



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Insurance Plan & Trust Fund

UPDATE

Date: April 28, 2004

To: Participating Boards and
Participants Covered by Trustmark

From: Howard Van Mersbergen,
Executive Secretary-Treasurer

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From Howard's Desk

The Trustees continue to work diligently to provide member schools with good benefit coverage at a reasonable cost. We, with the help of our consultants at Marsh, Inc., have negotiated with our insurance carriers in finalizing the insurance renewals for next year in an effort to minimize your cost. We have also looked at how our programs compare to the marketplace from the benefit side and have made some changes to make sure our programs are up-to-date. In particular, we've changed the prescription drug copay for the Priority Health Plans. In addition, we are now offering two plans through Trustmark that are qualified to be used with Health Savings Accounts (HSA). As health care costs continue to rise, we will need to continue adjusting plan design to help manage premium costs.

Our commitment to you is to continue to work hard to provide good benefit plans that are up-to-date and that make the most efficient use of school and employee resources. We appreciate you working with us in this endeavor and continually seek your input. Feel free to contact me by phone at 800-635-8288, ext. 226, or by e-mail at hvanmersbergen@csionline.org to share your ideas on ways that we as a group of schools working together can provide for the dedicated staff of our Christian schools.

Updated and Improved CSI Web Site

We have expanded the Benefits section of the CSI web site to make it a valuable tool for you. Go to www.CSionline.org and select the Employee Benefits tab to see the useful items available. The site contains information on CSI benefits, forms that you may need, and benefit publications like plan books and Updates.

Premium Rate Changes Effective September 1, 2004

- The Trustees have received and negotiated the 2004–2005 insurance renewals. Based on this information, the Trustees approved new rates to take effect September 1, 2004.

(More)

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- The specific components of the rate changes are as follows:

Life/Accidental Death & Dismemberment:	0%	increase
Optional Life:	0%	increase
Optional Vision:		
Employee Only	6.8%	increase
Employee + Spouse	6.1%	increase
Family	6.9%	increase
Long Term Disability:	16.7%	increase
Dental:		
Rate Category 1	7.3%	overall increase
Rate Category 2	7.7%	overall increase
Rate Category 3	6.7%	overall increase
Health:		
Trustmark Plan C, PPO 80, PPO 90, PPO HSA 1 and PPO HSA 2	12.1%	overall increase

- For Trustmark Plans C, PPO 80, PPO 90, PPO HSA 1 and PPO HSA 2:
Premium rates are calculated separately for each school. The rates are based primarily on the school's location and the demographics (age, gender, etc.) of the school's employees. Although rates are not based on a school's individual experience, schools are divided into three categories based on experience. Schools in the higher experience category will receive a higher increase than schools in the lower category. In addition, for schools with 10 or fewer employees covered for health care, rates are calculated separately for each age group, based on individual demographics.
- We have enclosed a separate rate sheet for the Limited Benefit Plan (the plan that provides Life, Accidental Death and Dismemberment, Long-Term Disability and Dental coverage). [Click here for premium rates.](#)

Trustmark Open Access Plan

Effective September 1, 2004, Trustmark's Open Access Plan will no longer be available.

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. They work like a personal IRA for medical expenses—tax-free contributions from employers, employees, or both, and tax-free reimbursements for qualified expenses. Best of all, your funds are not subject to the “use it or lose it” rule, so you will not forfeit funds.

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.

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.

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

Change in Dental Participation Requirements

Currently, you are able to opt out of health coverage if you are covered by your spouse's employer plan. However, opting out of dental coverage is not permitted. Effective May 1, 2004, the dental participation requirements will be similar to the health requirements: you may opt out of dental coverage if you are covered by your spouse's employer plan.