pharmacy	Medicare supplement companion drug plan		30-day supply	90-day supply	
	31-day supply	90-day supply			
	Generic	\$10	\$20	\$10	\$20
	Preferred brand	\$30	\$60	\$30	\$60
	Non-preferred brand	\$45	\$90	\$45	\$90
Specialty drugs	\$45	\$90	\$45	\$90	

# Prescription highlights

## Prescription highlight reel



Everyone talks about the importance of prescriptions and their high cost. **All nine of the city's health-plan choices provide seamless coverage through the gap. All plans offer benefits much more generous than Medicare Part D. The Medicare supplement plan F provides a companion drug plan that offers benefits equal to the other plans.**

You enjoy one of the richest prescription benefits around – fixed copayments for most covered prescriptions. Those benefits are costly. We expect to spend more than \$43 million in prescriptions in 2010. That's more than 17 percent of the total health-plan cost. Half of that cost is for retiree prescriptions.

We know how important prescription coverage is when you're choosing a plan. Below are prescription-coverage costs for all nine city health plans. Use this chart and the list of prescriptions on page 21, or each plan's formulary list, when you're estimating your annual cost for health care. Use the worksheets on the back of each comparison chart to help you determine which plan is best for you.

The BCBSTX HMO and PPO brand-name prescription copayments are increasing, effective May 1. The increased copayments are shown in **bold red**.

Prescription copayments at a participating pharmacy										
		Generic		Preferred brand		Non-preferred		Specialty drugs		Medicare Part B
		30-day/ 31-day supply	90-day supply	30-day/ 31-day supply	90-day supply	30-day/ 31-day supply	90-day supply	30-day/ 31-day supply	90-day supply	
HMO	KelseyCare Advantage HMO	\$10	\$20	\$30	\$60	\$45	\$90	\$45	N/A	15% up to \$1,500
	TexanPlus HMO	\$10	\$20*	\$30	\$60*	\$45	\$90*	\$45	\$90*	20% up to \$1,500
	Texas HealthSpring	\$10	\$20	\$30	\$60	N/A	N/A	\$45**	\$90**	15% up to \$1,000
	BCBSTX HMO	\$10	\$20	<b>\$35</b>	<b>\$70</b>	<b>\$50</b>	<b>\$100</b>	<b>\$35/\$50***</b>	N/A	Same as non-preferred
PPO and POS	Aetna PPO	\$10	\$20	\$30	\$60	\$45	\$90	\$45	\$90	\$0
	KelseyCare Advantage Plus Choice POS	\$10	\$20	\$30	\$60	\$45	\$90	\$45	N/A	15% up to \$1,500
	BCBSTX PPO	\$10	\$20	<b>\$35</b>	<b>\$70</b>	<b>\$50</b>	<b>\$100</b>	<b>\$35-\$50***</b>	N/A	Same as non-preferred
Network-free	Aetna PFFS	\$10	\$20	\$30	\$60	\$45	\$90	\$45	\$90	\$0
	Medicare supplement plan F companion drug plan	\$10	\$20	\$30	\$60	\$45	\$90	\$45**	\$90**	\$0

\* TexanPlus HMO does not have a mail-order option. You can fill a 90-day prescription for a two-month copayment at your local network pharmacy.

\*\* Prior authorization is required.

\*\*\* Specialty-prescription drugs must be obtained through the Triessent Specialty Drug Program.

# Prescription highlights

## Prescription highlight reel



### What is a formulary?

A formulary is a list of covered drugs. Each plan's formulary is different and can change each year. The drug formulary established by Medicare for 2010 serves as the

model for Medicare plan formularies. View the 2010 formularies at these six Web sites:

- ◆ **Texas HealthSpring** - [www.texashealthspring.com](http://www.texashealthspring.com)
- ◆ **TexanPlus** - [www.sctexas.com](http://www.sctexas.com)
- ◆ **Aetna** - [www.aetnamedicare.com](http://www.aetnamedicare.com)
- ◆ **KesleyCare Advantage** - [www.kelseycareadvantage.com](http://www.kelseycareadvantage.com)
- ◆ **UnitedHealthcare** - [www.unitedhealthrx.com](http://www.unitedhealthrx.com)
- ◆ **BlueCross BlueShield of Texas** - [www.bcbstx.com](http://www.bcbstx.com)

Formularies may change each January and May.

Because the other benefits are similar, many retirees make their decisions based on what tier their prescriptions fall in the formulary. Now that we offer nine choices, you should pay close attention to the copayments for your prescriptions. The top ten retiree prescriptions are listed below.

Use the prescription copayment worksheet provided in your packet to list each of your prescriptions and the copayments for each of the plans. This can help you make an informed decision and eliminate surprises.

### Insider's tip

To find a participating pharmacy, visit one of the Web sites listed to the left and click on the 2010 pharmacy or provider finder option.



## Top 10 retiree prescriptions by amount spent

Drug Treatment	What you pay						Plan pays
	Aetna PPO and PFFS	KesleyCare Advantage HMO and POS	UHC Medicare supplement companion drug plan	TexanPlus HMO	Texas HealthSpring	BCBSTX HMO and PPO	
1 <b>Plavix</b> Cholesterol	\$45	\$30	\$30	\$30	\$30	\$35	\$206
2 <b>Lipitor</b> Cholesterol	\$30	\$45	\$30	\$30	\$30	\$50*	\$180
3 <b>Flomax</b> Alpha-blocker	\$30	\$30	\$30	\$30	\$30	\$35	\$167
4 <b>Actos</b> Diabetes	\$30	\$30	\$30	\$30	\$30	\$35	\$304
5 <b>Diovan</b> High Blood Pressure	\$30	\$30	\$30	\$30	\$30	\$35	\$118
6 <b>Advair</b> Asthma	\$30	\$30	\$30	\$30	\$30	\$35*	\$252
7 <b>Tricor</b> Cholesterol	\$45	\$45	\$30	\$30	\$30	\$35*	\$181
8 <b>Nexium</b> GERD	\$30	\$45	\$30	\$30	\$30	\$35*	\$280
9 <b>Vytorin</b> Cholesterol	\$30	\$45	\$45	not covered	\$30	\$50*	\$157
10 <b>Actonel</b> Osteoporosis	\$30	\$30	\$30	not covered	\$30	\$35	\$149

\* Step therapy drug.

Some prescriptions such as Enbrel and Tracleer, are considered specialty drugs and require prior authorization from BCBSTX and must be ordered through the Triessent Specialty Drug Program. Call 888-216-6710 to sign up for the Triessent Specialty Drug Program.

Monthly Medicare plan contributions	
All rates are per member	
Aetna PFFS	\$70.98
Aetna PPO	\$54.84
KelseyCare Advantage HMO	\$3.50
KelseyCare Advantage POS	\$17.24
Medicare supplement plan F with prescription drug plan*	\$91.74
Texas HealthSpring	\$26.24
TexanPlus HMO	\$32.00

\*Excludes disabled members under age 65

Monthly HMO and PPO plan contributions for retirees age 65 and over				
	HMO		PPO	
	From	To	From	To
Retiree only				
Without Medicare	\$492.54	\$522.14	\$817.07	\$923.52
With Medicare	\$153.64	\$163.82	\$507.90	\$600.20
Retiree + 1				
Without Medicare	\$1,034.34	\$1,096.50	\$1,732.80	\$1,958.58
1 with Medicare	\$307.36	\$327.74	\$1,090.70	\$1,232.82
2 with Medicare	\$299.64	\$319.50	\$714.10	\$807.14
Retiree + 2				
Without Medicare	\$1,773.16	\$1,879.74	\$2,156.80	\$2,437.82
1 with Medicare	\$522.48	\$557.12	\$1,435.48	\$1,682.04
2 with Medicare	\$476.38	\$507.96	\$1,298.41	\$1,523.72
Monthly HMO and PPO plan contributions for retirees under age 65				
Retiree only	\$171.82	\$256.38	\$580.58	\$730.40
Retiree + 1	\$507.04	\$756.60	\$1,492.57	\$1,899.48
Retiree + 2	\$790.72	\$1,179.90	\$2,086.75	\$2,682.90

## Under 65 contribution increase



In FY11, the city expects to spend more than \$300 million for health care, up from \$289 million last fiscal year. Even with modifications to plan copayments and taking advantage of state statutes that allow the city to save

tax on premiums paid to BCBSTX, HMO premium rates are going up 5 percent, and PPO rates are going up 12 percent. To keep the same top-notch benefits employees, retirees and dependents enjoy, the city and plan members must share the increased costs

Plan utilization shows that medical claims costs are 65 percent higher on average for retirees under age 65 than for active employees and retirees covered by Medicare. Utilization records consistently demonstrate that retirees under age 65 have a higher need for medical services during the first few years after they retire than when they were active or become covered under Medicare. To help cover that higher cost, retirees under

age 65 will begin to absorb more of the total premium cost for medical insurance.

Beginning May 1, the under-age-65 retiree group will pay a higher portion of the insurance premium necessary to fund their health care. Instead of contributing 36 percent of the premium, under-65 retirees will contribute 48 percent, and the city will contribute 52 percent. This contribution ratio helps to keep the plan affordable, and the cost is less than what retired employees under age 65 are paying at many other companies that still offer retiree health benefits

This shift in contribution strategy will put the city in a much better position to offer medical coverage to retirees for years to come. And, when you turn 65, your Medicare coverage will help reduce your cost for HMO or PPO, and it puts you in line to benefit from the city-sponsored Medicare plans that offer tremendous cost savings for coverage comparable to that in the HMO and PPO.

# Dental highlights

A bright white smile is important for your bubblegum card. The city offers you two affordable options to help keep your mouth healthy. Rates remain the same as last year for the DHMO, but increase 9 percent in the indemnity plan

Dental contributions		
	Retiree monthly cost	
<b>DHMO</b>		
Self only	\$9.00	
Self + 1	\$19.40	
Self + 2 or more	\$27.46	
<b>Dental Indemnity</b>		
	from	to
Self only	\$27.24	\$29.70
Self + 1	\$63.00	\$68.68
Self + 2 or more	\$85.90	\$93.64

## DHMO

A dental health-maintenance organization is a network of dentists, like an HMO, that offers a comprehensive range of dental services for fixed copayments. You choose a primary-care dentist who coordinates your care and refers you to specialists. You must live in the service area to enroll. The DHMO is provided by National Pacific Dental.

Features of the DHMO include:

- ◆ No maximum annual limit on dental services
- ◆ No deductibles
- ◆ No claim forms to complete for most procedures
- ◆ A fixed copayment for dental services
- ◆ A network that includes dentists and orthodontists

For a complete list of DHMO benefits and copayments, visit [www.houstontx.gov/hr/oe10](http://www.houstontx.gov/hr/oe10).

## Dental-indemnity plan

A dental-indemnity plan is a traditional plan that lets you receive a comprehensive range of dental services from the provider of your choice anywhere in the United States. You pay a percentage of charges for certain services and file a claim for reimbursement. The plan is provided by UnitedHealthcare Inc.

How you use the plan:

- ◆ Make an appointment with the dentist of your choice.
- ◆ If the treatment will cost more than \$200, get an estimate.
- ◆ Get a claim form from the Human Resources benefits division.
- ◆ Pay the dentist. Some dentists only require patients to pay their portion.
- ◆ File a claim for reimbursement within 90 days of the date of service. Some dentists will file your claim for you.
- ◆ Mail the claim to: UnitedHealthCare Inc., 1445 North Loop West, Suite 500, Houston, Texas 77008
- ◆ Reimbursement is made by mail, usually within 10 days.
- ◆ To check on the status of a claim, call 866-605-2599.

For a complete list of services, refer to the City of Houston Dental Indemnity Plan brochure.

## In-network preferred dentist option

If you are enrolled in the dental-indemnity plan, you can reduce your out-of-pocket costs by using a preferred dentist. If you receive care from a preferred dentist or network of dental providers, you will receive a discount on your services and have more money in your pocket.

As you can see in the chart below, if you use a preferred dentist, you will realize a considerable savings. The more costly the dental work, such as bridges or dentures, the more savings you will realize. Also, because all fees are reduced, you will receive more services before you reach the \$1,500 annual maximum benefit.

Example savings using a preferred dentist		
Plan	Usual cost	50% coinsurance
Out-of-network	\$875	\$437.50
In-network	\$701	\$350.50
<b>Your savings</b>		<b>\$87</b>

## Want to join the game?



You may change plans during the Medicare-plan annual enrollment in December (for Jan. 1) or annual open enrollment in the spring (for May 1), or you may elect to join a Medicare plan on the first of any

month. For coverage to be effective on the first of the next month, HR's benefits division must receive your application before the end of the previous month.

### Electing a Medicare plan

- ◆ Request an enrollment packet from Aetna, TexanPlus, Texas HealthSpring, KelseyCare Advantage or UnitedHealthcare.
- ◆ Enrollment forms will be in the packet.
- ◆ Each person must complete, sign, date and return all copies of an enrollment application and statement of understanding for the plan you elected. If you elect Medicare supplement plan F, you must also complete the UnitedHealthcare Part D prescription-drug enrollment form.
- ◆ You must also complete the city of Houston Medicare plan enrollment form. This form will keep your dependents' coverage in the HMO or PPO in place, and it will help ensure you pay the correct health-care premium. Keep the last page for your records.
- ◆ Use the city of Houston postage-paid return envelope to return all of your forms to the benefits division before April 30 for coverage to be effective May 1, 2010. If you don't use the envelope, the address is:

**City of Houston**  
Human Resources Department, benefits division  
P.O. Box 248  
Houston, TX 77001



## Disenrolling from a Medicare plan

You may disenroll from your Medicare plan effective the last day of any month by submitting a city of Houston Medicare plan disenrollment form. This includes changing from one Medicare plan to another. Here's how to disenroll:

- ◆ Decide if your dependent or you want to elect a different city-sponsored Medicare plan, or if you want to re-enroll in the HMO or PPO plan, you can do so within 90 days of Medicare plan enrollment or on Jan. 1, 2011.
- ◆ Each person who wants to disenroll from a Medicare plan must complete a city of Houston Medicare plan disenrollment form. The retiree must complete a city of Houston retiree medical election form to reinstate HMO, PPO or another Medicare plan coverage for any dependents or themselves. Request these forms from the HR benefits division, 888-205-9266 or 713-837-9400. If a person wants to elect another Medicare plan, request the enrollment application from the benefits division or request the new plan send an enrollment packet for each person who wants to enroll.
- ◆ Send all completed forms to:

### City of Houston

Human Resources Department, benefits division  
P.O. Box 248  
Houston, TX 77001

*The benefits division must receive your forms by the end of the month for coverage to be effective on the first of the next month.*

You must continue getting your medical services through your Medicare plan until you are notified by the plan that your coverage has ended. That notice can take up to 60 days.

## Eligibility

You are eligible for coverage as a retiree under the benefits plans if:

- you were covered by a city medical plan when you retired, or
- you filed the proper paperwork to opt out of a city plan.

If both you and your spouse retired from the city, you may be covered as a retiree or as a dependent — but not both. Dependents may be enrolled under only one parent or guardian.

The eligibility criteria remain the same. Your eligible dependents are defined as one of the following:

- Your legal spouse
- Unmarried natural or adopted children to age 25, if they qualify as dependents for federal income-tax purposes
- Children to age 25 over whom you have legal guardianship or legal foster care if they qualify as dependents for federal income-tax purposes
- Grandchildren to age 25 if they qualify as your dependents for federal income-tax purposes
- Disabled dependents over age 25 who are incapable of self-sustaining employment because of mental or physical handicap. The dependent must be primarily dependent on you for more than 50 percent of financial support and covered before age 25
- Unmarried dependent children who lose Medicaid coverage may be enrolled under the retiree's medical plan within 31 days after Medicaid coverage is lost. They may be covered to age 25 if they qualify as your dependents for federal income-tax purposes
- Ex-spouses for whom a court order has been received requiring the employee or retiree to provide health care coverage, provided benefits receives the court order within 31 days after issuance. After a divorce, an ex-spouse is not eligible. A divorce decree may not be amended to require a retiree to cover an ex-spouse under a city medical plan

## Mental Health Parity

The Federal Mental Health Parity and Equity Act requires HMO plans to remove time limitations from treatment of mental health and substance abuse. Starting May 1, out-patient and in-patient services will be treated like any other medical condition.

### HMO

- The 30-day in-patient limitation for mental illness will be removed.
- The three series of treatments of chemical dependency will be removed.
- The 20 office visits per calendar year limitation will be removed.

In-patient and out-patient copayments, including those for PCPs and specialists, will remain the same: out-patient copayment is \$25 per visit; in-patient coinsurance is 20 percent of cost.

### PPO

- The 30 outpatient visits per calendar year will be removed.
- The three series of treatments of chemical dependency will be removed.
- The 30-day in-patient limitation for mental illness will be removed.

In-patient and out-patient copayments, coinsurance and the plan's deductible remain the same: Out-patient is the office copayment plus 20 percent; in-patient is \$500 copayment plus 20 percent.

In June 2010, you should expect to receive a new benefits summary that will provide details of these improved benefits.

### Insider's tip

When you cancel your Medicare plan coverage, you must continue getting your medical care from your Medicare plan until the plan notifies you that your coverage has ended. Although the process to terminate coverage can take up to 60 days, it is generally effective on the date that you requested on your disenrollment application. You will automatically be re-enrolled in Original Medicare unless you enroll in another Medicare plan.

Your HMO or PPO coverage will be effective on the date your Medicare plan coverage ends.



## Medicare plans rules to know

### Enrolling



Your Medicare-covered dependents and you can each choose the Medicare plan that is best for you, or both of you can be covered under the same plan.

If your dependents are not eligible to participate in a Medicare plan, they may continue coverage under their BCBSTX HMO or PPO plan.

You can enroll your covered dependents in a Medicare plan on the first of the month in which they become eligible: (1) they become covered under Medicare Parts A and B at age 65; (2) they are under age 65 but become disabled and get Medicare Parts A and B, except for Medicare supplement plan F.

If you enroll in a Medicare plan May 1, 2010, you may elect to return to the BCBSTX HMO or PPO within 90 days after enrolling, or on Jan. 1, 2011.



*If there exists a conflict between this Enrollment Guide and the official plan documents for each plan, the official plan documents will prevail. The city of Houston reserves the right to change, modify, increase or terminate any benefits.*

### Primary-care physicians

Under TexanPlus HMO, and Texas HealthSpring you must select a primary-care physician to coordinate your health care, just as in the BCBSTX HMO. Check each plan's provider directory. Your doctor might be in its network.

The Medicare supplement insurance plan allows you to go to any doctor nationwide who accepts Medicare assignment. The Aetna PFFS plan allows you to select any doctor or specialist who accepts Medicare assignment and Aetna's PFFS plan. Call your doctor. He/she might already have these arrangements in place.

### Returning to Original Medicare

Remember, all the Medicare plans, except the Medicare supplement plan, take the place of your Medicare and your HMO or PPO. If you re-enroll in the HMO or PPO, you are also re-enrolled in Original Medicare.

**Remember, all the Medicare plans except the Medicare supplement plan takes the place of your Medicare and your HMO or PPO.**

### Spotlight: Need extra help?

If you need help with a Medicare plan, attend one of the enrollment meetings listed on the back of this guide, or contact the HR benefits division:

611 Walker, 4th floor  
Houston, TX 77002  
Monday-Friday, 8 a.m. – 5 p.m.  
713-837-9400  
888-205-9266  
You do not need an appointment.

## Enrollment options

### Change from one Medicare plan to another Medicare plan.

- Complete a city of Houston Medicare plan disenrollment form.
- Complete a city of Houston Medicare plans election form.
- Request your new plan to send you an enrollment packet – for each person who wants to enroll.
- For Medicare supplement plan F, also complete the UnitedHealthcare Medicare D election form.
- Complete and return the forms to the city of Houston by April 30.

### Change from the BCBSTX HMO or BCBSTX PPO to a Medicare plan.

- Complete a city of Houston Medicare plans election form.
- Request your new plan to send you an enrollment packet – for each person who wants to enroll.
- For Medicare supplement plan F, also complete the UnitedHealthcare Medicare D election form.
- Complete and return the forms to the city of Houston by April 30.

### Change from a Medicare plan to the HMO or PPO

- Complete a city of Houston Medicare plan disenrollment form.
- Complete a retiree/survivor re-enrollment form for the HMO or PPO plans
- Return the forms to the city of Houston by April 30.

## Meetings

Learn more about these money-saving Medicare plans by attending one of the four meetings below:

### **Medicare plans and BCBSTX HMO & PPO**

**Friday, March 26**

10 a.m. and 2 p.m.

E B Cape Center

4501 Leeland, Houston, TX 77023

713-837-9400

**Friday, April 2**

2 p.m.

Sugar Land Community Center

226 Matlage Way, Sugar Land, TX 77478

713-837-9400

**Tuesday, April 6**

10 a.m. and 2 p.m.

E B Cape Center

4501 Leeland, Houston, TX 77023

713-837-9400

**Friday, April 9**

10 a.m. and 2 p.m.

E B Cape Center

4501 Leeland, Houston, TX 77023

713-837-9400

## 2010 City of Houston Employee Wellness Fair

**Thursday, May 13**

**9 a.m. - 3 p.m.**

**George R. Brown Convention Center  
Exhibit Hall D**



**Wellness screenings**

**Goodies and fun**

**Door prizes**

**Fitness demonstrations**



### **Need help?**

*If you need help understanding it all, come to one of these informative enrollment meetings. We'll have experts on hand to answer your questions.*