



December 3, 2009

To all retired members of the Cincinnati Retirement System:

There have been a number of changes to the Cincinnati Municipal Code that have been approved by City Council affecting retirees of the Cincinnati Retirement System. These changes are summarized below.

**Effective January 1, 2010, the following changes will be implemented to healthcare coverage available to retirees, optionees, and survivors of the Cincinnati Retirement System:**

- The current BC/BS/MM Traditional Plan, Blue Priority HMO Plan, and Blue Access PPO Plan will be replaced by a Blue Access Modified PPO Plan and a Blue Access Carveout PPO Plan. (The current Blue Access 80/20 Plan will remain in effect for those members that retired after September 1, 2007.)
- The Regular Coordination of Benefits (COB) will change to a Maintenance of Benefits/Medicare Carve Out approach for all retiree groups.
- All members currently enrolled in the BC/BS/MM Traditional Plan and the Blue Priority HMO Plan should verify with their physician's office or Anthem that their physician is in the Blue Access network. Failure to verify network status could result in claims being processed as Out-of-Network resulting in higher out-of-pocket costs for the member.

**Members who retired prior to September 1, 2007 will be automatically enrolled in the Blue Access Modified PPO Plan.** Retirees who meet certain qualifiers, may be eligible for the Blue Access Carve-Out PPO Plan as described in this letter. The Blue Access Modified PPO Plan requires:

- No premium contribution

**FOR IN-NETWORK SERVICES:**

- \$100 individual deductible
- 20% individual coinsurance up to a \$900 limit (\$1,000 total out-of-pocket limit for medical expenses - \$100 ded. + \$900 coins.)
- Prescription Drug Tiers: Retail - \$5 generic, \$15 brand, \$30 non-formulary for a 30 day supply; Mail Order - \$10 generic, \$30 brand, \$60 non-formulary for a 90 day supply. \$1,000 out-of-pocket limit for prescription drug expenses
- Routine annual physical covered at 100% with no deductible or coinsurance expense

#### FOR OUT-OF-NETWORK SERVICES:

- \$200 individual deductible
- 50% individual coinsurance up to a \$1,800 limit (\$2,000 total out-of-pocket limit for medical expenses - \$200 ded. + \$1,800 coins.)
- Prescription Drugs: Covered at 50% with no out-of-pocket limit
- Routine annual physical covered subject to deductible and coinsurance requirements

**Members who retired prior to September 1, 2007 and meet one of the following requirements are eligible for an additional health plan option referred to as the Blue Access Carve-Out PPO Plan.**

- All disability retirees, and retirees who are 65 years of age or older with 30 or more years of service credit with the CRS, **and** an annual CRS pension benefit of \$30,000 or less (income threshold applies to disability retirees also).
- Members who are 65 years of age or older with fewer than 30 years of service credit with the CRS, **and** establish that their **total** income is less than \$30,000.
- Members with an annual total income that is less than 50% of the CDBG median household income for one individual. For this one time qualifying event, the income limit for 2009 of \$24,200 will apply regardless of family size.

*In order to qualify for inclusion in the PPO carve-out group, eligible retirees must provide a copy of their most recently completed Federal Income Tax Form 1040 (for tax years 2008 or 2009 only) to the Cincinnati Retirement System not later than February 1, 2010.*

The Blue Access Carve-Out PPO Plan requires:

- No premium contribution

#### FOR IN-NETWORK SERVICES:

- No individual deductible
- 20% individual coinsurance up to a \$500 limit (\$500 total out-of-pocket limit for medical expenses)
- Prescription Drug Tiers: Retail - \$5 generic, \$15 brand, \$30 non-formulary for a 30 day supply; Mail Order - \$10 generic, \$30 brand, \$60 non-formulary for a 90 day supply. \$500 out-of-pocket limit for prescription drug expenses.
- Routine annual physical covered at 100% with no deductible or coinsurance expense

**FOR OUT-OF-NETWORK SERVICES:**

- No individual deductible
- 50% individual coinsurance up to a \$1,000 limit (\$1,000 total out-of-pocket limit for medical expenses)
- Prescription Drugs: Covered at 50% with no out-of-pocket limit
- Routine annual physical covered subject to deductible and coinsurance requirements
  
- In order to qualify for inclusion in the PPO carve-out groups, eligible retirees must provide a copy of their most recently completed Federal Income Tax Form 1040 to the Cincinnati Retirement System not later than February 1, 2010.

**Members who retired after September 1, 2007 will remain in the Blue Access 80/20 Plan and future retirees will be enrolled in the Blue Access 80/20 Plan. The Blue Access 80/20 Plan requires:**

- 5% premium contribution

**FOR IN-NETWORK SERVICES:**

- \$300 individual deductible
- 20% individual coinsurance up to a \$1,200 limit (\$1,500 total out-of-pocket limit for medical expenses - \$300 ded. + \$1,200 coins.)
- Prescription Drug Tiers: Retail - \$10 generic, \$20 brand, \$30 non-formulary for a 30 day supply; Mail Order - \$20 generic, \$30 brand, \$60 non-formulary for a 90 day supply. No out-of-pocket limit for prescription drug expenses.
- Routine annual physical covered at 100% with no deductible or coinsurance expense

**FOR OUT-OF-NETWORK SERVICES:**

- \$600 individual deductible
- 50% individual coinsurance up to a \$2,400 limit (\$3,000 total out-of-pocket limit for medical expenses - \$600 ded. + \$2,400 coins.)
- Prescription Drugs: Retail Only - Covered at 50% with no out-of-pocket limit
- Routine annual physical covered subject to deductible and coinsurance requirements

**In addition, the current methodology employed for the Regular Coordination of Benefits (COB) will be changed to a Maintenance of Benefits/Medicare Carve Out methodology.** This change in methodology may result in members incurring some out-of-pocket costs. (See attached Coordination of Benefits Examples.) Under Maintenance of Benefits /Medicare Carve Out, the secondary plan (CRS) calculates the benefit that would be paid as though it were the primary plan, then subtracts the payment of the primary plan (Medicare Part A or Part B) and pays the balance, if any. No payment will be made if the CRS benefit is equal to or less than Medicare's payment.

All members age 65 or older are required to have Medicare Part A coverage (if eligible at no premium cost) and Medicare Part B coverage (the Cincinnati Retirement System reimburses members for the Part B premium).

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**Two informational meetings have been scheduled by the City/Cincinnati Retirement System offering retirees an opportunity to learn more and ask questions about the healthcare changes being implemented next year:**

Monday, December 14<sup>th</sup>, 9:00am – 11:00am

Tuesday, December 15<sup>th</sup>, 1:00pm – 3:00pm

Duke Energy Center, 525 Elm Street, North Meeting Rooms 200-205

Suggested parking at: Central Parking Garage, 6<sup>th</sup> and Elm, CASH ONLY

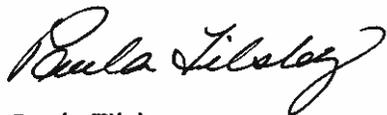
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Written questions may be directed to: Cincinnati Retirement System  
801 Plum Street, Room 240 City Hall  
Cincinnati, Ohio 45202

E-mail questions may be directed to: [retirement@cincinnati-oh.gov](mailto:retirement@cincinnati-oh.gov)

Telephone questions may be directed to: Anthem Member Services  
(800) 887 - 6055

Sincerely,



Paula Tilsley  
Executive Director  
Cincinnati Retirement System



Charles F. Haas  
Risk Manager  
Risk Management Division

**MEDICARE COORDINATION OF BENEFITS - MAINTENANCE OF BENEFITS/CARVEOUT EXAMPLES**

**NOTES:** **MODIFIED PPO PLAN \$100 DEDUCTIBLE + 20% COINSURANCE TO A MAXIMUM OOP OF \$1,000**  
**THE RETIREE OUT - OF - POCKET AMOUNT DEPENDS UPON THE ANTHEM ALLOWED AMOUNT VS. THE**  
**MEDICARE ALLOWED AMOUNT. IN NO CASE WILL THE RETIREE OUT - OF - POCKET AMOUNT EXCEED**  
**WHAT THEY WOULD HAVE PAID WITHOUT MEDICARE AND IN MOST CASES IT WILL BE LESS.**

Total Charge	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Medicare Allowed	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Medicare Paid	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Anthem Allowed	\$ 2,000.00	\$ 1,800.00	\$ 1,600.00
Retiree Liability	\$ 480.00 (\$100 ded. + \$380 coins.)	\$ 440.00 (\$100 ded. + \$340 coins.)	\$ 400.00 (\$100 ded. + \$300 coins.)
Anthem Paid	\$ 1,520.00	\$ 1,360.00	\$ 1,200.00
Anthem payment if primary	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Medicare paid	\$ 320.00	\$ 160.00	\$ -
Balance	\$ 300.00	\$ 300.00	\$ 300.00
Retiree medicare liability	\$ 300.00	\$ 160.00	\$ -
CRS/Anthem pays	\$ -	\$ 140.00	\$ 300.00
Retiree liability	\$ -	\$ 140.00	\$ 300.00

Total Charge	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Medicare Allowed	\$ 700.00	\$ 700.00	\$ 700.00
Medicare Paid	\$ 560.00	\$ 560.00	\$ 560.00
Anthem Allowed	\$ 900.00	\$ 800.00	\$ 700.00
Retiree Liability	\$ 260.00 (\$100 ded. + \$160 coins.)	\$ 240.00 (\$100 ded. + \$140 coins.)	\$ 220.00 (\$100 ded. + \$120 coins.)
Anthem Paid	\$ 640.00	\$ 560.00	\$ 480.00
Anthem payment if primary	\$ 640.00	\$ 560.00	\$ 480.00
Medicare paid	\$ 560.00	\$ 560.00	\$ 560.00
Balance	\$ 80.00	\$ -	\$ -
Retiree medicare liability	\$ 140.00	\$ 140.00	\$ 140.00
CRS/Anthem pays	\$ 80.00	\$ -	\$ -
Retiree liability	\$ 60.00	\$ 140.00	\$ 140.00