

MEMORANDUM

APEA / AFT (AFL-CIO)
SOUTHCENTRAL REGION

TO: John White
President, SU

DATE: April 29, 2009

FILE NO:

TELEPHONE NO.: 274-1688

FROM: Dennis Geary
Assistant Business Manager

SUBJECT: SU Healthcare
Changes
FY 2010

Healthcare report – April 29, 2009.

The Health Benefits Evaluation Committee (HBEC) has seen an extraordinary year of activity. During the past year, the HBEC has recommended the initiation of a wellness program for members of the Select Benefits. The contract for administration of the Select and Retiree healthcare plans was placed out to bid, and members of the HBEC participated in the bid proposal review. Finally, the healthcare rates for FY 2010 were reviewed by the HBEC and set by the Commissioner.

The Wellness recommendation by the HBEC was not only accepted by the Commissioner of Administration, but a significant monetary commitment was made for FY 09 and FY10 to make it happen. The roll out of the program was the voluntary completion of a personal health survey of the members of the Select Benefits in July. Based on the results of these assessments and a recommendation from the HBEC, the R&B contracted with WEB MD to host a personal health manager web portal for use by Select Benefits participants. Next was the Health Risk Assessments that were collected in January of this year. Both of these surveys were completed by a significant portion of the Select Benefits participants, and are going to allow the Select Benefits to focus its attention/efforts to reduce future healthcare expenses.

Premera has been the contract administrator for both the Select Benefits and Retiree plans for the last 2 ½ years. An RFP was placed for the renewal of the contract and there were four qualified companies that submitted bids: Premera, AETNA, UMR and Wells Fargo Health Services. The successful bidder was Wells Fargo! Wells Fargo Insurance Services is one of the largest healthcare administrators on the east coast. They will begin providing services for Select members on July 1st. Look for announcements about the change to come in the near future from Retirement & Benefits. You can expect new membership cards to be in the mail sometime in early to mid July. Remember, this is only a change in who pays the bills and the Select Benefits will not change in any way. Along those lines, open enrollment this year will be May 11-30, and that announcement will be out soon from Retirement and Benefits.

Members need to start thinking about what benefit plan(s) they will be choosing for next year.

Finally, the costs and contributions for next year have been set with a 5% increase. The following are the cost/co-pay changes from this year to next :

Select Benefits FY10 Premium rates

	Premium Employee	Std Family	Standard Single/Family	Economy Single/Family
Medical, Audio, Prescription Drugs				
FY09 Rates	\$ 1,040.00	\$ 1,227.00	\$ 953.00	\$ 822.00
FY10 Rates	\$ 1,092.00	\$ 1,288.00	\$ 1,001.00	\$ 863.00
Dental				
FY09 Rates		\$ 175.00	\$ 105.00	\$ 45.00
FY10 Rates		\$ 184.00	\$ 110.00	\$ 47.00
Vision			Standard	Managed
FY09 Rates			\$ 33.00	\$ 22.00
FY10 Rates			\$ 35.00	\$ 23.00

State Contribution Rate

**Economy Plan
 (Medical/Preventative
 Dental/No Vision)**

Total FY09 Funding Rate	\$ 867.00
Total FY10 Funding Rate	\$ 910.00