Benefits Choices

2009

SPECIAL MID-YEAR

OPEN ENROLLMENT

OPEIU Employee Newsletter February 2009

FEBRUARY 9 - FEBRUARY 11, 2009

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Sandia National Laboratories

Health Benefits Employee Services HBE

OPEIU Benefits Choices Special Mid-Year Open Enrollment

OPEIU Employees,

As you are all aware, OPEIU contract negotiations were finalized in December 2008. Due to the contract changes, Sandia is required to offer employees affected by the changes an enrollment window which allows employees the opportunity to modify certain benefits mid-year. The special enrollment will run from February 9 to February 11, 2009. Benefit changes will be effective March 1, 2009 to December 31, 2009. Employees can locate the web enrollment tool through HR Self-Service on the internal web page. It is your responsibility to thoroughly review your benefit enrollments for 2009 through the web-page "PeopleSoft Open Enrollment" from February 9 through February 11, until 5 pm. This will be your only opportunity to make changes based on the new bargained benefits.

Important: A Crypto Card is required if you want to make your elections from a remote location or home.

SUMMARY OF WHAT'S CHANGING FOR THE 2009 PLAN YEAR....

What's changing for me March 1, 2009?

- **CIGNA Premier PPO Plan is being eliminated** as a plan choice
- **UHC and CIGNA Plans** have design changes (e.g., copay increases)
- **New Dental Care Plan** (with premium share), which replaces the current Dental Expense /Deluxe plans
- Important change to **Student Intern Medical coverage**
- Employee premium-sharing will increase to 19% overall and will move from a **single tier to four tier salary premium share** structure
- Class I and Class II eligibility policy for health care plans has been modified
- Special **Long-Term Disability Plus enrollment bypassing evidence of insurability** requirement, this year only!

Your Next Steps

Benefit Options	Take Action via HR-Self Service	No Action Required
Medical Coverage	» To enroll in a new medical plan if you are currently in the CIGNA Premier PPO Plan » To enroll if not currently enrolled » To change your current medical plan » To add or disenroll a dependant » To waive coverage	» No change if you are currently enrolled in the UHC Premier PPO, UHC Standard PPO, or CIGNA In-network plan
NEW! Dental Coverage (requires payroll deduction)	» To **waive coverage** if you do not want the Dental Care Plan in 2009. » To add or disenroll a dependent » To enroll if not currently enrolled	» To be enrolled in the Dental Care Plan if you are currently enrolled in the Dental Expense/Deluxe Plans
Vision Care Plan Coverage	» To enroll if not currently enrolled » To add or disenroll a dependent » To waive coverage	» No change in your current vision coverage
Long-Term Disability Plus Plan ONE TIME ONLY OPPORTUNITY TO INCREASE COVERAGE WITHOUT EVIDENCE OF INSURABILITY	» To increase or decrease current coverage (additional 10% or 20% coverage)	» No change in your Long-Term Disability Plan coverage

WHAT CLASS I AND CLASS II ELIGIBILITY POLICY HAS BEEN CHANGED?

Class I Dependents

- child definition has been modified to remove the financial dependency requirement for unmarried child age 19 through age 23
- unmarried stepchild definition has been changed from stepchild living with the primary insured (stepchildren visiting for the summer are not considered to be living with you) to unmarried stepchild of the primary covered member who live with you at least 50% of the calendar year, or if ages 19 through 23 are a full time student

Class II Dependents

No **new** Class II Dependents can be enrolled in any of the Sandia medical plans. All eligible Class II dependents currently enrolled under a medical plan may continue coverage.

All enrolled primary members are responsible for determining if their dependents meet the eligibility requirements of Sandia's health plans. This is very important as Sandia reserves the right to conduct dependent eligibility audits to ensure an enrolled dependent is eligible for coverage under the terms of the plans.

The consequences of having an ineligible dependent covered and failing to disenroll a dependent within the allowed time frame are significant; they include:

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Finally, the dental plan employees have been wanting for years.

Employees will have a new Dental Care Plan, which replaces the current Dental Expense/Deluxe plans. The Dental Care Plan will be a coinsurance plan replacing the schedule type benefit plans offered today.

Expenses, other than preventive and orthodontic, will incur a $50 individual annual deductible (with a $150 family maximum). The annual maximum for all expenses is $1,500 per person. The lifetime orthodontic maximum is $1,800 per person. Sealants for children under 14 will be covered under the preventive benefit. Employees will pay a monthly premium share, on a pre-tax basis, for the new plan.

The DCP will reimburse care as follows:

	Delta Dental PPO Reimbursed as a % of the Maximum Approved Fees applicable to Delta Dental PPO Network	**Delta Dental Premier** Reimbursed as a % of the Maximum Approved Fees applicable to Delta Dental Premier	**Out-of-Network** Reimbursed as a % of the Maximum Approved Fees applicable to Delta Dental Premier (balance billing protections do not apply)
Preventive Care	100%	100%	100%
Basic and Restorative	80%	80%	80%
Major and Orthodontic (including specified types of implants)	50%	50%	50%

Dental Care Plan Monthly Premiums

Employee only	$8
Employee plus one	$15
Employee plus two	$20

IMPORTANT!

You and your dependents currently enrolled in both the Dental Expense and Dental Deluxe Plans will be automatically enrolled in the NEW Dental Care Plan. Employees who do not want this plan must waive coverage during the Open Enrollment period.

- Your ineligible dependent's coverage will be retroactively terminated, effective the end of the month in which the dependent became ineligible
- You will be held liable to refund to Sandia for all health care plan claims or monthly premiums rendered during the ineligible period
- Sandia is not liable to repay you for any health care plan monthly premium share(s) paid by you during the ineligible period
- Sandia may take employment disciplinary action up to and including termination
- Your dependent could lose any rights to temporary, continued health care coverage under COBRA

Important: Employees are required to determine if their dependent qualifies as a qualified dependent under Internal Revenue Code Section 152 guidelines **(see IRS Publication 502 for more information)** for the purpose of health care coverage. If your dependent is not a qualified dependent under the tax code, you are required to contact the Benefits Department to determine whether any imputed income may apply for that non-qualified dependent. Please refer to the Open Enrollment website, Dependent Eligibility Info, for more information.

MEDICAL PLAN CHANGES >> EFFECTIVE MARCH 1, 2009

CIGNA Premier PPO Plan is being eliminated as a plan choice:

Employees currently enrolled in this plan should carefully evaluate the medical plan options offered. Employees must select another medical plan option during Open Enrollment to have coverage in Calendar Year 2009.

CIGNA In-Network Plan Changes:

- CIGNA members' prescription drug benefits will mirror the UHC plans prescription drug benefit. It is important to take time to evaluate and understand how the prescription coinsurance structure will impact the drugs you purchase. To find out if your prescription drug is preferred or not, call Catalyst Rx at (866) 854-8851.
- Office Visit – Primary Care Physician from $15 to $20 copay
- Office Visit – Specialist from $25 to $30 copay
- Allergy Testing from $25 to $30 copay
- Emergency Room from $100 per visit to $125 per visit
- Outpatient Surgery from $100 to $125 copay
- Chiropractic, Acupuncture, Speech, Physical, and Occupational Therapy from $15 to $20 copay
- Inpatient Admission (Medical and Behavioral Health) - from $200 per day up to $500 maximum to a single $400 copay per admission
- Ambulance from $50 to $75 copay
- Hypnotherapy and biofeedback are no longer covered

CIGNA In-Network Pharmacy
Benefit Changes Retail (maximum 30-day supply)

- Generic – from $10 copay to 20% of retail network price with $6 minimum and $12 maximum
- Preferred Brand – from $30 copay to 30% of retail network price with $25 minimum and $40 maximum
- Non Preferred Brand – from not a covered benefit to 40% of retail network price with a $40 minimum and $60 maximum

Mail Order (maximum 90-day supply)

- Generic – from $20 copay to 20% of mail order price with $12 minimum and $24 maximum
- Preferred Brand – from $60 copay to 30% of mail order price with $50 minimum and $80 maximum
- Non Preferred Brand – from not a covered benefit to 40% of mail order price with $80 minimum and $120 maximum

Other

- On-Site Pharmacy benefit level – you can receive up to a 30 day supply or up to a 90 day supply at the retail/mail order copay/coinsurance for preferred and non-preferred brand; generic prescriptions will cost $4 for up to a 30 day supply and $12 for up to a 90 day supply
- New Mandatory Specialty Drug Program (for more information see page 5 for article)

UnitedHealthCare (UHC) Premier PPO Changes:

- Office Visit Copay – Primary Care Physician from $15 to $20 copay
- Office Visit Copay – Specialist from $25 to $35 copay
- Allergy Treatment from $25 copay to 15% of negotiated fees
- Chiropractic – from combined Acupuncture/ Chiropractic benefit to a separate calendar year $1,000 maximum combined in- and out-of-network
- Acupuncture – from combined Acupuncture/ Chiropractic benefit to a separate calendar year $1,000 maximum combined in- and out-of-network
- Hypnotherapy and biofeedback are no longer covered
- Medical expenses incurred internationally will only be covered in-network for emergency care. Other eligible services will be covered under the out-of-network benefit.

UnitedHealthCare (UHC) Standard PPO Changes:

- Office Visit Copay – Primary Care Physician from $15 to $20 copay
- Office Visit Copay – Specialist from $25 to $35 copay

- Allergy Treatment from $25 copay to 20% of negotiated fees (after the deductible)
  - Chiropractic – from combined Acupuncture/ Chiropractic benefit to a separate calendar year $500 maximum combined in- and out-of-network
  - Acupuncture – from combined Acupuncture/ Chiropractic benefit to a separate calendar year $500 maximum combined in- and out-of-network
  - Hypnotherapy and biofeedback are no longer covered
  - Medical expenses incurred internationally will only be covered in-network for emergency care. Other eligible services will be covered under the out-of-network benefit.

UnitedHealthCare (UHC) Premier and Standard Pharmacy Benefit Changes:

- Mail Order Generic – from $18 copay to 20% of mail order price with $12 minimum and $24 maximum
- Mail Order Preferred Brand – from $65 copay to 30% of mail order price with $50 minimum and $80 maximum
- Mail Order Non Preferred Brand – from $100 copay to 40% of mail order price with $80 minimum and $120 maximum
- On-Site Pharmacy benefit level – you can receive up to a 30 day supply or up to a 90 day supply at the retail/mail order copay/coinsurance for preferred and non-preferred brand; generic prescriptions will cost $4 for up to a 30 day supply and $12 for up to a 90 day supply
- New Mandatory Specialty Drug Program (for more information see article this page)

New mandatory specialty drug benefit administered by Catalyst Rx for UHC and CIGNA members

Employees enrolled in the UHC Standard and UHC Premier PPO plans and CIGNA In-Network plan, who are taking a specialty medication, must purchase them through the Catalyst Rx Specialty Drug Management Program.

Mandatory Specialty Drug Program Overview

In order to receive coverage for specialty medications, these drugs must be purchased through the Catalyst Rx Specialty Drug Management Program. These drugs are delivered via mail order through the Specialty Pharmacy (Walgreens/MedMark). All specialty prescriptions will be limited to a 30 day supply and will be subject to the retail coinsurance/copay structure (e.g., 30% coinsurance with a $25 minimum copay and $40 maximum copay for a preferred brand drug). If you are currently taking a specialty medication, you must contact Walgreens/ MedMark Specialty Care 866-823-2712 to request transition assistance to prevent any disruption in your medication therapy. To find out whether a drug you are taking is considered a specialty medication, see the "Catalyst Rx Specialty Drug Management Program: Drug List"on the web at http://sandia.gov/resources/ emp-ret/spd/rxinfo.html.

Important Change for Student Interns!

Summer student interns will no longer be eligible for medical plan coverage. Year round student interns will be limited to the UHC Standard PPO Plan medical coverage. Student Interns currently in the UHC Premier PPO, CIGNA Premier PPO, or CIGNA In-Network, must select the UHC Standard PPO Plan during Open Enrollment to have medical coverage in calendar year 2009.

MEDICAL PLANS AT A GLANCE

Employees currently in the CIGNA Premier PPO Plan must select a new plan during this Special Mid-Year Enrollment to have medical coverage in calendar year 2009.

	UnitedHealthcare Premier PPO	UnitedHealthcare Standard PPO	CIGNA In-Network	Kaiser HMO California Only
Type of Plan	Preferred Provider Organization (PPO)	Preferred Provider Organization (PPO)	Exclusive Provider Organization (HMO Look-Alike)	Health Maintenance Organization (HMO)
Provider Network in New Mexico	Presbyterian UNMH Independent Providers	Presbyterian UNMH Independent Providers	Lovelace Health System UNMH Independent Providers	Not Applicable
In/Out Network Coverage	Both	Both	In-Network Only	In-Network Only
Referrals to Specialist Required	No	No	No	Some Services
Plan Design	Primarily Co-insurance	Primarily Co-insurance	Primarily Co-Pays	Co-Pays
	Out of Network Deductible	In and Out of Network Deductible	No deductible	No deductible
Prescription Drug Program Administrator	Catalyst Rx	Catalyst Rx	Catalyst Rx	Kaiser

LONG-TERM DISABILITY PLUS SPECIAL ENROLLMENT

Special Long-Term Disability Plus enrollment bypassing evidence of insurability, this year only!

Effective January 1, 2009, the benefit under the employee Sickness Absence Plan (short-term disability) is being reduced from 2080 hours to 1040 hours at full pay, and the Disability Retirement benefit currently under the Pension Security Plan will no longer be a benefit for employees. Because of this change, employees have an opportunity to enroll in the employee paid Long-Term Disability Plus Plan, without evidence of insurability, during the 2009 Mid-Year Open Enrollment period (this year only).

Why should I consider purchasing additional Long-Term Disability (LTD) insurance? LTD Plus insurance provides additional salary protection if you become disabled according to the terms of the plan. LTD takes over after you have exhausted your Sickness Absence Plan (short-term disability) benefit. The supplemental buy-up LTD benefit goes in effect the day following the completion of 12 months of premium payment. Click here to find out more about the LTD and LTD Plus Plans.

MONTHLY PREMIUM-SHARE AMOUNTS OPEIU EMPLOYEES EFFECTIVE MARCH 1, 2009

OPEIU employees will move from a single tier to four tier salary premium share structure. Salary Tier 1 up to $50,000, and Tier 2 from $50,001 to $80,000, as of January 1, 2009. Although we have moved to a 4 tier option, OPEIU employees will primarily fall into tier 1. Overall employee premium-sharing will also increase from 16.5 to 19% in 2009.

The table below provides the monthly premium-share amounts for OPEIU employees for each of the plans. Premiums are taken on a pretax basis.

Medical Plan & Coverage	Tier 1*	Tier 2**
UnitedHealthcare Standard PPO Plan		
Employee only	$6	$11
Employee and child(ren)	$14	$23
Employee and spouse	$14	$24
Employee, spouse, and child(ren)	$21	$36
UnitedHealthcare Premier PPO Plan		
Employee only	$65	$70
Employee and child(ren)	$120	$129
Employee and spouse	$135	$145
Employee, spouse, and child(ren)	$192	$207
CIGNA In-Network plan		
Employee only	$69	$74
Employee and child(ren)	$127	$136
Employee and spouse	$143	$153
Employee, spouse, and child(ren)	$204	$219

* Tier 1: Base salary of up to $50,000 as of January 1, 2009
** Tier 2: Base salary of $50,001 to $80,000 as of January 1, 2009

GOT QUESTIONS?

Health, Benefits, and Employee Services (NM)

Ask a Question at http://hbe.sandia.gov

Customer Service: (505) 844-HBES (4237)

or (800) 417-2634, ext. 844-HBES (4237)

Click here to get a comprehensive list of important Benefit Contacts.