



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Insurance Plan & Trust Fund

UPDATE

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To: Member Schools and Participants

From: Howard Van Mersbergen
Executive Secretary Treasurer

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The Trustees have recently completed a thorough plan design review. This Update explains the changes being made to the plans.

Plans Offered in the 2005/2006 Plan Year

Plan C, PPO 90, PPO 80, PPO HSA 1, and PPO HSA 2 will be available in all locations. Priority Health POS, HMO 100 and HMO 80 are available in West Michigan.

Two new plans will be available through Priority Health: A Health Savings Account (HSA) and a Health Reimbursement Account (HRA). Schools may choose either the HSA or HRA, plus two other plans to offer to their employees. Details will be provided by the first week in March.

In addition, we will add two new lower-cost medicare supplement plans for retirees; one plan through Trustmark and one plan through Priority Health.

What are HSA and HRA Plans?

An HSA is made up of two parts: a qualifying health plan and a bank account set up by the school for each participant. CSI provides two Trustmark plans that are qualified as HSA plans. Trustmark has a relationship with HSA Bank in Wisconsin to administer the savings accounts; schools may use this bank or choose another administrator. Effective September 1, we will offer one HSA plan through Priority Health. Priority Health’s HSA plan is bundled with Mellon Bank to provide both a qualified plan and the participant bank account.

Once the accounts are set up, the school and/or the participant contributes up to the amount of the deductible for each participant; 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 belong to the participant 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.

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Effective September 1, CSI will also offer an HRA plan through Priority Health. Employers allocate funds to each participant and those funds are used to reimburse the participant for health care expenses that are subject to the deductible. Any funds remaining at the end of the year belong to the employer who chooses whether to roll them over to the next plan year.

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 may 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.

“Health by Choice” from Priority Health

Health by Choice will again be offered as a way for you to reduce health insurance premiums. Health by Choice, introduced last year by Priority Health, offers a reduction in premium rates in return for more personal involvement in managing your health. A 1% discount is available for individuals who participate in Health by Choice and 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.

Individuals who do not qualify for the 1% discount beginning September 1, 2005, can qualify beginning September 1, 2006, by completing the four commitments during the 2005/2006 plan year.

Change in Prescription Drug Coverage

Effective September 1, 2005, for the Trustmark plans, the prescription copay amount is changing from \$15/\$30/\$50 to \$15/\$30/\$60 (generic/preferred brand/non-preferred brand).

Effective September 1, 2005, for the Priority Health plans, the prescription copay amount is changing from \$15/\$30/50% (for generic/brand/non-formulary) to \$15/\$30 (for generic/brand).

Non-Formulary Prescription Drug Authorization

As noted above, effective September 1, 2005, the 50% non-formulary benefit will be eliminated. This means that non-formulary drugs will no longer be covered unless your doctor and Priority Health authorize its continued use.

If you are using a non-formulary drug because you have tried other alternatives on the formulary and they have been ineffective, your doctor will need to contact Priority Health's pharmacy department in order to authorize continuation of coverage for the non-formulary drug. When approved, the drug will be covered at the appropriate brand or generic copay level.

If you have not tried a formulary alternative, you will need to discuss with your doctor if doing so is appropriate for your needs. If your doctor and Priority Health determine that the non-formulary drug is best for you, your doctor can authorize the drug to be covered at the appropriate brand or generic copay. If you continue to use a non-formulary drug after September 1, 2005, without obtaining authorization, the drug will not be covered.

Changes in Medical Coverage

Plan	Current	Effective 09/01/05
Trustmark PPO 80	<ul style="list-style-type: none">• \$15 Office Visit Copay• \$300/\$600 Deductible (Out-of-Network Deductible \$1,000/\$2,000)	<ul style="list-style-type: none">• \$20 Office Visit Copay• \$400/\$800 Deductible (Out-of-Network Deductible \$1,250/\$2,500)
Trustmark PPO 90	<ul style="list-style-type: none">• \$15 Office Visit Copay• \$250/\$500 Deductible (Out-of-Network Deductible \$750/\$1,500)	<ul style="list-style-type: none">• \$20 Office Visit Copay• \$300/\$600 Deductible (Out-of-Network Deductible \$1,000/\$2,000)
Trustmark Plan C	<ul style="list-style-type: none">• \$500/\$1,000 Deductible	<ul style="list-style-type: none">• \$600/\$1,200 Deductible
Priority Health POS	<ul style="list-style-type: none">• \$15 Office Visit Copay• No Deductible	<ul style="list-style-type: none">• \$20 Office Visit Copay• \$100/\$200 Deductible (Alternate Deductible \$500/\$1,000)
Priority Health HMO100	<ul style="list-style-type: none">• \$15 Office Visit Copay• No Deductible	<ul style="list-style-type: none">• \$20 Office Visit Copay• \$100/\$200 Deductible

90-Day Medication List

Priority Health has expanded the 90 Day Medication List. The drugs on this list are low-cost drugs and Priority Health passes the savings on to you. If a drug is on the list, you may purchase a 90-day supply of medication at your pharmacy for one copay. You can read more about the 90-Day Medication List by using the link on our web site. Go to www.CSIonline.org and select Employee Benefits, United States, CSI Insurance Plan, and Links.

September 1 Enrollment and Rates

Enrollment materials and rates for 2005–2006 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. Benefits information is also available on the CSI web site by selecting Employee Benefits at www.CSIonline.org.