

Medical Insurance Supplement for Low-Income State Employees for FY11

Apply for the Supplement August 3–12, 2010

The supplement for medical insurance will again be available to qualified low-income state employees with dependent children. **However, the funds available for this year's program are approximately \$350,000, 77% less than last year's \$1.5 million.**

This means far fewer employees will be helped by the program this year. Very likely, the money will only be able to be distributed to Tier 1 applicants, those at or under 200% of the Federal Poverty Level (FPL). As there were 450 Tier 1 approved employees last year in FY10, the \$350,000 will likely be *unable* to assist Tier 2 applicants (those at 201%–250% of the FPL) or Tier 3 applicants (251%–300% of the FPL). In addition, the reduced funding will probably only be able to *partially cover* the monthly premiums for medical insurance for this year's Tier 1 applicants.

Why was the funding reduced?

With Senate Bill 09-269, the Colorado Legislature authorized the transfer of money from the tobacco settlement funds, which provides the money for the Medical Supplement program, to the State's General Fund to address the budget deficit. As a result, programs funded with these monies, including this supplement program, received less money for FY11.

While the Employee Benefits Team does not want to discourage any employee from applying, the team wants to be honest about this year's situation and maintain realistic expectations for the program.

Who is it for? Who is eligible?

The supplement is for low-income employees with dependent children currently enrolled in one of the State's medical insurance options, as well as those *not* currently enrolled. Employees not enrolled, but who are approved, will be given an opportunity to enroll in one of the state medical insurance options. The supplement is to be used to cover a portion of the cost of medical insurance for the FY11 Plan Year (July 1, 2010–June 30, 2011) for qualified and approved employees.

Employees must meet the following MINIMUM qualifications for the FY11 Medical Insurance Supplement Program.

- 1. Hired prior to July 1, 2010**
- 2. Eligible for state medical insurance options**
- 3. Have at least one dependent child eligible for state medical coverage**
- 4. Had a 2009 calendar year household income of 300% or less of the 2009 Federal Poverty Level (FPL).** (Go to www.colorado.gov/dpa/dhr/benefits to see the levels for this year's program) The FPL is tied to the number of people in a household.*
- 5. Filed a 2009 federal income tax return**
- 6. Employee and dependent children must be enrolled in, or willing to enroll in, one of the State's medical insurance options for the FY11 Plan Year (July 1, 2010–June 30, 2011).****

** Example—200% of the 2009 Federal Poverty Level for a single parent with one child (a total of two household members) is an annual income of \$29,140. For a single parent with two children (total of three household members), 200% of the 2009 FPL is \$36,620.*

Household income is the total, combined income for calendar year 2009 of all adults and income earners living in the household, under one roof at the time of application—the employee, a spouse, children over the age of 16, and any other adults living in the household.

Caution: Please read the rest of this article for information on how the money is to be distributed among different tiers (200%, 250% and 300%) of the Federal Poverty Level. Remember, because of the drastic reduction in funding for this program, it is unlikely that the money will be distributed beyond Tier 1 applicants.

*** Employees NOT currently enrolled in one of the State's medical insurance options, but who are awarded the supplement, will be given an opportunity to enroll in state medical coverage.*

(see Supplement on page 2)

(Supplement from page 1)

How to Apply?

- **Application period: August 3–12, 2010.** Employees must use the online application process available through the Employee Benefits Web site—www.colorado.gov/dpa/dhr/benefits—click on “**Medical Insurance Supplement Program.**”
- The application will require information about the employee, family members, household members, and household income (the total, combined income of all members of the household). ALL fields will require an answer, even if it is “none” or “N/A” when the field does not apply.
- Documentation is not required with the online application, but will be required at a later date, after the employee’s initial acceptance. At that time, employees should be prepared to provide tax returns for all household earners (employee, spouse, children over 16 who filed taxes, and any other adults in the household) and dependent documents, such as birth certificates.

Application Timeline

- **Application period: August 3–12, 2010.**
- *August/September*—After the application period closes, applications will be reviewed. Those whose applications are initially approved for the supplement will be contacted with further instructions regarding documentation and enrollment (if not already enrolled).

IMPORTANT—It is vital that applicants provide a current working e-mail address that will allow the Employee Benefits Team to communicate with them. If Employee Benefits cannot contact the employee and a deadline passes, it will be assumed the employee is no longer interested in the program and the employee will not receive the supplement.

- *October/November*—Supplements will be awarded.

How much will the supplement be?

The specific amount of supplement for individuals is unknown, as that amount will depend on the total number of approved applicants. The more approved applicants there are, the smaller the supplement for each individual.

Due to the 77% reduction in this year’s funding for the program, it is very likely that the money will be distributed only to Tier 1 applicants (those at or under 200% of the FPL), and any supplement will probably only partially cover the monthly premiums for medical insurance.

How will the money for the supplement be distributed among qualified applicants?

Not everyone who meets the minimum qualifications will receive the supplement, as the money is to be awarded based upon demonstrated need, according to the statute that governs this program. Those applicants who are awarded the supplement should not expect the supplement to completely cover *all* of their medical insurance premiums. It is more likely to cover *only a portion* of the premium, especially in light of the reduced funding for the FY11 program.

Qualified applicants will be divided into three tiers.

Tier 1—Household income at or under 200% of the Federal Poverty Level

Tier 2—Household income at or between 201% and 250% of the Federal Poverty Level

Tier 3—Household income at or between 251% and 300% of the Federal Poverty Level

What are these levels in dollars? Go to www.colorado.gov/dpa/dhr/benefits to see the tier breakdown by dollar amounts for this year’s program.

The money will be distributed first to Tier 1 applicants. Money cannot be distributed to Tier 2 applicants until 100% of the medical insurance premiums for all applicants in Tier 1 are paid by the supplement. Money cannot be distributed to Tier 3 applicants until 100% of the medical premiums of Tier 2 are paid. If 100% of the premiums for Tier 1 applicants cannot be covered by the program, applicants in Tier 2 and Tier 3 *will not receive any supplement.*

Because of these rules and the reduced funding for FY11, it is very likely that only Tier 1 applicants will receive supplements that will partially reduce their monthly medical insurance premiums.

What is the purpose of this program?

The 2007 bill authorizing the program was designed to address the cost of medical insurance for low-income state employees with children. Part of the reasoning behind the program is that state employees are not currently eligible for CHP+, the federal program to help insure the children of low-income families. The money for the program comes from the State’s share of the settlement from the federal tobacco lawsuit.

Questions? Limited computer/Internet access?

Employees with questions or limited computer/Internet access should contact their agency benefits or human resources (HR) offices. Personnel in these offices can answer questions, as well as offer assistance in accessing and completing the online application. If you don’t know how to contact your agency’s benefits or HR office, you may call 303.866.3434/1.800.719.3434 to find out.





Dental Insurance

Improvements for This Year—FY11

Both options of the Delta Dental Plan were improved significantly for the new FY11 Plan Year (July 1, 2010–June 30, 2011). Some changes were particular to the Basic Plus option, while others applied to both the Basic Plus and the Basic options.

Basic Plus Improvements

- An increase from \$1500 to \$2000 for the annual maximum benefit for FY11.
- Also for FY11, there is an increase from \$1500 to \$2000 for lifetime maximum for orthodontia. Be advised that this increased benefit will only be for completely NEW orthodontia treatment plans that begin on or after July 1, 2010. Any orthodontia treatment plans begun before July 1, 2010 will still be subject to the \$1500 lifetime maximum.

Improvements to Basic AND Basic Plus Options

- Composite (white) fillings for posterior (back) teeth will be covered under the basic services of each option, subject to the annual maximum benefit.
- Implants will be covered under major services in the plans, subject to the annual maximum benefit.

IMPORTANT NOTE: Coverage in both the Basic and Basic Plus plans is based upon the in-network prices for services. In-network dentists have agreed with Delta Dental to not charge above certain amounts for services. Employees and their families are free to use out-of-network dentists, but the coverage is based on the in-network pricing, and the employee will be responsible for the difference between the in-network pricing and the charges for the out-of-network dentist.

If you have questions about your coverage or how to find an in-network dentist, visit the [Benefits' dental Web page](#) or call Delta Dental customer service at 1-800-489-7168.





United Healthcare and Prescription Drugs

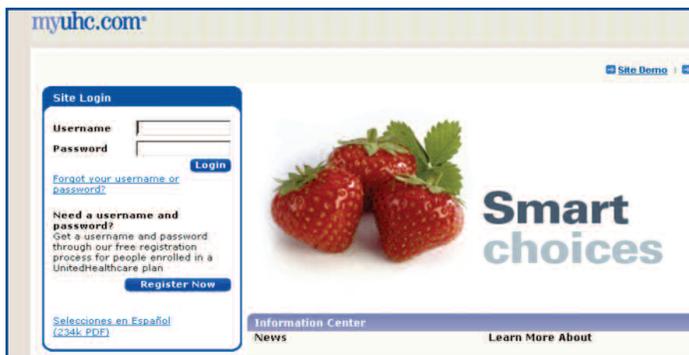
As the new FY11 Plan Year starts, employees enrolled in the two options of the self-funded plan, UHC Choice Plus Co-pay option or the UHC Choice Plus Definity HDHP (High-Deductible Health Plan) option, need to be aware of how their prescription benefits work and how to get the information they need.

What tier is my prescription?

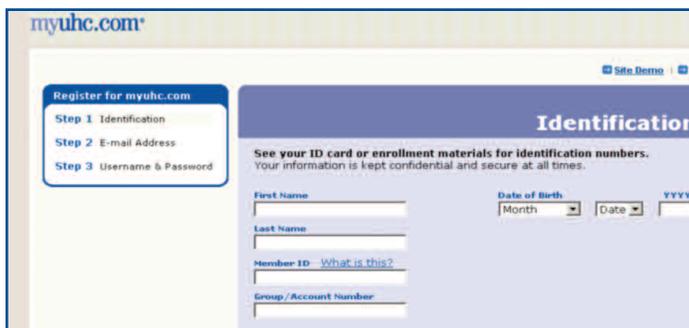
There are three ways to find out the tier (1, 2, or 3) of a prescription. In all cases, members should have as many details about their prescription as possible—brand name, generic name, dosage—to get the accurate tier.

- **www.myuhc.com**—To get the information specific to the State of Colorado, such as the prescription drug list (PDL), employees MUST first register at myuhc.com.

New users click the “Register Now” button.



On the next screens, enter the necessary information and follow steps 1, 2, and 3 to establish your username and password.



- **State of Colorado Pre-enrollment site**—This is the site established by United Healthcare during open enrollment for employees, before they were actually enrolled. This site will remain active throughout the year, and contains information specific to the State, such as the PDL. Go to www.welcometouhc.com/colorado and click on “Pharmacy Benefits.”
- **United Healthcare’s customer service line dedicated exclusively to State of Colorado members, 1.877.283.5424**—Representatives will be able to determine the tier of particular prescriptions.

90-day Supply Available via Mail-Order Only

In a change from the processes when the self-funded plan was administered by CIGNA/Great-West, a 90-day supply of prescriptions is only available with mail-order service. The 90-day supply is NOT AVAILABLE from retail pharmacies; only a month’s supply can be purchased.

Only certain prescriptions are available via mail-order—go to www.myuhc.com (register first though, to get the correct State of Colorado information) or call customer service at 1.877.283.5424 for more information.



Staying Sun-Smart this Summer



Summer is a time for outdoor fun—playing ball, picnics, swimming, hiking and gardening. But all that time outdoors means more exposure to the sun’s harmful rays and an increased risk for sunburns. It doesn’t take much sun exposure to get burnt, especially for children. And while a sunburn is a painful result of the harm from the sun’s ultraviolet rays, know that even a tan represents skin damage.

Getting a sunburn is usually an accident, so it can often be avoided. With the warm-weather months in full swing, here are some facts about what the sun can do and some tips on how to protect yourself and your family when you’re out enjoying the summer.

Problems associated with over-exposure

- ✦ Increased chances of skin cancer—90% of skin cancers are caused by over-exposure to the sun.
- ✦ Just one or two blistering sunburns before the age of 18 may double the risk for melanoma later in life.
- ✦ Premature wrinkling and brown spots

Increased risk

- ✦ It takes less time to burn in Colorado (less atmosphere to block the sunlight). The sun’s intensity increases about 4% for every 1000 feet gained in elevation.
- ✦ Children younger than six and adults over 60 have skin that is more sensitive to the sun.
- ✦ A sunburn may be more severe depending on:
 - ✦ Skin type—Those with fair or freckled skin, blonde or red hair, and blue eyes typically burn easily.
 - ✦ Time of day—Sunburns are more likely to happen between 10 A.M. and 4 P.M.
 - ✦ Proximity to reflective surfaces such as water, concrete, sand or snow.
 - ✦ Season—The position of the summer sun can increase severity of burns.

Avoiding over-exposure

- ✦ Avoid sun exposure whenever possible and limit the time in the sun.
- ✦ Stay out of the sun between 10 a.m. and 4 p.m.



- ✦ Keep babies under 6 months old out of the sun.
- ✦ Wear loose-fitting, tightly woven clothing that covers your skin.
- ✦ Wear a hat. A wide-brimmed one that covers the scalp, ears, neck and eyes is best.
- ✦ Wear sunglasses with UV protection (even children).
- ✦ Use a sunscreen that has a sun protection factor (SPF) of at least 30. SPF is the sunscreen’s ability to block the sun’s rays.
- ✦ Use a broad spectrum sunscreen that blocks both ultraviolet A and B (UVA and UVB) rays.
- ✦ Use waterproof sunscreen that doesn’t wash off in the pool or with sweating (but you still have to reapply often).
- ✦ Apply sunscreen 30 minutes before going out in the sun. This allows it to be absorbed into the skin.
- ✦ Sunscreen should be applied evenly over *all* skin that will be exposed to the sun. Don’t forget your ears and the part of your hair. Most people do not apply sunscreen correctly and therefore limit its effectiveness.
- ✦ Reapply every two hours, more often if you are in the water. Repeat. Repeat again. No sunscreen lasts all day or blocks all of the sun’s harmful rays.
- ✦ Use a lip balm with an SPF of at least 15. Reapply often.
- ✦ If also using insect repellent, put sunscreen on first, to be absorbed into the skin, then the insect repellent.

For more information visit Sun Safe Colorado (www.sunsafecolorado.org), a program from the Colorado Department of Public Health & Environment and the Colorado Department of Education.

25-Year-Old Dependents



Q—My son will be 25 next week, but I received a notice saying that he will be taken off my medical plan at the end of this month. I’ve read that federal health reform requires insurers to cover kids to age 26. What gives?

A—The provisions of the Patient Protection and Affordable Care Act (PPACA) or (ACA) and the Health Care and Education Reconciliation Act of 2010 (HCERA), collectively called the Affordable Care Act (ACA), go into effect in stages. Beginning with the next plan year following September 23, 2010, which for the State will be the FY12 Plan Year, beginning July 1, 2011, our Plan will extend coverage to 25-year-old children. At that time, eligibility requirements change, so the child’s eligibility will be based on their age and relationship to the employee. An employee’s natural, adopted, or foster child under age 26 will be eligible for coverage regardless of student status, marital status, residence, or financial status.

Q—I’ve heard that many health plans will allow coverage to age 26 right now, even though the plans can wait until their next plan year begins? Why is the State waiting until July 1, 2011 to allow coverage for my 25-year old?

A—It’s a matter of accounting for the increased costs for these dependents. The insurance premiums for the State’s current FY11 Plan Year were determined *before* the reform bill was passed and did not anticipate the additional claims costs associated with an expansion of coverage for this group of dependents. The additional anticipated costs will be built into next year’s premiums.

Updates & Reminders

- **31-day Window for Changes**—For events such as **BIRTH** or **MARRIAGE** or when a spouse **GAINS** or **LOSES** benefits with their job, any change to your state benefits must be completed **within 31 days** of the event. Day One is the date of the event itself. If you miss this 31-day window, you’ll have to wait until the next Open Enrollment to make your change.
- **Working Together Needs Your Donations**—Please help during these tough times by making a donation to Working Together, a non-profit foundation established in 1992 by a group of state employees who wanted to help fellow state employees in times of crisis. To make donations, or to get more information, visit www.state.co.us/dhr/wt or call 303-831-8645 (voice message).
- **DPA Summer Symposium**—The annual symposium featuring speakers on a variety of topics continues until September 2. This year the symposium will focus on your health, nutrition and overall wellness. Find information about the dates, times, locations and registration at the [C-SEAP Web site](#).

