

State Contributions to Benefits Remain as Published

The General Assembly has appropriated funds for the FY09 annual compensation increases, which includes benefits, and this appropriation bill, commonly referred to as the “Long Bill,” was signed by Governor Ritter on April 28. The State’s employer contributions to benefits, as recommended by DPA Executive Director Rich Gonzales in December, remain unchanged in this bill by both the General Assembly and the Governor. This reflects the General Assembly and Joint Budget Committee’s continued strong support of employee benefits and brings the State’s contributions to approximately 90% of the prevailing average employer contribution in the Colorado market.

The State contributions to benefits posted on the Employee Benefits Web site—www.colorado.gov/dpa/dhr/benefits/rates/rates.htm—and published in the April 2008 “Rates & Plans” issue of *HealthLine*—www.colorado.gov/dpa/dhr/pubs/docs/benefits/healthline/healthline0408.pdf are now the official premiums for the FY09 Plan Year.

Updates & Reminders

- Open Enrollment for the FY09 Plan Year continues until May 16, 2008. Enrollment can only be completed using the online enrollment system. Access the online system and research your FY09 options at the Employee Benefits Web site—www.colorado.gov/dpa/dhr/benefits.
- As there are significant changes to benefits for FY09, all employees are encouraged to participate in Open Enrollment, but two groups in particular must make active choices for next year.
 - Those employees currently in the OA-30 medical option. This plan is being eliminated in FY09. Those who do not choose another option during Open Enrollment will automatically be enrolled in the OA-750 option.
 - Those who currently have a Flexible Spending Account (FSA) for FY08 and who want an FSA in FY09. FSAs do not roll over from plan year to plan year; they must be elected every year.
- Employees who wish to use a Health Savings Account (HSA) in FY09 should remember that the State will no longer offer an HSA, although the OA-H HSA-qualified medical plan will still be offered.
- The current FY08 Plan Year will conclude on June 30, 2008.
- The FY09 Plan Year will run from July 1, 2008–June 30, 2009.

Summer is Starting

The warm weather of summer is close at hand and hopefully the last of the snow has fallen. And you know what that means—no jackets, hat and gloves, and no more excuses about it being too cold to get outside and move that body.

Colorado summers provide the perfect weather for exercising outdoors. The sun rises earlier and sets later, so there is more time for walking, running or playing in the morning or in the evening. Cities, small towns, mountain villages and communities all across the state offer summer festivals, concerts and other events that can get you and the family out and moving.

Here are some ideas to take advantage of summer and get some exercise.

- With the sun up earlier, consider doing the same and take a morning walk.
- If you take public transportation, get off one stop before your destination and walk the rest of the way. There's no snow or wind to hamper your efforts.
- Work in the yard or garden. There are weeds to be pulled, plants to tend and flowers to feed.
- Get an old-fashioned push mower for the lawn, like your grandpa had. It'll burn calories *and* it's good for the environment.



Health, Wellness & You

- Weekends and days off are perfect for hiking in one of the many State parks in Colorado. Visit <http://parks.state.co.us> for more information.
- There's plenty of light in summer evenings, perfect for a family stroll before or after dinner.
- Play outside with your kids—sports, playgrounds, tag, it doesn't matter so long as everyone is moving.
- Tennis courts, golf courses, softball fields, basketball courts, swimming pools and recreation centers beckon with leagues, lessons and classes for young and old alike. Check with your local city, county and community recreation centers for information and resources. Go to www.colorado.gov/colorado-government/sdlg.html#local to locate Web sites for local counties and municipalities.

And while spring weather is mild, the extreme heat of some summer days is something to be mindful of. Try to avoid strenuous exercise in the hottest part of the day, especially when outdoors, drink plenty of water (0 calories) and be sure to use sunscreen on yourself and the kids.

Remember, you're not training for a marathon, or even a half marathon. You just want to take advantage of our warm Colorado weather to get moving, to get your heart pumping, to get your blood flowing and to get out there and enjoy summer.

FY08 FSAs Expire June 30, 2008— Deadline for Services and Payments

Current, **FY08** Flexible Spending Account (FSA) participants have until June 30, 2008 to incur services and expenses that can be reimbursed from their **FY08** healthcare or dependent day care FSAs.

Even though the *services must be rendered and paid by June 30, 2008*, participants in an FSA for FY08 will have until October 15, 2008 to *submit claims* for reimbursement from their **FY08** FSAs.



Only those who have enrolled in an FSA during Open Enrollment for the upcoming FY09 Plan Year can be reimbursed for services performed on or after July 1, 2008.

For more information on FSAs, see the FSA page on the Employee Benefits Web site—www.colorado.gov/dpa/dhr/benefits/fsa-hsa/fsa.htm or visit the Web site for the State's FSA administrator, ASI—<http://www.asiflex.com>.

Economic Stimulus Checks— Consider Putting Towards Retirement

This month should see the delivery of the economic stimulus checks from the federal government. Eligible people will receive up to \$600 (\$1200 for married couples) and parents will receive an additional \$300 for each eligible child younger than 17 (see the IRS's Economic Stimulus Payments Information Center at www.irs.gov/newsroom/article/0,,id=177937,00.html for more information). This money is the federal government's attempt at giving the economy a shot in the arm.

It will be tempting to spend the money on a new TV, an iPod or weekend trip and feel you're doing your bit for the economy. But how about considering helping yourself and investing this money in your retirement?

Studies show that people immediately spend extras like this. And as gas prices have risen this year, along with just about everything else, saving for retirement has fallen in priority for many. Yet, if you haven't put away enough in your retirement savings this year, or haven't even started saving for retirement, this little gift from the Feds can be just the thing to improve your situation.

You may get \$600 or \$1200 or \$1800 or more, depending on the number of kids you have, but any amount can be useful in starting or adding to your retirement savings. Why? Because over the long haul, that money will grow as it produces returns. And even though the stock market and economy are in a downturn, retirement investing is about the long view, not daily, monthly or even yearly fluctuations.

To help you meet your retirement goals, the State offers a 457 Supplemental Retirement Plan (like a 401(k) but for government employees) that provides an easy way to add to your basic mandatory retirement plan. Understand that when you increase contributions, the contribution will come out of your State pay **the month after** you make the change, e.g., if you make a change in May, the increased contribution will come out of your June pay.



This means you'll have to then pay yourself the stimulus check to replace your income that month. ***And you must remember to change your contribution back to your regular amount in the month that the extra contribution comes out of your pay.*** Otherwise, that extra amount will come out of your pay the next month too, e.g., if you will have an increased contribution come out of your June pay, you must change your contribution back to your usual amount in June, so that your July pay does not also have the increased contribution.

The easiest way to navigate this so that you contribute your extra money in the right month but don't short your check the next month is simply by contacting a 457 Plan representative at 1-800-838-0457, option #2. The representative can walk you through the correct steps to increase your contribution and then change it back.

Resist the temptation to spend that stimulus check on a new toy. You'll thank yourself in retirement.

Generic Drugs— Safe, Effective & Affordable



In the upcoming FY09 Plan Year (July 1, 2008–June 30, 2009), the separate prescription deductible of \$150 in the OA-750, OA-1500 and OA-3000 options of the State’s self-funded plan **WILL BE WAIVED FOR GENERIC DRUGS**. This means you do not have to worry about meeting the prescription deductible before the generic drug co-pay of \$10 kicks in.

Generic drugs are as safe and effective as brand-name drugs. They have the same active ingredients in the same dosage and strength as brand-names. A generic drug may even be made by the same company that makes the brand-name version. And the Food and Drug Administration (FDA) reviews and approves generic medications before they are marketed or sold in the U.S.

If you already ask your doctor for generic drug alternatives, that’s great. If you don’t, you may be spending too much on your prescriptions. By choosing a generic medication, you’ll pay a lower prescription co-pay, and you get the same quality and effectiveness as a brand-name drug. And remember that for the OA options, the prescription deductible will be waived in FY09 for generic drugs.

The State wants to encourage its employees and their families to use generic drugs when possible. Of course the use of generics will be better for the State’s plan, but more importantly, it can save you money as you avoid paying the higher co-payments for brand-name drugs. Review the following questions and answers for more information on generic drugs versus brand-names.

Q. What is a generic drug?

A. It’s identical to a brand-name drug in dosage, safety, strength, quality, performance, how it’s taken and how it’s used. A generic drug has the exact same *active* ingredients as the brand-name drug. The *inactive* ingredients, such as coloring or flavor, may be different.

Q. What is a brand-name drug?

A. It’s a medication protected by a patent. That means the drug manufacturer has the sole right to sell the drug. When the patent expires, other manufacturers can they apply to the FDA to sell generic versions of the drug.

Q. What’s the difference and why would I choose a generic drug over a brand-name?

A. It’s simply a matter of cost. Generic drugs cost significantly less than brand-name drugs, potentially as much as 70% less. This is why generic drugs usually cost you the smallest co-pay amount in any insurance plan, and in the OA options you don’t have to worry about the prescription deductible with generics. You can save a significant amount of money without compromising quality.

Q. What will the generic co-payments be in FY09 for all plans offered by the State to its employees?

A. Self-funded options (OA-750, OA-1500, OA-3000)—Generic prescriptions require a \$10 co-pay and the \$150 prescription deductible does not have to be met for this co-pay to apply to generics. *(Note: The OA-H option does not have prescription co-pays or a prescription deductible, due to federal regulations surrounding such HSA-qualified plans.)*

Kaiser HMO—Generic prescriptions require a \$10 co-pay.

San Luis Valley HMO—Generic prescriptions require a \$10 co-pay, although a separate \$100 prescription deductible must be met before this co-pay can apply.

For those in a spouse’s plan or another plan outside of the State’s offerings—Generics usually require the smallest co-pay or co-insurance amount in any plan. Contact your insurance company to get the details for your plan.

Q. Is there ever a time I should not take a generic drug?

A. Sometimes it may be important to stay with the drug you are currently using, whether it is generic or brand-name. You should always discuss any changes to your medication with your doctor.

Q. Should I ask my doctor or pharmacist to switch my prescription to a generic drug?

A. Ask your doctor first if you can switch. There may be times when it’s necessary to stay with the drug you’re currently using, however you may want to ask your pharmacist about generics as well as your doctor. If needed, a pharmacist can help you get approval from your doctor to make a switch to generic drugs.

