



**DATE:** 9/8/11  
**TO:** ALL BENEFIT ELIGIBLE EMPLOYEES  
**FROM:** DAVE CRAWFORD, PERSONNEL OFFICIAL  
**RE:** BENEFITS UPDATE

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Today, I bring you benefit news pertaining to our Health Insurance Benefits, the Dental Insurance Benefits, and our Voluntary Life Insurance Benefits.

## **HEALTH PLAN**

Due to unusually high claim experience since last October, as well as normal rising health costs, the renewal and quotes came in much higher to maintain the same premiums and benefits than was affordable for both the City and yourselves. So alternatives were considered that would minimize the premium increases and maintain a high level of benefit coverage.

Ultimately, City Council has approved a new Health Plan arrangement to go back to BlueCross BlueShield of Tennessee for the benefit plan year of October 1, 2011, through September 30, 2012. There are still three basic plan options to choose from, or you can waive coverage if you choose to be covered under a separate plan, such as your spouse's plan.

However, while the benefits remain basically the same, there had to be co-pay changes made in order to reduce the premiums to a manageable level. For instance, Option 1, also known as the City Base Plan, has the following changes:

Deductible: \$500 to \$750

Specialist Office Visits: \$20 co-pay to \$40 co-pay (Non-specialists remain at \$20 co-pay)

Emergency Room Visits: \$100 co-pay to \$200 co-pay

Prescription Card: \$10/\$20/\$40 to \$10/\$25/\$50

Our two "buy-up" plans also have been changed. Our new Option 2 has the same format as the new Base Plan but includes what BCBST calls its "P" Network. One of the UnitedHealthcare features was a larger network consisting of what is called Tri-Star medical providers, such as Centennial, Skyline, and Hendersonville Medical Center. These providers are treated separately with BCBST, as it was for the many years we were with BCBST, and are in the more expensive P network. We did not want to eliminate those providers when some of you may be currently established with providers, so while the benefits and co-pays are identical to the Base Plan (Option 1), the only difference of Option 2 will be the inclusion of P Network providers. You should contact your doctor to see if they are also in the S Network of BCBST, but we know the Tri-Star hospitals are only in the P Network, so to continue to receive their services your only choice is to choose this option.

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The current Option 3, which is a plan that has set co-pays for Outpatient/Inpatient procedures and slightly higher office visit co-pays has been eliminated. Our current Option 2 (now to be Option 3) which mainly features the 100% Outpatient Surgery benefit will also have the same Specialist, ER, and Rx card changes, but it will retain the lower \$500 deductible and the 100% Outpatient Surgery benefit. The premiums are higher for this better coverage plan.

Switching back to BCBST will reintroduce some of the old favorite features. Deductible expenses incurred between October 1 and December 31 will roll over into the next calendar year. You will be able to buy maintenance drugs by getting a 3 month supply for the cost of 2 months. BCBST Vision Plan is the same as before, considered a strong improvement over UHC's vision plan. Preventive care office visits are covered at 100%. Some Prescription Drugs may be in lower or higher co-pay tiers than with UHC.

Change is never easy and we regret some of these changes, but this is the first benefit changes that have been made in 5 years, and our average premium increase during that time was less than a 2% increase. We have held the maximum Out-of-Pocket expense to \$2,000 for individuals and retained the benefit services currently being provided.

Another positive change will be the addition of a 4 Tier rate structure. Currently we have Employee only, Employee plus one, and Family. The new tiers will be: Employee only (**The City still is committed to paying 100% of the Premium for the Base Plan for employees**), Employee plus Spouse, Employee plus Child/Children, and Family. The rates for the Employee plus Child/ren offer significant savings over the Family rate. Those of you covering a Spouse and two or more children should seriously analyze how you can save money, particularly if your spouse has health insurance available where they work.

Enclosed is a summary of the benefits and premiums and how each Option operates. Please study this chart carefully in order to choose the plan option that best fits you and/or your family. This change will take effect on October 1<sup>st</sup>, and you will receive new health cards. There may be some benefits that might be slightly different that taking action either before or after 10/1/11 could produce a better medical/financial result for you. Feel free to talk to Amy or me if you have questions about any of these matters, as we realize each employee's situation can be different and have unique circumstances.

The paycheck issued on September 16<sup>th</sup> will have the normal bi-weekly health insurance deductions for UHC, but the payroll check issued on October 14, 2011, will have the new BCBST deductions. (There will be no deduction on the paycheck for September 30<sup>th</sup>.)

**VOLUNTARY DENTAL PLAN (BlueCross BlueShield of Tennessee)**

The City will renew with BlueCross BlueShield Tennessee for dental benefits beginning October 1, 2011, with payroll deductions on October 14, 2011, on a bi-weekly basis. THERE IS NO RATE INCREASE FOR THIS YEAR, AND THE BENEFITS REMAIN UNCHANGED. You can still choose to enroll for the first time or change to a different option for next year.

	<u>Emp</u>	<u>Emp+1</u>	<u>Family</u>	<u>Preventive</u>	<u>Basic</u>	<u>Major</u>
Option 1	\$8.37	\$13.54	\$20.74	IN-100%	50%	30% (No Ortho)
Option 2	\$11.55	\$18.66	\$28.64	IN-100%	50%	50% (No Ortho)
Option 3	\$14.32	\$27.58	\$47.18	IN-100%	80%	50% (50% child Ortho)

- Benefit Maximum \$1,000 per year per member (\$1,000 Orthodontic per child per Lifetime – Option 3 only)
- \$50 Individual deductible (\$150 for family) for Basic or Major Services

**VOLUNTARY LIFE INSURANCE PLAN (The Hartford)**

There are no changes for this plan and premiums remain the same. For those of you not currently enrolled, this benefit offers you the opportunity to purchase additional life insurance benefits plus Accidental Death & Dismemberment benefits on yourself, your spouse, and eligible children. The premium costs vary depending upon your ages, are not tax deductible, and have higher rates at 5 year intervals. Evidence of Insurability (health related questions) will be required for ALL requests and must be approved by The Hartford.

**SO WHAT DO YOU HAVE TO DO?**

For the Health Plan, **EVERYONE MUST** complete appropriate forms, even if you wish to waive coverage.

For the Dental Plan, **EVERYONE** interested in staying in the plan or enrolling for the first time **MUST** complete appropriate forms. As stated earlier, benefits for BlueCross BlueShield will begin October 1, 2011, with payroll deductions beginning on the October 14, 2011 paycheck.

For the Voluntary Life Insurance Plan, any employee interested in making a change in current coverage or enrolling for the first time must complete appropriate forms. If you are satisfied with your current coverage, no action is necessary. New coverages will begin November 1, 2011.

**Representatives will be available in the Council Chambers located on the 2<sup>nd</sup> floor of City Hall to help you complete appropriate forms, make any changes, and answer any questions on the following dates:**

Tuesday <u>September 13</u>	8:00 a.m. – 4:00 p.m.
Wednesday <u>September 14</u>	12:00 p.m. – 5:00 p.m.
Thursday, <u>September 15</u>	8:00 a.m. - 4:00 p.m.

**PLEASE PLAN TO ATTEND DURING THESE DESIGNATED TIMES.**

Please contact Amy or me in Personnel if you have any questions. Thank you.

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**City of Gallatin**  
**BlueCross BlueShield of Tennessee**  
**Effective 10-1-2011**

<b>Benefits</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>						
<b>PPO NETWORKS</b>	<b>Basic (S Network)</b>	<b>Enhanced (P Network)</b>	<b>Basic (S Network)</b>						
Individual Deductible (2x Family)	\$750	\$750	\$500						
Coinsurance (In Network)	Ins. 80% / Employee 20%	Ins. 80% / Employee 20%	Ins. 90% / Employee 10%						
(Out of Network)	Ins. 60% / Employee 40%	Ins. 60% / Employee 40%	Ins. 70% / Employee 30%						
Individual Out of Pocket	\$2,000 (Includes Deductible)	\$2,000 (Includes Deductible)	\$2,000 (Includes Deductible)						
Preventive Care Office Visit Copay	100% (No Copay)	100% (No Copay)	100% (No Copay)						
Sickness/Injury Office Visit Copay(1)	\$20	\$20	\$20						
Sickness/Injury Office Visit Copay(2)	\$40	\$40	\$40						
Outpatient Surgery	Deductible/Coinsurance	Deductible/Coinsurance	100%						
Inpatient Hospitalization	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Routine Diagnostics (Labwork, X-rays, etc.)	100%	100%	100%						
Advanced Diagnostics (MRI, CT, PET, Nuclear, MRA)	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Emergency Room Copay	\$200	\$200	\$200						
Prescription Drug Card	\$10/\$25/50	\$10/\$25/50	\$10/\$25/50						
<b>*You will be able to get a 3 month supply of your maintenance drugs for the cost of a 2 month supply. (Applies to all options)</b>									
Mental Health	Outpatient: \$20 Copay	Outpatient: \$20 Copay	Outpatient: \$20 Copay						
Substance Use Disorder	Inpatient: Ded/Coinsurance	Inpatient: Ded/Coinsurance	Inpatient: Ded/Coinsurance						
Preventive Health Care Services	100%	100%	100%						
Vision Coverage	Vision Care #2 (\$20 copay)	Vision Care #2 (\$20 copay)	Vision Care #2 (\$20 copay)						
Ambulance Services	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Durable Medical Equipment	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Hearing Aids (frequency every 2 yrs)	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Home Health Care (60 visits)	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Hospice Care	100%	100%	100%						
Prosthetic Devices	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Skilled Nursing Facility & Rehab Facility Services (60 days per yr)	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Therapeutic Services (Physical, Speech, Chiropractic, etc.) 30-36 visits	\$40	\$40	\$40						
Therapeutic Treatments (Dialysis, Chemo, Radiation, etc.)	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Transplantation Services	Deductible/Coinsurance	Deductible/Coinsurance	Deductible/Coinsurance						
Lifetime Max. (In & Out)	Unlimited	Unlimited	Unlimited						
<b>Employee Rates</b>	<b>Option 1</b>		<b>Option 2</b>		<b>Option 3</b>				
		Monthly	Biweekly	Monthly	Biweekly	Monthly	Biweekly		
	EE Only	\$0.00	\$0.00	EE Only	\$19.66	\$9.83	EE Only	\$47.84	\$23.92
	EE + SP	\$244.80	\$122.40	EE + SP	\$286.10	\$143.05	EE + SP	\$345.27	\$172.63
	EE + CH	\$220.76	\$110.38	EE + CH	\$256.75	\$128.37	EE + CH	\$308.31	\$154.15
	EE/SP/CH	\$306.08	\$153.04	EE/SP/CH	\$365.76	\$182.88	EE/SP/CH	\$451.28	\$225.64

- (1) The \$20 copay applies to Family Practice, General Practice, Internal Medicine, OB/GYN, Pediatrics, Nurse Practitioners/Physician Assistants.  
(2) The \$40 copay applies to Specialists.

Only the P network includes Tri-Star/HCA Facilities such as Centennial, Skyline, Summitt, and Hendersonville Med. Ctr.  
Dependent Children Age Limit to age 26.

There is now a 4th Quarter Deductible Carryover Provision, renews each calendar year.

The above reflects In-Network benefits only. Out-of-Network benefits are different.

Some Prescription Drugs may be in lower or higher co-pay tiers than presently.

BCBST does have a separate higher copay for specialty drugs.

\*This is for summary purposes only. Refer to the Certificate of Coverage (COC) for exact details.\*