

To: Collinsville CUSD #10 Employees

From: Uta Robison, Chief School Business Official

Date: July 1, 2014

Re: 2014-2015 Employee Medical and Pharmacy Benefits

We have completed a review of the medical and pharmacy benefit offerings for our employees. As you may be aware, healthcare costs continue to increase. Our benefit plans are impacted by these cost increases which are due to a variety of factors, including our plans' claims experience, general healthcare cost inflation and Healthcare Reform.

In 2014, Healthcare Reform is imposing several requirements on plan sponsors of medical benefits. Some of the requirements that affect our medical plan are as follows:

- Offering essential health benefits to include pediatric dental
- Medical copays now apply towards the out of pocket maximum
- Offering generic smoking deterrents
- Plan offering that meets the affordability and minimum value requirement
- Healthcare Reform fees assessed to the health plan sponsors

Our goal is to provide our employees with the best benefits at a reasonable cost. We have undergone considerable negotiations and review of a variety of proposals. Due to Healthcare Reform and other factors previously mentioned, it is necessary that we make changes to our plans for the 2014-2015 plan year. It is also necessary that we pass along some of the cost increase to you in your contributions.

United Healthcare and Express Scripts will continue to administer your medical and pharmacy benefits in the 2014-2015 plan year. A summary of the benefit offerings for the 2014-2015 plan year is provided below. Please refer to your benefit summaries for more detailed information.

Medical Benefits

In the 2014-2015 plan year, all medical copays will apply toward the out of pocket maximum.

Therefore, we are increasing the Choice Plus POS Plan in-network Out of Pocket maximum from \$650 to \$1,000 individual, \$1,500 to \$2,000 family including medical copays. The out of pocket maximum is the most you will pay during the plan year for your share of the cost of covered services.

Please note: The deductible and Out of Pocket maximum run on a calendar year basis (January-December). Only the medical copays you pay effective July 1, 2014 will be applied to the new Out of Pocket maximum (copays paid prior to July 1, 2014 will not be applied to the new Out of Pocket maximum). If you have already met your out of pocket you will pay coinsurance and copays until the new out of pocket maximum is met.

Beginning with plan year 2015-2016 going forward, the RX and medical copays will be apply towards the Out of Pocket maximum.

The chart below illustrates the changes to your plan.

Choice Plus POS Plan	2013-2014 Plan Year	2014-2015 Plan Year
	<u>In Network</u>	<u>In Network</u>
Individual Deductible	\$250	same
Family Deductible	\$500	same
Individual Out of Pocket Maximum	\$650	\$1,000
Family Out of Pocket Maximum	\$1,500	\$2,000

Pharmacy Benefits

The chart below illustrates the changes to your plan.

Description	2013-2014 Choice Plus POS Plan	2014-2015 Choice Plus POS Plan
Retail Copay	\$10/\$30/\$50	\$10/\$30/\$50
Mail Order	\$20/\$50/\$80	\$20/\$50/\$80

In an effort to keep prescription costs down and gain some additional savings for you and the plan, we are implementing a few new programs through Express Scripts. Please see below for a brief summary of each program:

Exclusive Home Delivery

You will be allowed up to two maintenance medication courtesy fills at a retail pharmacy. If by the third fill, you do not switch your maintenance medications to the Express Scripts Pharmacy, you will pay 100% retail copayment when you use a retail pharmacy. Prior to the effective date of this program, you will receive an announcement letter to inform you that home delivery from the Express Scripts Pharmacy is now the required way to fill your maintenance medications. Please note: If your prescription can be filled at a retail pharmacy at a less expensive cost, you will not be required to fill the prescription through the Express Scripts mail order pharmacy.

Exclusive Accredo Specialty RX

This program will provide members utilizing specialty medication with enhanced care and monitoring of their medications to help maximize effectiveness and reduce side effects. Members will need to obtain all Specialty prescription drugs through Express Scripts Specialty Pharmacy, Accredo. Specialty products will not be available through Express Scripts home delivery pharmacy and will not be available through other pharmacies except for:

- limited distribution products not available at Express Scripts Specialty Pharmacy
- initial courtesy fills as allowed by the plan
- overrides for urgent situations

For those members who are identified as utilizing Specialty medications, Express Scripts will be sending you communication with more details regarding this program and how it works.

Specialty Step Therapy

This program monitors certain Specialty prescription drugs and their costs to offer the most effective medication that meets members needs while monitoring safety and reducing costs. When your pharmacist tries to fill your prescription, their computer system will indicate "prior authorization" required. This means that your physician will need to provide additional information to determine if the plan covers the prescription drug. For those members who are identified as utilizing Specialty medications, Express Scripts will be sending you communication with more details regarding this program and how it works.

REMINDER: Annual Open Enrollment is your opportunity to review and check your medical election. Any changes you make during Open Enrollment will become effective July 1, 2014.