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## A message from the Public Employees' Benefit Board

### *2018 health plan update*

Dear PEBB member,

We want to let you know what changes you will see in your insurance plans for the 2018 health plan year. We're making some minor changes in the plans in order to remain within or under the 3.4 percent limit on cost increases set by the Legislature.

We will keep you updated as we get ready for open enrollment October 1 through 31.

**Kaiser and AllCare will not see any changes in 2018.**

**Moda and Providence will have modest copay increases for office visits.**

Copays for primary and specialty office visits will increase by \$5 and for the part-time plans copays will increase by \$10.

Moda will now have a closed drug formulary to help bring down costs. The other plans already have closed drug formularies in place. A formulary is a list of medications covered by your insurance plan. Non-formulary drugs usually are not covered by your plan even if prescribed by your doctor. You can still fill a prescription for a non-formulary medication, but you will have to pay more. Moda will contact members who will be affected by this change.

**Moda and Providence will go to a Hospital Tier system and a small copay increase to bring down costs.**

Here is how the Hospital Tier system will work:

- **Tier 1:** A hospital would be designated as Tier 1 if it charges less than 200 percent of the Medicare rate. (The target is a little higher in some rural communities).



- **Tier 2:** A hospital would be designated as Tier 2 if it charges more than 200 percent of the Medicare rate.
- **Tier 3:** Out-of-network hospitals would be designated as Tier 3.

Moda and Providence will work with hospitals to help them reach Tier 1 status. We will let you know which hospitals are in each tier when we get a complete list.

PEBB members will pay the same out-of-pocket costs for Tier 1 as they do now for in-network hospitals. PEBB members will pay higher costs at Tier 2 and Tier 3 hospitals.

Emergency situations will be treated the same as they are now. Someone who makes an emergency visit to a Tier 2 or out-of-network hospital will pay the same emergency copay and other out-of-pocket payments as they would for a Tier 1 hospital. The different costs for the hospital tiers apply only to planned hospital visits.

Questions? Email PEBB at [pebb.connect@dhsoha.state.or.us](mailto:pebb.connect@dhsoha.state.or.us).