

Educators Health Alliance

2009-10 Contract Year Renewal Effective September 1, 2009

Premium Rate Changes

The EHA Board is pleased to announce for the seventh consecutive year that the rates will increase by an overall average amount of less than 10%.

The Medical rates will increase an average of 7.9%.

The Dental rates will increase an average of 2.9%.

The overall composite rates will increase an average of 7.7%.

Premium Rate Change by Tier and Benefit Plan

The percentage change in premium rates will be different for each of the 4 rate tiers. [The 4 tiers are, Employee (or retiree) only, Employee (or retiree) and Child(ren) only, Employee (or retiree) and Spouse only, Employee (or retiree), Spouse and Child(ren).]

Additionally, as a result of the benefit changes and the realignment of the rates to appropriate actuarial benefit values, the percentage change in the premium rates for each deductible option, compared to the corresponding option in the current year, will vary by option.

Benefit Changes

1. The \$150 Deductible PPO Plan will be eliminated effective September 1, 2009.
2. PPO Plan deductible increases are as follows:
 - a. The \$300 Deductible Plan will become a \$350 Deductible Plan.
 - b. The \$550 Deductible Plan will become a \$600 Deductible Plan.
 - c. The \$1,050 Deductible Plan will become a \$1,100 Deductible Plan.
3. A new \$800 Deductible PPO Plan will be offered.
4. Additional preventative coverage will be added to the PPO Deductible Plans. The coverage will be a maximum \$500 of routine care subject to deductible and coinsurance and first dollar coverage for mammograms, pap smears, PSA tests and routine immunizations.

5. Out-of-Network coverage in the PPO plans will have the following provisions:
 - a. The out-of-network deductible will be twice the in-network deductible for all plans.
 - b. The out-of-network coinsurance will be 40% for all plans.
6. The office visit copay will increase to \$35 on all PPO plans.
7. * The coinsurance out of pocket maximum will be \$2,000 individual and \$4,000 family for the \$350 and \$600 deductible PPO plans. The coinsurance out of pocket maximum will be \$2,250 individual and \$4,500 family for the \$800 and \$1,100 deductible PPO plans and the \$1,250 deductible HSA eligible plan. Out-of-Network coinsurance maximums will be twice in-network for all plans.

* This description revised 3/17/09.
8. Prescription drug coverage
 - a. No change in generic copays.
 - b. The formulary copays will be subject to a \$30 minimum and \$60 maximum.
 - c. The non-formulary copays will be subject to a \$60 minimum and \$90 maximum.
 - d. No change in specialty pharmacy copays.

Statement on Benefit Changes

The EHA Board approved the above benefit changes in order to address the concerns expressed by the EHA constituents relating to maintaining affordability while at the same time providing quality coverage. The changes are designed to lower the otherwise needed premium rate increase while limiting the burden on any particular individual. Additionally, the preventative benefits were increased to encourage use of these services in order to promote health and lower long term health care cost.

In addition to the plan benefit adjustments, EHA groups will have the option of eliminating all or a portion of the rate increase by moving to the higher deductible options available.