Health Insurance Information for 2019 Open Change Retiree Group for Iowa State University and Affiliated Iowa Board of Regents Institutions
Opening October 15, 2018 – Closing December 7, 2018

Presentation followed by Questions & Answers
Pick a date: October 29th or November 1st, 2018
Pick a time: 9:00 a.m. to 11:30 a.m. or 1:30 to 3:30 p.m.
Alumni Center – South Ballroom – No reservations needed.

➢ Read and review the ISU insurance choices and information on the following pages. The dental plan information will be mailed separately to all those currently enrolled.

➢ If possible, plan to attend one of the presentations offered by the ISU Benefit Team. The sessions will be in the Alumni Center on 420 Beach Ave. There is free parking on the east side of the building, accessible from Center Dr. or South 4th St. The elevator is just inside the ground floor entrance, to the right of the staircase.

➢ You must make a decision between October 15th and December 7, 2018. Changes made will become effective on January 1, 2019. Your choices are:
   1) Do nothing and continue with the ISU health plan as currently enrolled or
   2) Change from one ISU plan to another or
   3) Shop for other coverage, leaving the ISU health/prescription plan.

➢ To make the change from your existing ISU health plan to the other plan offered, or to update your address, phone or add e-mail, complete the change form included in this packet.

➢ To drop the current ISU health plan, complete the drop form and return it before 12-7-2018. If you drop the ISU health plan, you will not be offered another opportunity to enroll in ISU’s coverage again. If you drop the ISU Wellmark plan, you are also dropping the prescription plan. You must have the ISU Humana or Express Scripts prescription plan to have the ISU Wellmark medical plan.

➢ Follow up with ISU Benefits Office at 1-515-294-4800 if necessary. Phone calls or planned appointments are strongly encouraged. Getting to central campus is difficult and drop-ins may be disappointed when there isn’t staff available to discuss options. We anticipate a high volume of calls and appointments so please be patient and leave a message. We will work to return calls and schedule appointments. The active employees open change time is November 1 to 16th, so the month of November will be very busy for the Benefits Office staff.

➢ For those that will become eligible for Medicare in 2019 either due to turning age 65 or if on Social Security disability for 24 months, please pay particular attention to the sections regarding Medicare and Medicare Part D.
Steps if you want to make changes to your ISU Plan for 1-1-2019
- Complete the Open Change Form from the packet indicating your new choice.
- If adding a Medicare eligible person enrolling in the Plan for January 1, 2019, such as a spouse or partner or other eligible dependent; please request a Humana application from the ISU Benefits office.
- Make a copy of the completed forms for your own records.
- Mail to ISU Benefits Office, 3810 Beardshear Hall, 515 Morrill RD, Ames IA 50011-2033 or bring forms to 3810 Beardshear or bring to one of the sessions.

Steps to enroll in coverage elsewhere for 1-1-2019
- Visit with SHIIP consultants or insurance brokers selling individual insurance plans.
- Fill out forms for those companies, as needed.
- So we have a record of your intentions, submit the drop notice to:
  ISU Benefits Office, 3810 Beardshear Hall, 515 Morrill RD, Ames IA 50011-2033

Life-Long Coverage?
Retiree health and prescription coverage is not guaranteed. ISU hopes to continue to provide group health/prescription benefits to retirees and their family members for years to come. ISU will make every effort to continue to offer plans with options our retirees can afford.

Automatic Payment?
The member is responsible for the timely payment of all premiums to have continuous coverage, so consider setting up automatic payment options with Wellmark.

Who may you insure on the ISU insurance plans?
--You may insure a spouse or domestic partner and eligible children.

--You may insure an eligible adult child on your insurance through the end of the year in which they turn 26. After 26, only an unmarried, full-time student, adult child or a permanently disabled child is eligible for coverage on the retiree policy.

--Disabled children may continue on the retiree’s plan if there has not been any lapse in coverage for the child since the disability was verified by Wellmark as total and permanent.

--A spouse/partner of the retiree. If the spouse/partner is insured on the retiree’s plan at the time of the retiree’s death, the surviving spouse/partner should contact the ISU Benefits Office to report the death. The surviving spouse/partner would then complete a form to transfer the policy to their name.

--If a family member leaves the ISU plan but the retiree does not; the retiree may add that family member back on to the retiree’s ISU plan policy next open change time, provided they meet the eligibility requirements. Likewise, if a family member is losing coverage mid-year, the retiree may add the eligible family member within 60 days of a qualifying event. Coverage is effective the first of the month following satisfactory notice as determined by the ISU Benefits office.
--If a retiree divorces their spouse, the divorce must be reported to ISU and the spouse will be offered COBRA or could seek coverage elsewhere. They are not allowed to remain on the group plan.

The Iowa State University Health Insurance Choices

Wellmark Blue Cross and Blue Shield of Iowa administers both plan options for Iowa State University. Wellmark will be changing the name of our plans and issuing new ID cards with new numbers for all plan participants for January 2019. Even if you are keeping the same plan you will get a new ID and number.

1. **Alliance Select will be called Wellmark BluePPO** in January 2019. This is simply a name change. It is the same Wellmark Blue Cross/Shield Association Preferred Provider Organization (PPO) plan you have had as an option for years.

The BluePPO plan network is nation-wide, participants can find participating providers all over the U.S.A. This plan is the ISU plan for retirees residing in and outside of Iowa. It is the preferred plan for those residing in Iowa but who like to travel extensively. Or for those that want to have service from Mayo Clinic or other out-of-state providers. In some cases, you may have PPO in-network services even when out of the country.

The BluePPO requires in-network providers for routine services. If all eligible services are received from providers in the BluePPO network, BluePPO participants will have less to pay.

2. **Blue Advantage will be called Wellmark BlueHMO** in January 2019. This is simply a name change. It is the same Wellmark Blue Cross and Blue Shield of Iowa Health Maintenance Organization (HMO) plan you have had as an option for years.

The Wellmark Health Plan of Iowa (WHPI) or BlueHMO network is a large network of participating physicians in Iowa and some counties in some bordering states. You may contact Wellmark or use their website to check for network providers. This plan is an option for those residing in Iowa.

- Each member in the BlueHMO contract is required to designate a Primary Care Physician (PCP), which can be a different doctor for your family members. Physician Assistants and Nurse Practitioners may be PCPs.
- Check with local providers (Clinics, Hospitals, Specialists, Chiropractors, etc.) regarding their possible participation. A Wellmark recognized Network, Primary Care Physician (PCP) must be designated on the form when electing the BlueHMO plan.
- The BlueHMO offers (but does not require) a guest membership for long term travelers. The guest membership does not have a cost to the member. For those who have a permanent residence in Iowa but travel to another area for more than 90 days at a time, the BlueHMO is still an option. Call Wellmark for additional details regarding the ISU BlueHMO plan and for help in following the BlueHMO requirements. For travelers that do not implement a guest
membership, emergency room services are included in the plan, even when out of the Iowa BlueHMO network.

Those participants that continue the ISU health plan may change between the two offered medical insurance plans each year during the open change period. If moving out of Iowa and the BlueHMO network area during the plan year contact the ISU Benefits office to change mid-year due to the move.

The changes made during the open change are effective on January 1. Members that need to make mid-year changes should contact the ISU Benefits office. Changes are effective as determined by the qualifying event date and must be reported in a timely manner.

If you have questions on the two ISU plan medical options, the health plan comparisons in this mailing might resolve those. The detailed plan certificates are on the ISU web pages. If you want to have a conversation about the plan detail differences for medical services you may be wondering about, you may contact Wellmark customer service. The number is on your ID card.

Blue365® Member Discounts and Services
As a member of any Wellmark medical plan, you have access to discounts and services through a program designed by the Blue Cross Blue Shield Association. Check out the website below or call Wellmark regarding discounts or services related to: Diet, Family Care, Financial, Fitness, Hearing (aids), Travel and Vision (eyewear).
http://www.wellmark.com/Member/UsingBenefits/Blue365.aspx

Prescription Drug Coverage
For retirees and dependents not eligible for Medicare, the prescription coverage is Express Scripts. There are not any changes in plan design for 2019 for Express Scripts. The Express Scripts is included in the price you pay to Wellmark.

For those Medicare eligible, prescription drug coverage through Humana will continue in 2019. You must have the ISU Humana plan as the group Prescription Drug Plan (PDP), also known as Medicare Part D, in order to have the ISU medical plan from Wellmark. More details about the Humana Part D PDP coverage begins on page 7.

What is Medicare Eligibility?

Typically Medicare eligibility is the first of the month you reach age 65, but it can also be determined by a medical diagnosis such as ALS or End Stage Renal Disease or after 24 months of a Social Security Disability determination.

If an ISU retiree or disabled employee or their family member qualifies for Medicare and wants to continue to be covered by the ISU insurance; Medicare Part A & B must be the primary insurance for those Medicare eligible individuals. Medicare receives the claims first and once Medicare processes the claim, the claim arrives at Wellmark electronically.

If the retiree/disabled employee or an insured family member postpones enrollment in
Medicare, there will be a penalty from two places.

1) The ISU Plan penalty is, the member would be responsible for the first 80% of any medical claim before Wellmark would pay until Medicare enrollment is completed.
2) When the person finally enrolls in Medicare, the member would then incur a lifelong late enrollment penalty from Social Security. That penalty is added to the total a member pays for their Medicare Part B premium.

**Medicare eligible or becoming eligible in 2019**
Those that elect to begin Social Security Income (SSI) benefits prior to age 65 typically receive their Medicare card three months before their 65th birthday month. If not currently receiving the SSI benefits, the plan member should contact Social Security in the three months before the 65th birth month to discuss the process and benefits of signing up for Medicare. Those becoming eligible due to age 65, receive a lot of mail from many insurance companies offering a plan. It is important to watch for the Iowa State University envelope to take steps to continue the ISU group plan correctly. Or contact the ISU Benefits office if you did not get our mailing. It is good to be pro-active in contacting the ISU Benefits office to relate the Medicare information and to further understand how Medicare is involved in the ISU retiree medical coverage.

Contact the ISU Benefits team if you or any family member on the plan becomes Medicare eligible prior to age 65. This could be due to a medical diagnosis or Social Security disability.

The ISU retiree plan for Medicare participants is secondary coverage to Medicare. It is not a supplement, known as a “Medigap” plan. For those enrolled in Medicare Part A & B, the Wellmark network rules still apply for the secondary coverage but member liability (deductible, co-pays and co-insurance) is usually reduced or eliminated. The reduction is dependent on Medicare and Wellmark. Medicare must process all claims first, to pay or deny. Then the claim will be processed by Wellmark. Wellmark will process as if the claim is being paid by Wellmark first. Then, after that, the Medicare settlement as reported to Wellmark is applied to the claim liability and usually reduces the member liability. If you receive any co-insurance or co-pay bill from a provider after Medicare and Wellmark have processed the claims, this should be questioned. It should rarely happen but it is possible.

If any provider tells the member that Medicare will not pay on the claim, please ask the provider to file it to Medicare anyway. Wellmark must have Medicare’s determination to finish processing a claim. If the provider does not participate with Medicare, you may need to file the claim to Medicare yourself. Once Medicare processes the claim, Wellmark should get it like the normal process.

If you are Medicare eligible and continuing with the ISU Wellmark medical plan, you must have the ISU Group Medicare Part D plan with Humana. If adding a Medicare eligible dependent to the medical plan during this open time, the Medicare eligible dependent must take action during this open change time to enroll in our group Humana plan. This action is with the ISU Benefits office and never directly with Humana. There are other Humana plans that are individual plans. To stay in the ISU Wellmark plan, you must have the ISU Group PDP with Humana. Family members on the plan that are not yet Medicare eligible will need to have the
ISU Express Scripts drug coverage.

Each year Medicare eligible participants have an opportunity to enroll in any Medicare supplement plan. Electing to move to any individual plan may require medical screening and ISU would require you to leave the ISU Group Humana plan.

If you decide to leave the ISU plan and instead apply for an individual Medigap plan, make certain to also enroll in an individual Medicare Part D for prescriptions as well as a medical plan. Members cannot stay in the ISU Humana group plan without the Wellmark medical plan.

Remember, the ISU Plan, is a plan secondary to Medicare. It is not a standardized, individual or group Medigap plan such as Plan F or N. It is not a Medicare Advantage Plan (Medicare C) and it is not a Private-Fee-For-Service Plan. The ISU University Benefits Committee investigated those options in the past and believe the existing Wellmark BluePPO or BlueHMO health plans with the addition of the Humana custom Group Medicare Part D plan are the best options to offer our Medicare eligible retirees.

Retirees also cannot stay in the ISU Wellmark medical plan if they later enroll in an individual Medicare Part D plan that is not the ISU group plan. Exercise caution when dealing with sales people offering Medicare supplemental and prescription plans. Once you elect to drop your coverage through Iowa State University, you are not allowed to re-enroll at a later date.

**ISU Plan Group Prescription Drug Plan (PDP) Coverage by Humana and/or Express Scripts**

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<thead>
<tr>
<th>Prescription Drug Coverage Required Notice</th>
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<tr>
<td>Iowa State University has determined that both the Express Scripts and Humana prescription drug coverage with the ISU Plan are as good as or better coverage than the standard Medicare prescription drug coverage (Part D). This means that your ISU Plan coverage is considered “creditable coverage” and that you will not pay extra if you later decide to leave our plans and enroll in an individual Medicare prescription drug plan. (Please see enclosed Notice of Creditable Coverage)</td>
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**ISU Plan Prescription Drug Plans.**
The premium you pay to Wellmark includes prescription drug coverage. The ISU Plan members have prescription drug coverage with either Express Scripts or Humana. Medicare eligibility determines which plan you are required to be in.

**Express Scripts** is the plan for retiree/disabled members and the family members on the plan that are not yet Medicare eligible. For those members adding new dependents to the plan that are not yet Medicare eligible, the enrollment form adding them to the ISU BlueHMO or BluePPO plan will begin the process for enrollment to the ISU Express Scripts plan for January 1, 2019. Those dependents should be mindful of the need to get refills from their current plan they are leaving prior to the end of December so they have time to transition to Express Scripts. Until enrollment is complete, Express Scripts cannot advise on transitioning current medications.
**Humana** is the ISU Group Medicare Part D prescription drug plan for retiree/disabled members and the family members on the plan that are Medicare eligible. For those adding new dependent that are Medicare eligible, in addition to electing the ISU BlueHMO or BluePPO, eligible family members would need to complete the ISU Humana enrollment form and return the form to ISU along with the 2019 Open Change form.

For anyone on the plan transitioning to Medicare in the future, the ISU Benefits office does send the Humana application to those on the plan, approximately 90 days prior to your Medicare eligible birth month.

Members in our retiree group plan must transfer from Express Scripts to Humana when eligible for Medicare. ISU assists with this transition. You must enroll with the ISU Benefits office assistance to get our plan. It is not available through a general Humana enrollment. You must get the ISU PDP to stay in our Wellmark ISU plan for medical coverage.

Your prescription history as processed by your previous prescription plans cannot be shared with any new plan. So regardless of where you purchase your prescriptions, the new plan may need to have medications go through a new authorization. The account representatives will assist members in any transition. You will have a member number and a phone number to call listed on the new ID cards. Mail order is an option, not a requirement. If you use your local pharmacy, they will request to make a copy of your new prescription card. If you want to use the mail order, customer service can assist in that transition. If the prescription ID does not arrive by January 1, 2019, you may contact ISU Benefits Office to assist you.

If a retiree signs up for any other Medicare Supplement or Part D PDP, the retiree and any family member on the plan with them, should terminate the whole ISU Plan. Once a retiree drops the plan, they will not be able to rejoin the group plan. **Please communicate with the ISU Benefits Office if you, or a covered family member, intend to enroll elsewhere.** This will help the transition go smoothly. The drop coverage form is attached to complete and return.

If the retiree’s benefit eligible family member leaves the plan for 2019 but the retiree stays on the ISU Plan, the family member may be added back to the retiree’s plan during an open change time, provided they are still eligible by the rules of our plan. Ask the ISU Benefits Team if you have a question on eligibility.

During the 2019 year or any year, if you receive notice that you have been or are being dropped from your ISU Express Scripts or Humana plan and you did not take action to terminate the coverage yourself, please contact the ISU Benefits Office.

If an assisted living facility, nursing home or other facility wants to enroll you or your dependent in a different prescription plan because the facility is not participating with Humana, our Part D plan, remember it is necessary to keep our prescription plan to be in our group medical plan. Humana can assist you in working with the long term care provider. Humana Pharmacy mail delivery might be an option.
Similarly to Wellmark, Humana offers value-added items and services to plan participants. The items are subject to change but in the past have included hearing aid discounts, alternative medicine and medical alert systems. Details can be obtained from Humana and are usually included in their annual mailing.

**MEDICAL/PRESCRIPTION MONTHLY PREMIUMS FOR 2019**

Your ISU Medical/Prescription Plan is a two-part plan for one price. ISU has Wellmark collect the full retiree premium for ISU Plan participants. ISU Retirees on the plan do not pay a premium directly to either of the prescription managers, Express Scripts or Humana. The payments you make fund the retiree pool; ISU then uses the pool to pay for the medical claims and the applicable pharmacy coverage and claims.

The premium is for **both** medical and prescription coverage. Express Scripts for those not yet eligible for Medicare or the Humana Part D for those eligible for Medicare drug coverage. All premiums include a small administration fee for the ISU Benefits Office. This fee, implemented in 2010, is for the cost involved with providing ISU Benefits Office service to our retiree participants.

The member must continue to pay the premiums to the insurance companies in a timely manner, so you may want to consider setting up an automatic payment where Wellmark and/or Delta Dental pulls the payment from your account. Many current participants find this an effective way to pay. This way to pay is not required. You may continue to get invoices and send in checks.

2019 Medical and Pharmacy Premiums for two group categories. Please note, for those categories where there is not Medicare involved, the former Faculty, Professional and Supervisory or Confidential Merit have a different premium than former Merit retirees. This is due to the limited history of the Merit retirees’ claims experience. As the plan experience and trend are evaluated over a longer period of time, the expectation is the two groups will be blended to eventually have the same premiums. For 2019, all the Medicare eligible retirees have an increase over the 2018 premium.

**Insurance Premium changes for those with Medicare and Low Income or High Income**

Medicare Part A is usually at no cost to those eligible. Medicare Part B premiums are income-based and annually assessed by Social Security.

Social Security will base the Medicare Part B 2019 premiums on the 2017 income. This is deducted from your Social Security Income (SSI) or billed to you if not yet collecting your SSI.

The Medicare Part D premium for any Part D plan (including our Humana Part D plan) is also based on income. The premium for our Humana plan is rolled into the premium you pay to Wellmark but there could be an adjustment due to the income level you had in 2017.

In 2019, based on 2017 income, those qualifying for the low income subsidies (LIS) for the Medicare Prescription Drug Plan (PDP); ISU will have the premium from Wellmark reduced for the months that the LIS applies. The premiums listed in this document do not reflect the LIS.
CMS notifies Humana when a member qualifies as LIS. ISU then gets notice from Humana. ISU then alerts Wellmark to have the member charged a lower premium. The LIS is based on the reduction of the cost for the Humana plan for the applicable member.

For those Medicare participants with high income reported in 2017, the participants are assessed an Income-Related Monthly Adjustment Amount (IRMAA) in 2019. This amount, based on reaching a higher income tax level, is deducted directly from the Social Security Income (SSI). CMS notifies the member of this annually applied assessment for Medicare B and D. If assessed the fee and the participant does not agree to have the fee deducted from the SSI, CMS would advise Humana to terminate the Medicare Part D, which would be your ISU Humana group plan. It is best to accept IRMAA than to risk having your coverage terminated. If your Humana is terminated, your medical plan is also subject to termination as well. You may contact the ISU Benefits Office if you have questions about either LIS or IRMAA.

Transitioning to Medicare and ISU Prescription Drug Plans

ISU will provide the Humana application to move to the Part D plan. The Humana forms must be returned to the ISU Benefits office, and ISU takes care of submitting the form to Humana for enrollment in the ISU group. Then the Humana card replaces the Express Scripts card. Family members who are not eligible for Part B will remain in the ISU Express Scripts group plan and get a new card as well.

For those with Medicare, enrolling in the ISU Humana plan, the Center for Medical Services (CMS) requires the Part D plan providers to send a renewal kit. These kits, will have the Annual Notice of Change, Evidence of Coverage, and a Prescription Formulary which is an Abbreviated Drug List and a new ID card.

For the comprehensive formulary please use the website or call the customer service number on your ID card. The web link is: https://www.humana.com/pharmacy/insurance-through-employer/tools/druglist/

Medicare Part D Prescription Drug Plan Framework or Stages
All Medicare Part D prescription drug plans must follow the framework of rules and regulations established by CMS but an approved plan can offer better benefits than a standard Part D plan. The ISU Plan with Humana is approved for following the CMS framework but we do have better benefits than the standard D.

The Standard D framework does not have an out-of-pocket maximum limit. In comparison, the ISU Plan Part D PDP plan with Humana limits a member’s annual out-of-pocket to $2,500.00.

The Standard D framework has a deductible for a member to pay first. In comparison, the ISU Humana Plan does not have a deductible for the member to pay. We begin with a co-pay or co-insurance.

All Part D plans have an initial stage of coverage, which lasts until the total drug spend (the
amount the member pays plus the amount Humana pays) reaches $3,820.00. During the initial stage, members in the ISU PDP plan pay a copay or a coinsurance percentage but only up to a maximum of $50.00 for a 30 day supply.

**Stage two** is referred to as the coverage gap or “donut hole”. Prior to 2011, the Part D standard framework did not include coverage for anyone while they were in stage two. It was called the gap or donut hole because nothing was there!

In Stage two, the Part D plans are required to be equal to or better than the defined standard with CMS for Part D benefits. With the custom structure of the ISU PDP plan having maximum limits per prescription and the $2,500.00 limit for the participants maximum out-of-pocket (MOOP), the ISU plan is richer than the defined standard in aggregate and therefore allows the coinsurance amount of 30% in the Coverage Gap instead of a standard D plan of 25%

For the ISU Plan, the 30% coinsurance maximum is capped at $10.00 for 30 day supply of generics and $50.00 for 30 day supply of preferred brand name medication by Humana.

For all covered prescriptions, the maximum out-of-pocket for each person with the ISU Humana plan is $2,500.00 annually. After your out-of-pocket drug costs reach the $2,500.00, Humana pays 100% of your total drug costs.

The stages of the framework are referred to in each individual’s “SmartSummaryRx” sent by Humana to members purchasing prescription medications using the ISU Humana plan.

**Stage three** is also known as the catastrophic stage. Because we have a $2,500.00 out-of-pocket maximum, reaching the catastrophic stage is rare on the ISU Plan. If you reach this stage without reaching the maximum out of pocket amount, you pay 5% or $3.40 for generics and $8.50 for brand name drugs, whichever is greater.

You might have a prescription that your pharmacy may indicate as not covered by Humana due to coverage by Medicare Part B. For those prescriptions, Wellmark will follow Medicare. An example of this type of prescription are diabetes test strips or transplant auto-immune suppressive medications.

Humana – the phone number will be on the back of each member ID card. If you need assistance prior to enrollment you may call Humana Customer Care at 1- 866-396-8810 with questions on transitioning mail order medication from Express Scripts to Humana.

The Patient Protection and Affordable Care Act (ACA) requests employers provide a notice to retirees regarding coverage options available through a Marketplace. The Department of Labor’s notice is available by request or at the ISU benefits website for your review: [http://www.hrs.iastate.edu/hrs/system/files/benefits/general/629/affordable_care_act_-_marketplace_coverage_options_2013-09-20_1106.pdf](http://www.hrs.iastate.edu/hrs/system/files/benefits/general/629/affordable_care_act_-_marketplace_coverage_options_2013-09-20_1106.pdf)