

Agency Update

August 2010



TO: Agency Representatives

FROM: PEBB

Summary of Benefit Changes for 2011

- ODS dental plans will cover a base of two annual cleanings; up to four based on health risks.
- In addition to medical-only opt out, members with both medical and dental coverage in another employer-sponsored group health plan will be able to opt out of combined medical and dental.
- Members will be able to enroll eligible dependent children for coverage to age 26.
- Health plans will have no lifetime maximum.
- Members will have a \$100 co-pay in addition to coinsurance for MRI, CT and PET scans, and sleep studies in PEBB's Statewide Plan and Providence Choice; the co-pay will not apply to out-of-pocket maximums.
- To access no-cost participation in Weight Watchers, principal subscribers will be required to complete a health risk assessment provided by their plan.
- The rural subsidy will not apply in Jackson and Deschutes counties.
- The ODS dental plans have changes to coverage for sealant and fluoride treatments.
- The \$20,000 employee basic life benefit with premium paid by PEBB since 2009 will end Dec. 31, 2010; the agency-paid basic life benefit will continue.

Open Enrollment Requirements

Mandatory Medical and Dental. PEBB's Open Enrollment Oct. 1-31, 2010, requires mandatory enrollment for 2011 medical and dental coverage – either by choosing to continue in current plans or enrolling in new plans.

Eligible employees who don't actively enroll will be automatically enrolled for employee-only coverage in the PEBB Statewide medical plan and the ODS Traditional dental plan. Dependents they cover now will lose coverage Jan. 1, 2011.

Forms vs. Online Enrollment. While members may use a paper form to enroll during Open Enrollment, it benefits the member and the agency when members enroll online. It acts as assurance for members about their individual information and reduces the agency workload.

Forms Processing. Some aspects of forms and document processing will change. PEBB will provide instructions on these changes by Oct. 1. Following are deadlines for processing:

- Receipt of enrollment forms: Oct. 31
- Receipt of other documentation (e.g., proof of other coverage, affidavits): Nov. 5

- Completion of data entry for forms and documentation processing: Nov. 12

System Lock Outs. Changes in the member module will assist employees who lock themselves out of the system. Agencies may also assist members who are locked out.

Rule Changes. Federal reform law requires several changes to PEBB enrollment and eligibility rules. PEBB will provide details by Oct. 1. Following are highlights.

- The time for employees to make qualified midyear changes will contract from 60 days to 30 days.
- All plan terminations will be prospective. Agencies may no longer terminate an enrollment retroactively. For example, if an employee enrolls a domestic partner during Open Enrollment and wants to cancel the enrollment after the first paycheck because of the imputed value tax, the agency may not rescind coverage from the effective date. Neither agencies nor PEBB will be able to rescind coverage for any reason other than fraud or intent to misrepresent the facts.
- Employees who provide coverage to ineligible individuals will be charged an imputed value tax for the period of ineligible coverage.

Member Communications

Mailing. PEBB will mail Open Enrollment materials to currently enrolled employees beginning Sept. 9, 2010. It will be addressed to the contact address in the member's record in pebb.benefits; PEBB will shred returned mail. The mailing will include:

- Message from the Board
- List of benefit changes for 2011
- Member actions required for open enrollment
- List of PEBB and plan contacts and resources
- Brief summary of benefits available in the PEBB program
- High-level comparison of benefits in medical and dental plans
- Premium rates for medical and dental plans
- Federally required notices

Benefit Booklets. To conserve resources, PEBB does not print or distribute benefit booklets. The Board makes all benefit-related information available on the Web and provides printed information as required by regulation.

Access. The Board provides an electronic enrollment system, materials and information. PEBB asks the employer to ensure that employees without access to a computer as part of their employment have access to the benefit system and benefit information.

Agency Communications

Open Enrollment. All PEBB materials for Open Enrollment will be available on the PEBB website. This includes materials for use by agencies for displays, meetings and other communication efforts. Agencies may print and distribute as appropriate. PEBB staff will not personally present Open Enrollment information at agency meetings. Materials on the website are suitable for use by managers and other employees.

Eligibility and Coverage. Direct employees who have questions on eligibility to the Summary Plan Description on PEBB's website. Direct members to the plans for information on services, coverage, providers, service areas and claims. PEBB's website links to the plans' member

handbooks, certificates, websites and customer service numbers. Please do not contact a plan on behalf of a member.