

A summary of 2010 Blue Cross Blue Shield health coverage for Michigan public school retirees not eligible for Medicare

Effective January 1, 2010

About the health plan

When you retire, you and your family are eligible for health coverage through Blue Cross Blue Shield of Michigan. If you're not yet eligible for Medicare, you'll have coverage through the Blues' nationwide preferred provider organization (PPO), which allows you additional savings when you use our preferred providers. That includes hospital, medical and surgical care, emergency care, diagnostic services, hearing care and prescription drugs through Catalyst Rx.

When you become eligible for Medicare, the Retirement System provides Medicare Supplemental coverage with prescription drugs. Be sure to enroll in Medicare Part A and Part B when you first become eligible.

Using preferred providers saves money, offers convenience

The national Blue PPO network offers providers selected for their quality of care and ability to provide cost-effective health care services. In Michigan, Blue Preferred® offers the largest statewide network of physicians, specialists and other providers — including every acute care hospital in the state. Outside Michigan, you have access to network providers through the BlueCard® PPO program. Your out-of-pocket costs are lower when you use network providers and it's convenient because you never have to file a claim.

For most services, you're free to choose your own physicians and hospitals and still have coverage. But, if you select a provider that's not part of the PPO network, you share a greater portion of the cost.

In Michigan, in addition to the Blue Preferred network, you'll also have:

- **Quest Diagnostics**, offering a network of independent labs within the state of Michigan.
- **The SUPPORT Program**, offering a statewide network of suppliers of medical equipment and supplies, and prosthetic and orthotic devices in the state of Michigan.
- **Catalyst Rx National Pharmacy Network** includes over 60,000 pharmacies including most national chains and many independent pharmacies. Please visit www.catalystrx.com to see if your pharmacy is in the network.
- **Medco By Mail™** nationwide pharmacy service will dispense up to a three-month supply of your maintenance medication and ship it directly to your home.

What you pay

The health plan has cost-sharing features in which you pay a portion of the cost of services through copays and a deductible. The annual deductible in 2010 is \$400 per member and \$300 per member for members enrolled in the LivingWell program.

The following summary indicates your out-of-pocket cost for covered services. Covered services will cost you less when you use a network provider. When you don't use network providers, you pay more: an additional 20 percent copay for most services.

Your health coverage	What you pay	
Hospital care	In network	Out of network
Inpatient care Covered up to 365 days	Deductible plus 10% copay	Deductible plus 30% copay
Outpatient care	Deductible plus 10% copay	Deductible plus 30% copay
Emergency services	At a Blue-participating provider	At a non-Blue provider
Emergency medical care	Deductible plus 10% copay. Once the coinsurance maximum and deductible maximum have been met, each emergency room visit is subject to a flat \$50 copay with no maximum unless member is admitted to the hospital.	Deductible plus 10% copay. Once the coinsurance maximum and deductible maximum have been met, each emergency room visit is subject to a flat \$50 copay with no maximum unless member is admitted to the hospital.
Ambulance	Deductible plus 10% copay	Deductible plus 10% copay
Surgical services	In network	Out of network
Inpatient or outpatient surgery	Deductible plus 10% copay	Deductible plus 30% copay
Organ and tissue transplants Covered at Blue Cross Blue Shield of Michigan designated transplant facilities	Deductible plus 10% copay	All charges
Doctor visits and services	In network	Out of network
Inpatient visits	Deductible plus 10% copay	Deductible plus 30% copay
Office visits For diagnosis and treatment of general medical conditions	Deductible plus 10% copay	Deductible plus 30% copay
Annual gynecological exam — Covered once every 12 months	Deductible plus 10% copay	Deductible plus 30% copay
Diagnostic services	At a Quest Diagnostics lab	At a non-Quest lab
Laboratory and pathology services		
At a laboratory (In Michigan)	At a Quest Diagnostics lab: Covered in full	At a non-Quest lab: 75% copay
At a laboratory (Out of Michigan)	At a Blue-participating provider: Deductible plus 10% copay	At non-Blue provider: 75% copay
At a physician's office	In network: Deductible plus 10% copay	Out of network: Deductible plus 30% copay
In an outpatient hospital setting	In network: Deductible plus 10% copay	Out of network: Deductible plus 30% copay
Routine annual Pap Smears — Covered once every 12 months		
At a physicians office	Covered in full	20% copay
In an outpatient hospital setting	Deductible plus 10% copay	Deductible plus 30% copay
At a laboratory	Covered in full	75% copay
Prostate Specific Antigen screening — Covered once every 12 months		
At a physician's office	Covered in full	20% copay
In an outpatient hospital setting	Deductible plus 10% copay	Deductible plus 30% copay
At a laboratory	Covered in full	75% copay
Diagnostic imaging services	In network	Out of network
Routine mammograms Covered once annually	Deductible plus 10% copay	Deductible plus 30% copay
Imaging services Includes X-ray, and CAT, MRI, PET scans	Deductible plus 10% copay	Deductible plus 30% copay
Alternatives to hospital care	At a Blue-participating provider	At a non-Blue provider
Skilled nursing care Covered up to 100 days	Deductible plus 10% copay	All charges
Home health care	Deductible	All charges
Hospice Covered up to 210 days	Deductible	All charges
Private duty nursing 24-hour continuous care	Deductible plus 10% copay	All charges

The Michigan Public School Employees Retirement System health plan is administered by Blue Cross Blue Shield of Michigan under an agreement with the Michigan Office of Retirement Services. This publication is not a contract for coverage, but a brief outline of Blue Cross Blue Shield benefits offered to retirees and their eligible dependents who are not yet eligible for Medicare. The information provided here does not include all covered and noncovered services or conditions of coverage. If you enroll in the health plan, you will receive material that provides detailed information about your health plan and terms of coverage. Coverage, including copays and deductibles, is subject to change.

Your health coverage	What you pay	
Other covered services	In network	Out of network
Allergy testing and treatment	Deductible plus 10% copay	Deductible plus 30% copay
Blood and blood products, covered after the first two units	Deductible plus 10% copay	Deductible plus 30% copay
Cardiac rehabilitation	Deductible plus 10% copay	Deductible plus 30% copay
Other covered services <i>continued</i>	In network	Out of network
Chemotherapy services	Deductible plus 10% copay	Deductible plus 30% copay
Chiropractic visits Covered up to 26 visits per year for spinal manipulations, X-rays	Deductible plus 10% copay	Deductible plus 30% copay
Dental services (due to injury)	Deductible plus 10% copay	Deductible plus 30% copay
Hemodialysis Covers services at a hospital outpatient department or in your home from an approved provider	Deductible plus 10% copay	Deductible plus 30% copay
Physical, occupational and speech therapy	Deductible plus 10% copay	Deductible plus 30% copay
Other covered services	At a Blue-participating provider	At non-Blue provider
Hearing care and hearing aids, covered every 36 months at an approved provider	Deductible plus 10% copay	You pay all charges
Mental health and substance abuse treatment	At a Blue-participating provider	At a non-Blue provider
Outpatient mental health services		
At an outpatient mental health facility	Deductible plus 10% copay	All charges
Mental health services in a physician's office	Deductible plus 10% copay	Deductible plus 30% copay
Substance abuse care	Deductible plus 10% copay	All charges
Medical equipment and supplies, prosthetics and orthotics	At a SUPPORT network supplier	At a non-SUPPORT supplier
From an independent medical supplier	Covered in full	20% copay plus difference in cost
Medical equipment and supplies, prosthetics and orthotics (Outside of Michigan)	At a Blue-Participating Provider	Non-Blue Participating Provider
From an independent medical supplier	Deductible plus 10% copay	Deductible plus 10% coinsurance plus difference in approved amount and charged amount
Medical equipment and supplies, prosthetics and orthotics	In network	Out of network
From a physician's office or outpatient hospital	Deductible plus 10% copay	Deductible plus 30% copay

Formulary drugs

The formulary is updated as new drugs become available or existing ones are removed from the market. In the upcoming months, the formulary will be available on the Catalyst Rx Web site (www.catalystrx.com). The formulary contains provisions that ensure the quality and safety of your drug therapy. These programs include:

- **Step Therapy**, which encourages doctors to try proven, lower-cost drug therapies before trying new or more potent medications. The idea is to 'step up' to the next medication only when medically necessary for coverage under the plan.
- **Prior Authorization**, which requires that your doctor contact Catalyst Rx for approval before prescribing certain medications for coverage under the plan.
- **Quantity Limits**, which limit the number of doses you can receive of a medication at any one time.

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Your prescription drug coverage	What you pay	
Formulary	The plan uses the Custom Formulary. To learn if a drug is on the formulary, visit www.catalystrx.com or call 1-866-288-5209.	
Covers FDA-approved prescription medications in quantities up to three months (Note: certain prescription drugs may be limited to lesser quantities)	Formulary drug	Nonformulary drug
	20% copay	<ul style="list-style-type: none"> For brand-name drugs with no generic equivalent: 40% copay. For brand-name drugs with a generic equivalent: 20% copay plus the difference in cost between the brand-name and generic products.
Up to a one-month supply	Minimum copay \$7; maximum \$36	Minimum copay of \$7; no maximum
Annual drug copay maximum	When your 20% copays (up to the plan limits) total \$1000, your 20% drug copay is waived for the remainder of the calendar year. If you are enrolled in LivingWell, when your 20% copays (up to the plan limits) total \$900, your 20% drug copay is waived for the remainder of the calendar year.	Only half of the 40% nonformulary drug copay is applied towards the annual drug copay maximum (up to the plan limits). When these copays total \$1000, your 20% copay, up to the copay maximum amount, is waived for the remainder of the calendar year. You continue to pay any additional costs, including the additional copay for nonformulary drugs and the cost difference between brand-name and generic drugs.
Pharmacy networks	The plan features pharmacy networks both in Michigan and elsewhere in the U.S. Catalyst Rx has over 60,000 contracted pharmacies across the country. For a current list of network pharmacies near you, visit www.catalystrx.com or call 1-866-288-5209.	
Maintenance drugs	Medco By Mail® offers Retirement System members the most convenience and lowest cost for maintenance drugs. Purchase maintenance drugs in the most cost-effective setting or pay the difference in cost.	
Benefit maximums		
Annual copay maximums	After you reach the copay maximum, your copay is waived for the remainder of the calendar year: <ul style="list-style-type: none"> Health coverage: \$700 per member for services subject to a 10% copay or \$600 for members enrolled in LivingWell. Prescription drugs: \$1,000 per member on 20% copay up to plan limits or \$900 for members enrolled in LivingWell. 	
Lifetime benefit maximums	\$1 million lifetime maximum per member for outpatient services Separate \$1 million maximum per organ for specific organ transplants	

Coverage outside of Michigan

Whether you're traveling or live outside Michigan, the BlueCard® program provides coverage without added cost. As part of the national Blue Cross Blue Shield Association of health plans, you'll find Blue Preferred PPO providers in every state. Using BlueCard will minimize your cost and, in most cases, eliminate the need to file a claim. If you need prescriptions filled outside Michigan, the Catalyst Rx network offers over 60,000 pharmacies throughout the U.S.

Helping to keep you in the best of health

The health plan is designed to help you stay well, and provide quality care when you're not. Blue hospitals and physicians are selected for their commitment to providing high quality care. As a health plan member, you have access to the Cardiac Centers of Excellence, a statewide collection of hospitals specializing in treating heart disease.

You'll also have access to free health information via BlueHealthConnection®, a comprehensive health and information program. You can speak directly with a health coach for answers to your health questions by calling the Health Coach Hotline at 1-800-775-BLUE (2583).

The member newsletter, *Best of Health*, keeps you up to date about your health plan, shows you how to make the most of your health coverage and offers information on wellness and important health issues.

Have questions? Call Blue Cross Blue Shield Customer Service toll-free at 1-800-422-9146, 8:30 a.m. to 5 p.m., Monday through Friday. For current information about providers participating in the network, visit our Web site at www.bcbsm.com or call Customer Service.

Contacting Catalyst Rx

Catalyst Rx has been selected as your Prescription Benefit Manager beginning January 1, 2010. Catalyst Rx Customer Service Representatives can assist by providing you with information on your plan's prescription benefits. Some of those items may include medication coverage information, copayment information, and deductible information and assistance with locating a pharmacy in your area that can fill prescriptions for you and your covered family members. If you have specific questions regarding your medication coverage and benefits, call Catalyst Rx at 1-866-288-5209.