



CHRISTIAN SCHOOLS
INTERNATIONAL

CSI Insurance Plan & Trust Fund

UPDATE

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To: Member Schools and Participants

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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 2007/2008 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, 2007.

Priority Health Plans:

- The prescription drug copay changes from \$15/\$30 (generic/brand) to \$10/\$40 for the POS, HMO, and HRA plans. (The HSA plan is currently at \$10/\$40.)
- For the POS, HMO 100, and HRA plans: To better match the copay amount with the actual amount of the expense, the physicians office visit copay changes from \$20 to
 - \$ 15 for primary care physician
 - \$ 30 for specialists
 - \$ 45 for urgent care facilities
 - \$100 for hospital outpatient
 - \$150 for Advanced Diagnostic Services (CT, CTA, MRI, MRA, Nuclear Cardiology Studies, and PET Scan in an office, outpatient, or emergency room setting. There is no copay for inpatient hospital advanced diagnostic services.)
- For the HMO 80 plan: change the physicians office visit copay from \$25 to
 - \$ 20 for primary care physician
 - \$ 35 for specialists
 - \$ 50 for urgent care facilities
 - \$100 for hospital outpatient
 - \$150 for Advanced Diagnostic Services

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Trustmark Plans:

- The prescription drug copay changes from \$15/\$30 (generic/brand) to \$10/\$40 for Plan C, PPO 90, and PPO 80.
- Physical, Speech, Occupational, and other therapies in a physician's office are limited to 60 days (units) per year.
- A \$35 urgent care center copay will be added for the PPO 90 and PPO 80 plans.
- Change Durable Medical Equipment benefit from standard coinsurance after deductible to 50% coinsurance after deductible.
- Change the Skilled Nursing Care/Nursing Care Facility limit from 180 days each calendar year to 45 days each calendar year.
- Change the insured percentage on Skilled Nursing Care and Home Health Care from 100% to subject to deductible and coinsurance for In and Out-of-Network coverage.
- Change physician office visit copay from \$20 to \$25 for the PPO 90 and PPO 80 plans.

Changes in HSA Deductible and Out-of-Pocket Maximum

Federal regulations require that a Health Savings Account be used with a "qualified health plan". To keep the HSA plans qualified, the HSA deductibles and out-of-pocket maximums change effective September 1, 2007, as follows:

Plan	Coverage	Annual Deductible		Out-of-Pocket Maximum	
		Current	Effective 09/01/2007	Current	Effective 09/01/2007
Trustmark HSA 1					
	Single	\$1,050	\$1,100	\$3,050	\$3,100
	Family	\$2,100	\$2,200	\$6,100	\$6,200
Trustmark HSA 2					
	Single	\$2,700	\$2,800	\$3,550	\$3,600
	Family	\$5,450	\$5,600	\$6,600	\$6,700
Priority Health HSA					
	Single	\$1,050	\$1,100	\$2,000	\$2,100
	Family	\$2,100	\$2,200	\$4,000	\$4,200

Change in Optional Life Maximum

Effective January 1, 2008, the maximum amount of optional life coverage you may purchase will change to the lesser of \$250,000 or 5 times your annual salary. Optional life coverage in place on December 31, 2007, will be grandfathered and will not be subject to the maximum of 5 times your annual salary. Amounts purchased after January 1, 2008, will be subject to the new maximum.

September 1 Enrollment and Rates

Enrollment materials and rates for 2007–2008 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.

Plan Book for Life and LTD Coverage

Included with this Update is a plan book describing your life and long term disability coverage through the CSI Insurance Plan.

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.