



CHRISTIAN SCHOOLS  
INTERNATIONAL

## CSI Insurance Plan & Trust Fund

# UPDATE

**Date:** February 13, 2006

**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 plans available and the changes being made to the plans.

### Plans Offered in the 2006/2007 Plan Year

The selection of health plans available through CSI will not change. Plan C, PPO 90, PPO 80, PPO HSA 1, and PPO HSA 2 will be available in all locations. Priority Health POS, HMO 100, HMO 80, HSA, and HRA are available in West Michigan.

For Trustmark, schools may choose the PPO HSA 1 or PPO HSA 2, plus one other plan. For Priority Health, schools may choose the HSA or HRA, plus two other plans to offer to their employees.

### Changes in Medical Coverage

The following changes are effective September 1, 2006.

**Priority Health Plans:** the Emergency Room copay will change from \$50 to \$75.

#### **Trustmark Plans:**

- The Emergency Room copay will change from \$50 to \$75.
- The out-of-network reasonable and customary level will change from the 90<sup>th</sup> to the 70<sup>th</sup> percentile.
- The in-network and out-of-network deductibles will accumulate separately. For example, expenses applied to the deductible for in-network charges will only satisfy the in-network deductible and will not be applied to the out-of-network deductible.
- Transplant benefits continue to be covered up to the \$2,000,000 lifetime maximum when a designated transplant facility is used. The lifetime maximum for transplants when a non-designated transplant facility is used will change to \$50,000. For more information on United Resource Networks Transplant Centers of Excellence, go to [www.URNweb.com](http://www.URNweb.com).

### Increase in Trustmark Preventive Care Limit

The CSI Insurance Plan assists you in not only correcting health problems, but also in preventing health problems before they occur. As part of our ongoing emphasis on prevention, the preventive care limit will increase from \$300 once every two years to \$500. Take advantage of these benefits and schedule regular physicals and mammograms.

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### **Trustmark Network Changes**

In Iowa and Michigan, the networks used by Trustmark are changing effective September 1, 2006. Midland's Choice network will be used in Iowa ([www.midlandschoice.com](http://www.midlandschoice.com)) and PPOM in Michigan ([www.ppom.com](http://www.ppom.com)). These networks have a larger number of providers as well as better provider pricing than the current networks.

### **Priority Health 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](http://www.CSIonline.org) and select Employee Benefits, United States, CSI Insurance Plan, and Links.

### **September 1 Enrollment and Rates**

Enrollment materials and rates for 2006–2007 will be sent to schools in early May.

### **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. Priority Health's HSA plan is bundled with your choice of several banks to provide both a qualified plan and the participant bank account.

Once the accounts are set up, the school and/or the participant may contribute 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.

CSI also offers 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 or not 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.

### **Contact Information for CSI**

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](http://www.CSIonline.org).