



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Insurance Plan & Trust Fund

UPDATE

Date: January 30, 2004

To: Participating Boards and
Employees

From: Howard Van Mersbergen
Executive Secretary Treasurer

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Plans to be Offered in the 2004/2005 Plan Year

Plan C, PPO 90, PPO 80, PPO HSA 1 (formerly the PPO HD plan), and PPO HSA 2 (formerly the PPO MSA plan) will be available in all locations. Priority Health POS, HMO 100 and HMO 80 are available in West Michigan.

“Health by Choice” from Priority Health

Health by Choice is a new concept from Priority Health that offers a reduction in your school’s premium rates in return for more personal involvement in managing your health. A 1% discount is available for schools that elect to participate in “Health by Choice.” To participate, schools will encourage their covered employees to make these four commitments:

1. Complete the on-line Health Risk Assessment.
2. Comply with preventative health guidelines (physicals, mammograms, etc.).
3. Opt into disease management programs if applicable.
4. Set a personal health goal.

More details regarding “Health by Choice” will be sent to you at a later date.

Change in Prescription Drug Coverage

Effective September 1, 2004, for the Priority Health plans, the prescription copay amount for brand name drugs is changing to \$30. The copay will be \$15/\$30/50% for generic/brand/non-formulary non-excluded. The current prescription drug copay is \$15/\$25/50%.

Health Savings Accounts (HSA)

The federal government has eliminated Medical Savings Accounts (MSA) and replaced them with Health Savings Accounts (HSA). HSAs are similar to MSAs but have more liberal contribution provisions and expanded deductible ranges. CSI has two Trustmark medical plans that qualify to be used with an HSA: PPO HSA 1 (formerly PPO HD) and PPO HSA 2 (formerly PPO MSA). There were changes made to the PPO HD plan to make it qualify as an HSA plan—see the section, “Changes in Medical Coverage,” below.

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An HSA is an account set up by the school for each participant. Trustmark has a relationship with MSA Bank in Wisconsin to administer the savings accounts; schools may use this bank or choose another administrator. Once the accounts are set up, the school and/or the participant contributes up to the amount of the deductible for each participant, and then this contribution is deposited into each participant's account. Participants can be reimbursed from their HSA for eligible expenses that apply to the deductible or eligible expenses that are not covered by the health plan. Any funds left in the HSA at the end of the year are rolled over to the next year and keep accumulating until retirement. Earnings on individual accounts accumulate tax-free, and if they are used for qualified medical expenses, they are not taxed. At retirement, participants may continue to use the funds for health expenses. If the funds are used for non-health related expenses, income tax and/or additional taxes may be due. For more information on HSA plans, go to www.msabank.com.

HSA Deductible—A Word of Caution

Several schools have inquired about using our HSA plans and self-funding a portion of the deductible rather than funding the employee's HSA account (in effect, creating a deductible reimbursement plan). Self-funding occurs when a school reimburses employees directly for certain health care expenses incurred by the employee or dependents. If you are considering self-funding, we encourage your school to seek legal counsel. Your school will need to develop a Plan Document and distribute copies to participants. Your school will be required to file annual reports with the Department of Labor. The plan will be subject to non-discrimination testing and your school will also be required to adhere to privacy regulations.

Changes in Medical Coverage

These changes will be made to the former PPO HD plan and the name will change to PPO HSA 1:

PPO HSA 1 (formerly PPO HD)		
	Current	Effective 09/01/04
Deductible	Benefits are paid to an individual after the individual's deductible has been met and before the family deductible is met	If you have family coverage, the full family deductible must be met before any benefits are paid
Out-of-Pocket Maximum	In-network: \$2,000/\$4,000 Out-of-network:\$5,000/\$10,000	In-network: no change Out-of-network:\$4,000/\$8,000
Primary Care and Specialty Physician Services	\$20 copay for office services	Covered at 80%
Skilled Nursing and Rehabilitation	Covered 100% for first 60 days, 80% for next 120 days per year	Covered 80% for 180 days
Home Health Care	Covered 100% for 60 visits per year	Covered 80% for 60 visits per year
Hospice	Covered 100%	Covered 80%
Emergency Care Doctor's Office	\$20 copay	Covered 80%
Chiropractic Coverage	\$20 copay with maximum of \$1,500 per year	Covered 80% with maximum of \$1,500 per year

September 1 Enrollment and Rates

Enrollment materials and rates for 2004–2005 will be sent to schools in early May.

If you have questions, contact the CSI Benefits Office at 800-635-8288 or 616-957-1070, extension 233.