



CSI Insurance Plan and Trust Fund

Date: May 1, 2009

To: Participating Boards and Participants Covered by Priority Health

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. This has been a more challenging process this year as the current economic conditions cause our schools' financial health to deteriorate. We, with the help of our consultants at Mercer, 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 existing plans to make sure our programs are up-to-date and competitive by adding options with different benefit levels to give schools a choice in both coverage and cost. We are confident that working together as a community of schools will provide better value at a lower cost than each school can obtain independently.

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 877-274-8796, 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.

Priority Health Commits to Lowest Rates

[Attached](#) to this Update is a letter from Priority Health expressing their appreciation for our long-term partnership. They also confirm their commitment to CSI that our rates are highly competitive in today's market and that a lower premium level cannot be obtained outside of our relationship.

Health Rate Reduction Effective April 1, 2009!

The Trustees are pleased to announce that, as part of the renewal process, we are implementing a 3% rate reduction to health insurance rates retroactive to April 1, 2009. Our valued relationship with Priority Health and a change in the group's demographics allow us to pass this rate reduction on to you. A credit will appear on your May invoice and the lower rates will be in effect until the September 1, 2009, renewal. In addition, premium rates for retirees under the age of 65 will be reduced and will be the same as rates for active employees.

Premium Rates by School

We have worked extensively with Priority Health to develop a method to ensure that CSI schools receive competitive rates. Effective September 1, 2009, Priority Health will provide health rates on a school by school basis calculated using each school's demographics. This is the same way that our national carrier charges premium.

For schools with less than 50 eligible employees, three-tier rates of single, employee plus one, and family coverage will be available. Schools with more than 50 eligible employees will continue to have four-tier rates.

For schools with 2-10 eligible employees, one plan may be offered. For schools with 11-50 eligible employees, two plan designs may be offered. For schools with more than 50 eligible employees, three plan designs may be offered.

Premium Rate Changes Effective September 1, 2009

- The Trustees have received and negotiated the 2009–2010 insurance renewals. Based on this information, the Trustees approved new rates to take effect September 1, 2009.
- The specific components of the rate changes are as follows:

Life/Accidental Death & Dismemberment	7.90%	decrease
Optional Life:	0%	
Optional Vision:	0%	
Long Term Disability 66 2/3%:	3.70%	increase
Long Term Disability 60%:	22.00%	decrease
Dental – Current Premier Plan	1.56%	overall decrease
Dental – PPO Plan:	21.00%	overall decrease
Health:		
Trustmark Plans	2.90%	overall increase
Priority Health Incentives HMO 1	1.98%	overall increase
Priority Health Incentives HMO 2	1.98%	overall increase
Priority Health HMO 100	1.98%	overall increase
Priority Health HMO 80	1.98%	overall increase
Priority Health HSA	1.98%	overall increase
- We have enclosed your school's rate sheet for Priority Health coverage and the Limited Benefit Plan (the plan that provides Life, Accidental Death and Dismemberment, Long-Term Disability and Dental coverage).

- For Trustmark Plans C, PPO 80 \$500, PPO 80 \$1000, PPO 90, HSA 1 and HSA 2:
Premium rates are calculated separately for each school based primarily on the school's location and the demographics (age, gender, etc.) of the school's employees. For schools with 10 or fewer employees covered for health care, rates are calculated separately for each age group based on individual demographics. If you would like a quote on a Trustmark plan, we will need a census of your employees; contact us for details.

Change in Insurance Eligibility

The current eligibility requires 100% of employees working half-time or more to be enrolled in the CSI Insurance Plan unless they are covered by a spouse's employer plan. Effective April 1, 2009, the eligibility requirement changes to 90%.

Dental Plan Changes

The state of Michigan has been changed from dental Region 2 to Region 3, resulting in a rate reduction of approximately 6% effective September 1, 2009.

In addition, schools may choose a new lower cost plan available September 1. The new Delta Dental PPO Plan has a smaller network of providers than the current Premier Network but is priced 20% below the current plan. If you use a provider who participates in the new PPO Plan, you will not be balance-billed for amounts over Delta's scheduled charges. If you use a nonparticipating provider, even if the provider participates in Delta's Premier network, you may be billed for charges over Delta's scheduled amounts.

To determine if your provider participates in the new PPO plan, go to www.DeltaDental.com and select "Looking for a Dentist?" in the middle of the page. For "Product Selection", use Delta Dental PPO.

Changes in Long Term Disability

Effective September 1, 2009, The CSI Insurance Plan is changing carriers for long term disability (LTD) and will be using The Hartford. The current plan will continue to provide an income replacement of 66 2/3% up to \$9,000 in the event of disability.

Schools will have a choice of a second long term disability plan for their employees. A new lower cost option is available that provides a 60% income replacement benefit up to \$5,000. This new option is priced 20% below the current plan.

Both plans will incorporate Full Family Social Security Integration effective September 1, 2009. This means that the participant's disability payment will be offset by the amount of Social Security benefits received by the participant and members of the participant's immediate family.

Changes in Life Coverage

The Hartford will also be CSI's new carrier for Life and AD&D coverage. The prior carrier had a policy allowing you to purchase additional life coverage at open enrollment with no health statement if you had at least \$10,000 of coverage in force. Although we will no longer have this feature, The Hartford will have a one-time, special open enrollment this year to allow you to increase your optional life coverage without completing a health statement. The maximum amount for an employee is \$250,000 or 5 times annual salary, whichever is lower. The maximum for a spouse is \$50,000 without a health statement (\$250,000 with evidence of good health). To qualify, you must enroll by September 1, 2009. Optional child life coverage and optional AD&D coverage is also available.

Mail Order Prescription Drug Copay

It was previously announced that the mail order drug copay would change effective September 1. However, because of the new individual school rates, the copay will remain at 2 times the retail copay for a 90 day supply.

Priority Health Incentives HMO Plans

The two Priority Health Incentives HMO plans encourage a healthier lifestyle at a lower premium rate than the HMO 100 plan. Both of the Incentives HMO plans have two levels of benefits, a “Choice” level and a “Standard” level. For the plan year beginning September 1, you will have the same level of benefits you do now (new employees start at the higher Choice level of benefits) and during the first 90 days you must meet certain wellness requirements to qualify for the Choice level of benefits. If the requirements are not met, members move to the Standard level of benefits. These plans provide an opportunity to reduce premium costs and maintain excellent benefits.

Deductibles and Out-of-Pocket Maximums

The changes to deductible levels and out-of-pocket maximums were listed in Update 600. The only change to the information in that Update is the out-of-pocket maximum for the HSA plan. The maximum for single coverage will be \$2,000 and for family it will be \$4,000. Please refer to your copy of Update 600 or go to the CSI web site to view it.

Office Visit Copays

Office visit copayment amounts are changing for HMO 100 and HMO 80 as follows:

Priority Health Plan	Coverage	Office Visit Copays		
		Current	Effective 09/01/2009 Schools <50	Effective 09/01/2009 Schools > 50
PH HMO 100	Primary Care Physician	\$15	\$20	\$20
	Outpatient Specialist	\$30	\$35	\$35
	Urgent Care Facility	\$45	\$50	\$50
PH HMO 80	Primary Care Physician	\$20	\$30	\$25
	Outpatient Specialist	\$35	\$45	\$40
	Urgent Care Facility	\$50	\$60	\$55



Who to Contact at CSI for Support

More information about CSI’s benefit plans is located on our web site at www.CSIonline.org. Select Employee Benefits, Publications, and the appropriate plan. If you have questions, call Lois Landheer at 616-284-3233 or 877-274-8796 x233, or email her at [llandheer@CSIonline.org](mailto:lilandheer@CSIonline.org).