

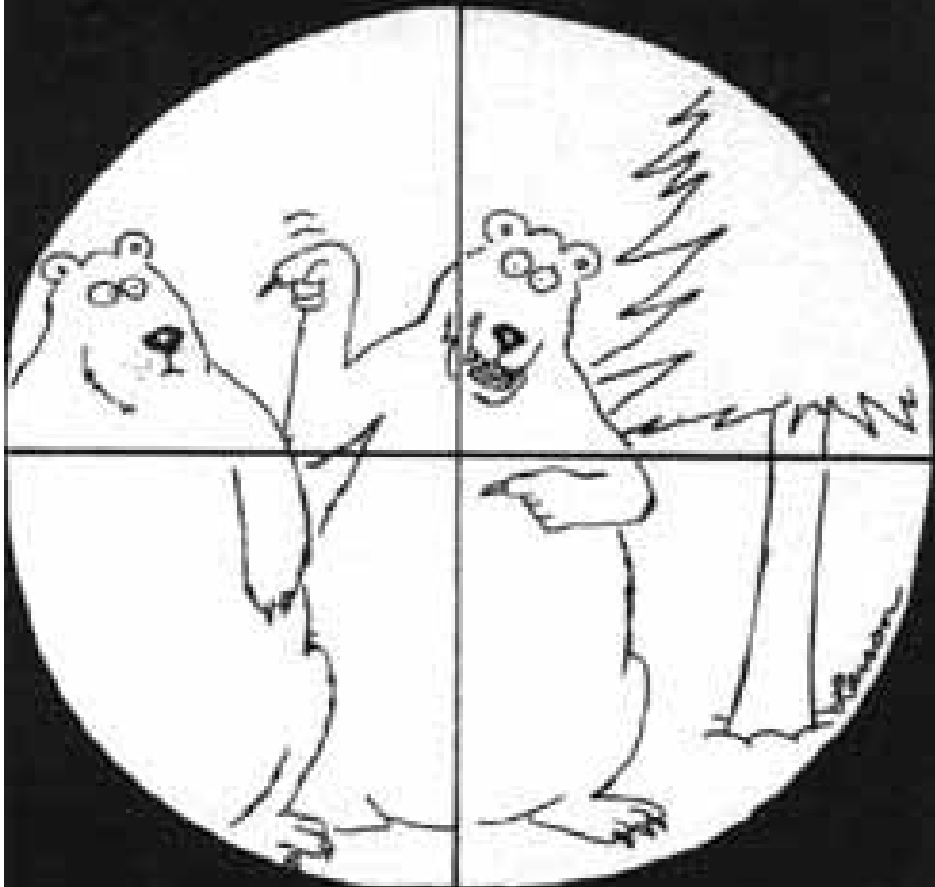
Connecticut State Teachers' Retirement Board Health Plan



**Administered by
Stirling Benefits, Inc
2011**

StirlingBenefits[®]
Evolving the Business of BenefitsSM

1981



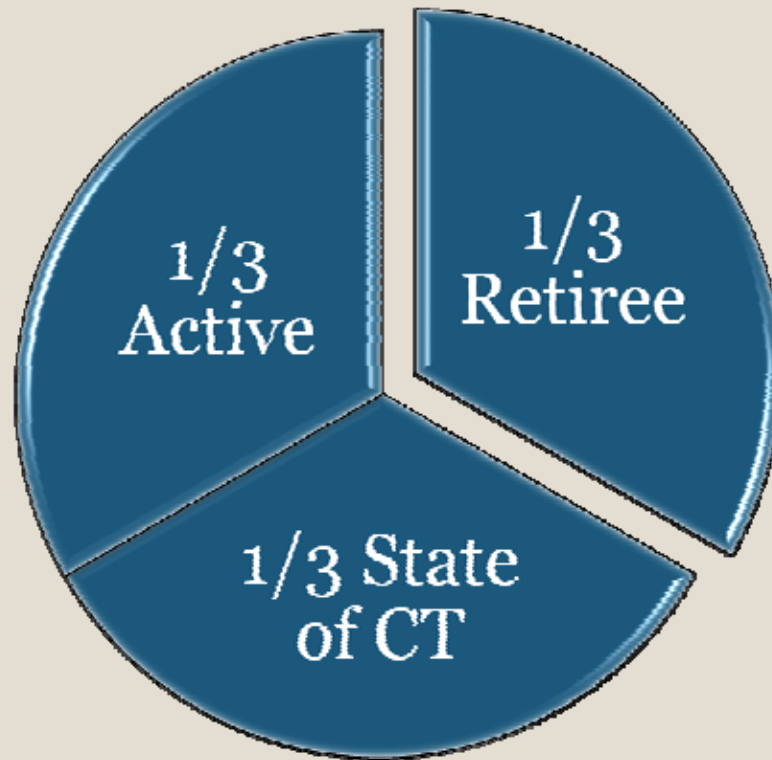
TRB Plan



- **Governed by the Connecticut Teachers' Retirement Board (TRB)**
 - Five teachers or retirees
 - Five Governor appointees
- **TRB Medical Trust Fund receives (1.25% of payroll) active teacher contributions**
- **Administered by Stirling Benefits**



TRB Plan Funding



TRB Medical Trust fund



- Last two years...
 - State Contribution to the Medical Trust Fund was Zero
- Next two years...
 - Good News!
 - **Governor Malloy's budget = \$30 M = 1/3 of the projected cost**
 - **State is meeting it's obligations to retired teachers**

Who's on what plan?



	Under 65	Over 65	Total
Subsidized local School District Coverage	7,519	9,338	16,857
TRB coverage	66	16,228	16,294
Total	7,585	25,566	33,151

Source: 2010 TRB Cavanaugh Macdonald Actuarial Report

TRB subsidies



Either #1 or #2:

#1: Local Board coverage

- Receives up to \$110 per retiree or spouse per month
 - ✦ Offset cost of coverage
- Medical or Dental
- \$220 per month if not eligible for Medicare

#2: TRB coverage

- Once join TRB plan, TRB no longer pays local board

TRB -- Who is eligible?



To obtain Medicare...



- Need 40 Quarters of Eligible Employment
- Part A -- paid by Medicare
- Part B -- Cost Share with Retiree
 - Income indexed
- Pre 1987 hires may not have 40 quarters
- TRB members don't need Part D



Beware the Medicare Penalty



- Must sign up for Medicare when first eligible, or be penalized 10% per year, for as long as you live,

... unless ...

- Person covered by employee based coverage
- Post-retirement coverage is NOT employee coverage, even if it's the active plan!



Medicare Premium -- Indexing



Income level for single household (family household)	Medicare Pays	Member Pays	2011 PMPM
0 to \$85,000 (\$170,000 for family)	75%	25%	\$115.40
\$85,0001 to \$107,000 (\$170,0001- \$214,000)	65%	35%	\$161.50
\$107,001 to \$160,000 (\$214,001 - \$320,000)	50%	50%	\$230.70
\$160,0001 to \$214,000 (\$320,001 - \$428,000)	35%	65%	\$299.90
Above \$214,000 (\$428,000)	20%	80%	\$369.10

TRB -- WHAT'S COVERED



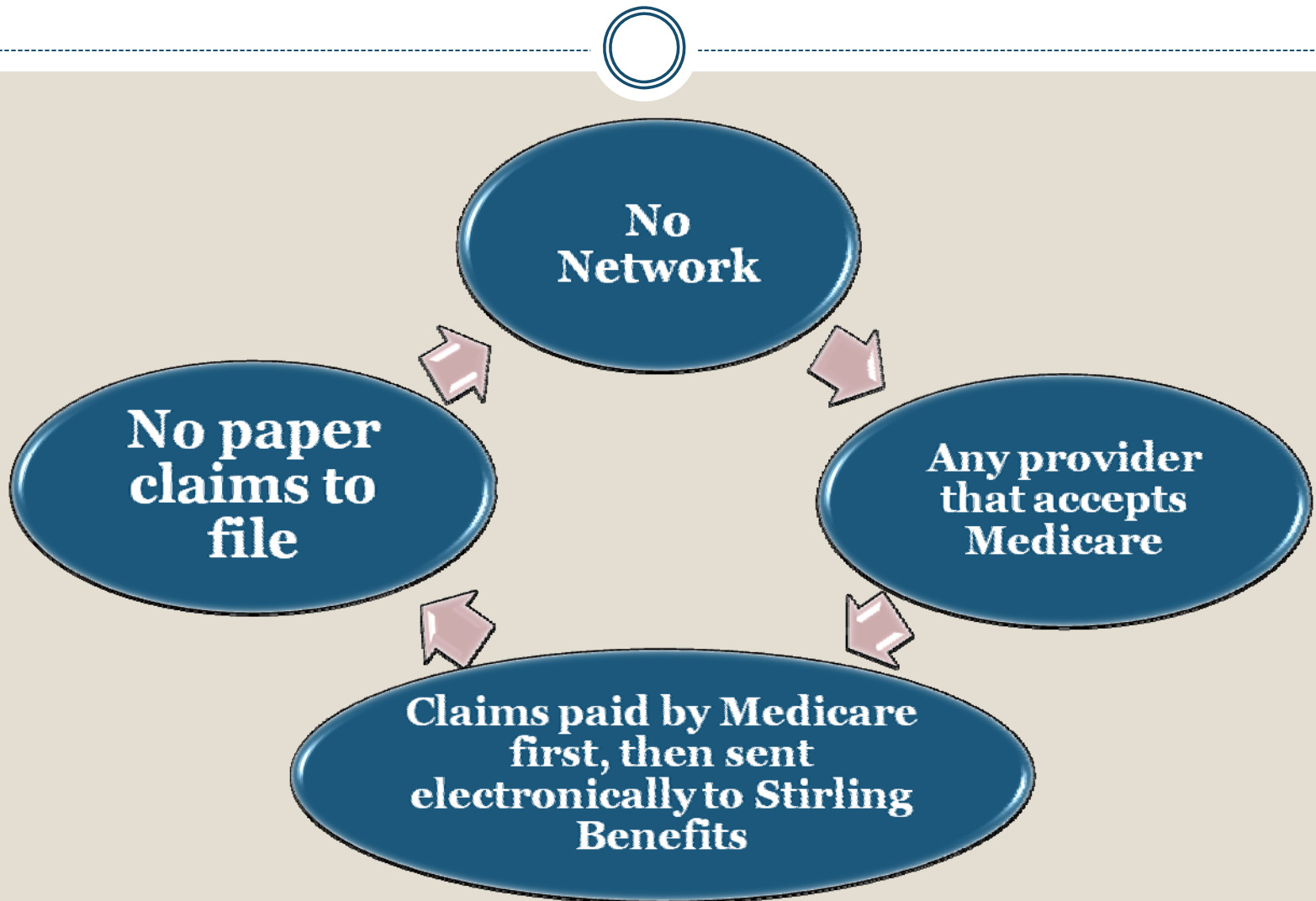
Medical

Prescription

Dental

Vision and Hearing

TRB plan process



TRB Medical



- **Covers what Medicare allows**
- **Picks up remainder after Medicare pays**
 - Usually 100% of Hospital charge
 - Usually 100% of physician charges
 - (after Medicare Part B deductible of \$162)
 - 100% of Labs
 - Up to 120 days Skilled Nursing Facility Care
 - Coverage overseas
 - Plus Rx

Doc. Accepts Assignment – 95% claims



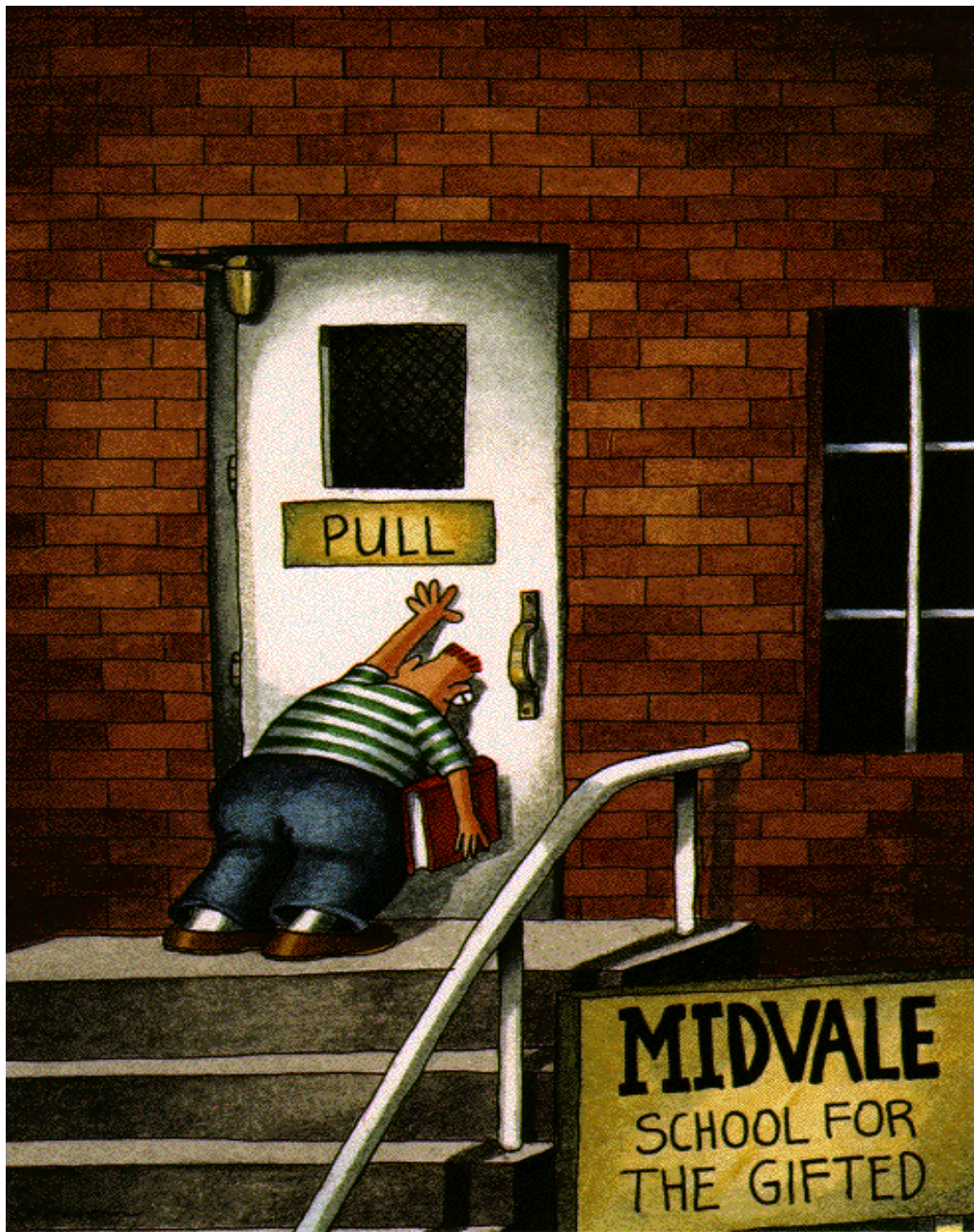
- Doc Agrees to accept as full payment what Medicare “allows”
- Medicare sends payment to provider
- Medicare generally pays 80%
- TRB plan pays the other 20%
- Patient pays nothing

Non- Assigned Claims -- 5% claims



- Provider bills extra 15% above “allowed amount”
- Medicare and TRB **pay member** for an “assigned claim,” then
- TRB plan pays member the extra 15% at 80%

Member pays the provider



Claim Examples



	Assigned Claims	Non-Assigned Claims
Doctor Charge	\$130	\$130
Medicare Allows	\$100	\$100
Medicare Pays	\$80	\$80
TRB Pays	\$20	\$20
Extra Doctor Billing (15%)		\$15
TRB Pays	-	\$12
Member Pays	\$0	\$3

Lifetime Maximums



- No max on Hospitalizations
- No Max on Basic Medical
- No maximum on Prescriptions
- \$1 M max on remaining claims (3%)
 - Out of Country
 - Extra 15% on unassigned Medicare claims
 - Extra 20 days of skilled nursing
 - No member has ever hit \$100,000, much less \$1M

TRB Retiree Benefits



Services	Benefit	Medicare Pays	This Plan Pays	You Pay
Hospitalization Semiprivate room and board, general nursing and other hospital services and supplies.	First 60 days	All but Medicare Part A Deductible \$1,132.00	Medicare Part A Deductible \$1,132.00	Nothing
	61 st to 90 th day	All but daily co-insurance \$283.	Daily co-insurance \$283.	Nothing
	91 st to 150 th day	All but daily co-insurance \$566.	Daily co-insurance \$566.	Nothing
	Beyond 150 days Up to an additional 60 days	Nothing	Up to an additional 60 days Prior authorization required	Nothing
Medical Expenses Physician services, inpatient and outpatient surgical services and supplies, physical, occupational and speech therapy, diagnostic tests, and durable medical equipment.	Unlimited services if medically necessary.	80% of the approved amount (after Medicare Part B \$162.00 per calendar year deductible); or 50% of approved amount for most outpatient mental health services. Most providers accept assignment	If provider accepts assignment: 20% (or 50%) that Medicare does not pay; For non-assigned claims, the plan covers the assigned amount described above <u>plus</u> 80% of any additional billing.	The \$162. Medicare Part B deductible. All other charges are paid in full if your provider accepts Medicare assignment of benefits . If the provider does not accept assignment, the members share is approximately 3% of the total charge.
Laboratory Services Blood tests, urinalysis and other diagnostic services.	Unlimited, if medically necessary.	Generally 100% of the approved amount.	Nothing	Nothing
Home Health Aide	Services are medically necessary, limited to 4 hours per day.	Nothing	\$500.00 per calendar year	Any additional charges

TRB Retiree Benefits cont.



SERVICES	Benefit	Medicare Pays	This Plan Pays	You Pay
and Ambulatory Surgical Services Services for the diagnosis or treatment of an illness or injury.	Unlimited, if medically necessary.	Medicare payment to the hospital, based on hospital costs.	20% that Medicare does not pay the hospital.	Nothing
Blood	Unlimited during a benefit period, if medically necessary.	80% of approved amount (deductible applies and starting with the 4 th pint).	First 3 pints of blood at 100%.	Nothing
Skilled Nursing Facility Care Semiprivate room and board; skilled nursing and rehabilitative services and other services and supplies (neither Medicare, HMO's nor the TRB plan will pay for long term nursing home care).	First 20 days:	100% of the approved amount.	Nothing	Nothing
	Additional 80 days:	All but daily-co-insurance.	Daily co-insurance \$141.50 a day	Nothing
	Beyond 100 days, up to an additional 20 days:	Nothing	Up to an additional 20 days Prior authorization required	Nothing
Hospice Care Pain relief, symptom management, and support services.	For as long as doctor certifies need.	All but limited costs for outpatient drugs and inpatient respite care.	Nothing	Nothing
Prescription Drugs \$250.00 deductible combined for retail/mail order scripts. Maximum annual out of pocket cost is \$1,000 per calendar year including the deductible.	All drugs are available with a physician's prescription.	Nothing	Retail service Generic drugs; 95% for the first two scripts, then 90% Preferred drugs 80% Non-Preferred drugs 70%.	\$250.00 deductible combined for mail order/retail scripts. Generic drugs 5% or 10% Preferred drugs 20% Non-preferred drugs 30%
			Mail order drugs Generic drugs 95% Preferred drugs 80% Non-preferred drugs 70%	Generic drugs 5% Preferred drugs 20% Non-preferred drugs 30% \$1,000.00 out of pocket maximum incl. Deductible

TRB – Out of Country



- In-Patient Hospital Charge – 30 days paid at 100%
- Physician's charges paid at 80%
- Out Patient charges for Emergency illness/accident paid at 80% no deductible.
- Lifetime maximum of \$100,000.00

Out-Patient Non Emergency is limited to equivalent services covered by Medicare

Pays 20% - same as it would if in the USA

Cannot be used for experimental procedures.

.

Rx Benefits



Administered by CVS Caremark

\$250 Annual Deductible per Person

Maximum Out-of- Pocket is \$1,000
(\$250 deductible + \$750 of cost share)

100% benefits for the remainder of the year

Retiree Payments for Rx



	Generic Drugs	Preferred Drugs	Non-Preferred
Acute at Pharmacy	5% initial and refill, then 10%	20%	30%
Maintenance at Mail Order	10%	20%	30%
Maintenance at Pharmacy	10%	25%	35%

Dental



- **\$49.00 / Month**
- **Administered by Delta Dental**
 - \$50 annual deductible
 - 100% cleanings, 80% basic restorative
 - Major Restorative: 0% first year, 50% subsequent years
 - \$2,000 annual maximum
- **In or Out-of-Network coverage**



Vision & Hearing



- **\$5.00 / Month**
- **Vision**
 - Exams: \$75 every 12 months
 - \$100 toward frames and \$60 - \$200 allowance for lenses every 24 months, or \$120 toward contacts every 12 months
- **Hearing Aids: \$750 every three years**



Monthly Cost Per Person



	2007	2008	2009	2010	2011
Medical / Rx	\$87	\$90	\$99	\$112	\$125
Medical/Rx & Dental	127	132	144	\$160	\$174
Medical / Rx / Dental & Vision & Hearing	131	137	149	\$165	\$179

How members enroll

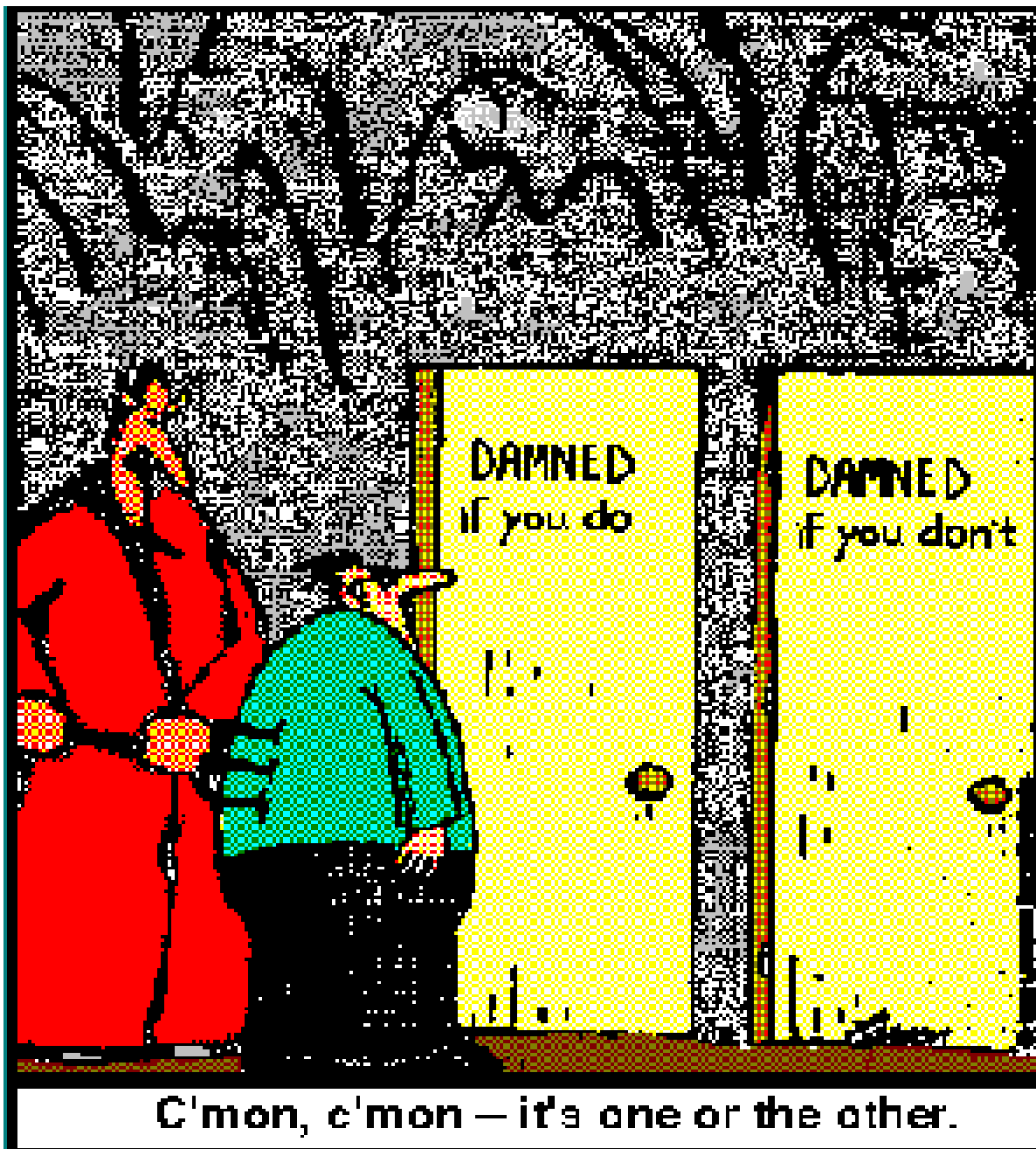


Fill out one form per person
(Stirling or TRB website)

Send form with proof of Medicare to TRB
(not to Stirling)

Must be received by the 25th of the second
month preceding coverage (May 25 for July 1)

Cancel current Board of Education coverage



C'mon, c'mon — it's one or the other.

For More Information...



- **Prescription drug – CVS CareMark**
 - 1-800-318-2572
- **Dental – Delta Dental**
 - (800) 452-9310
- **Medicare**
 - www.Medicare.gov
 - Social Security Administration
 - (800) 772-1213



For More Information...



- **Stirling Benefits, Inc.**

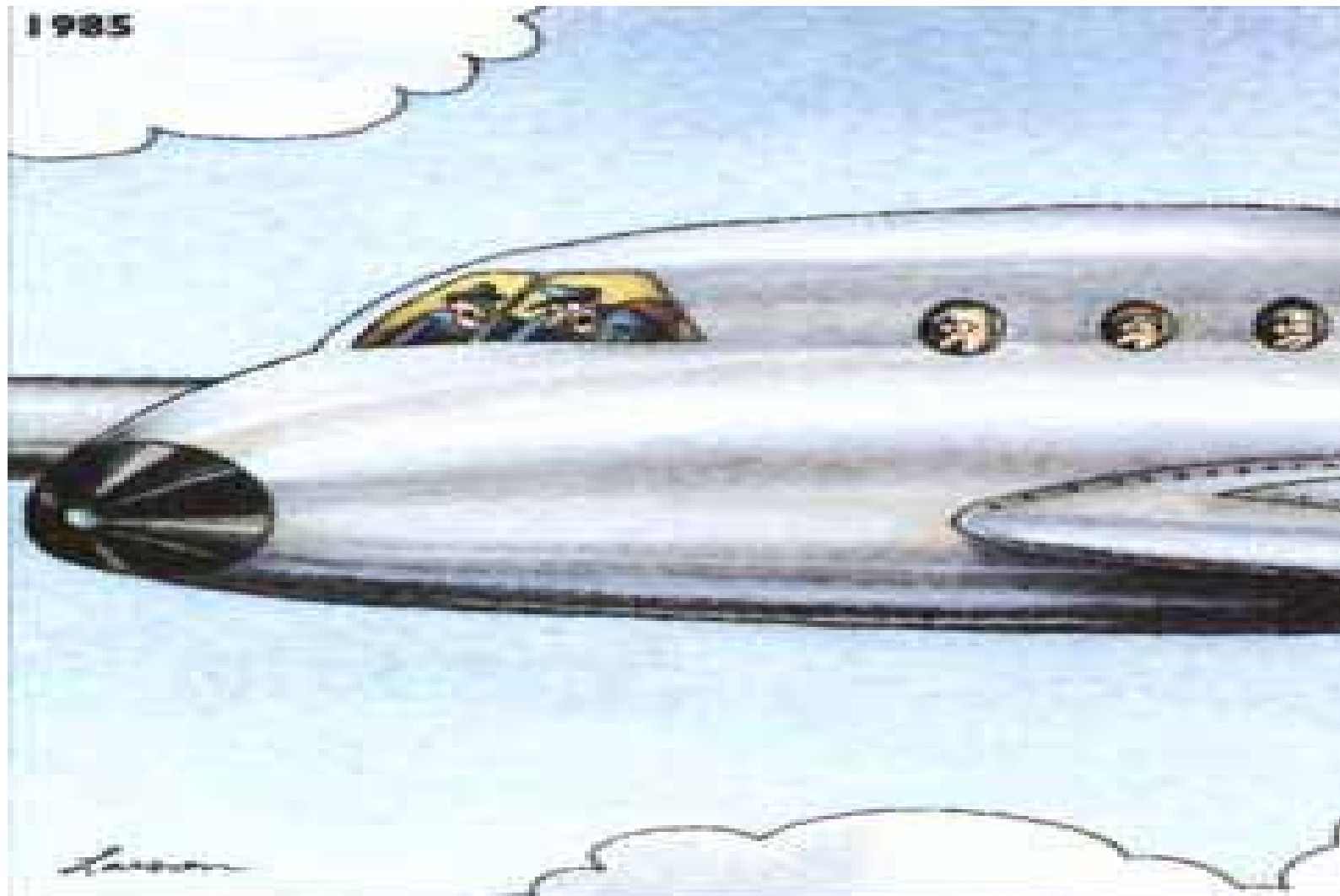
- **20 Armory Lane, Milford, CT 06460**
- **(800) 447-6689 — www.stirlingbenefits.com**
- **James Stirling (203) 647-0628**
- **Jstirling@stirlingbenefits.com**

- **Teachers' Retirement Board**

- **21 Grant Street, Hartford, CT 06106**
- **(800) 504-1102 or (860) 241-8414, fax: (860) 525-6018 — www.ct.gov/trb**



1985



"The fuel light's on, Frank! We're all going to die!
... We're all going to die! ... Wait, wait. ... Oh,
my mistake—that's the intercom light."

StirlingBenefits[®]

Evolving the Business of BenefitsSM