

BENEFIT NEWS

FOR STATE OF IOWA EMPLOYEES



April 2016

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Welcome to the April 2016 edition of *Benefit News*, brought to you by the DAS Benefits Team. *Benefit News* provides you with up-to-date information about the State of Iowa's employee benefits.

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No winter lasts forever; no spring skips its turn.
-Hal Borland

Spring is here, and this issue of *Benefit News* is blooming with information.

Some topics covered in this issue are:

- Health insurance has a language all its own.
- Beginning this year, the state's health plans cover tobacco cessation therapy and tobacco cessation medication with no cost sharing.
- Find out why you should go paperless.
- IRS Saver's Credit allows qualified savers to receive a credit of up to \$1,000 against taxes owed by making pretax contributions to the RIC 457.
- The 2017 Healthy Opportunities Wellness Campaign will start in a couple months. Check out the dates and mark your calendar.
- IPERS has set the dates for Ready, Set, Retire for May through December 2016.

GROUP INSURANCE

The Language of Health Insurance

Health insurance has a language all its own. Knowing the vocabulary is key to understanding your health care coverage. Three key health insurance terms and their definitions follow.

Deductible

A deductible is the amount you pay for certain health care services before your health insurance begins to pay. Not all state health plans require a deductible. Some of the state's health plans require a deductible only for certain services. Also, the plans have different deductibles for single and family coverage.

The following are the state's health plans with the deductible amounts for single and family coverage and when a deductible applies.

Deductible	Single	Family	Services when a deductible applies
Blue Access	\$0	\$0	No deductible required
Blue Advantage (Executive Branch and Legislative Branch employees)	\$0	\$0	No deductible required
Iowa Select	\$250	\$500	In-patient and out-patient
Program 3 Plus (AFSCME-covered and Judicial Branch employees)	\$300	\$400	In-patient
Deductible 3 Plus (Executive Branch, Legislative Branch, and UE/IUP-covered employees)	\$300	\$400	All services

For Program 3 Plus and Deductible 3 Plus, family deductible is met from amounts accumulated on behalf of any covered family member or combination of covered family members. Benefits are not available for any family member until the entire family deductible has been met.

Coinsurance

Coinsurance is the amount you pay to share the cost of covered services. Coinsurance is calculated as a percent (for example, 20 percent) of the allowed amount for the service. The coinsurance for the different health plans are:

Contract-covered and Judicial Branch employees	Coinsurance
Blue Access	10%
Iowa Select	
Services performed by an in-network provider	10%
Services provided by an out-of-network provider	20%
Program 3 Plus (AFSCME-covered and Judicial Branch employees)	20%
Deductible 3 Plus (UE/IUP-covered employees)	20%
Executive Branch and Legislative Branch employees	
Blue Access	0%
Blue Advantage	0%
Iowa Select	
Services performed by an in-network provider	10%
Services provided by an out-of-network provider	20%
Deductible 3 Plus	20%

Out-of-pocket maximum

The out-of-pocket maximum is the most money you will pay during a year for coverage. This is a “cap” on your costs for the year. The out-of-pocket maximum provides you and your family financial protection against large, catastrophic medical claims.

The out-of-pocket maximum includes the deductible, coinsurance, and copays. The out-of-pocket maximum does not include premiums you pay and services not covered in the State of Iowa’s plan.

For 2016, the out-of-pocket maximums are:

Contract-covered and Judicial Branch employees	Single	Family
Blue Access	\$750	\$1,500
Iowa Select	\$650	\$1,450
Program 3 Plus (AFSCME-covered and Judicial Branch employees)	\$650	\$1,450
Deductible 3 Plus (UE/IUP-covered employees)	\$650	\$1,450
Executive Branch and Legislative Branch employees	Single	Family
Blue Access	\$750	\$1,500
Blue Advantage	\$600	\$800
Iowa Select	\$600	\$800
Deductible 3 Plus	\$600	\$800

“[Understand your out-of-pocket costs](#)” is a great resource in seeing how the combination of deductible, coinsurance, and copays accumulate out-of-pocket maximum.

By better understanding your health plan and its benefits, you’ll be able to make full use of your plan. Understanding key terminology like deductibles, coinsurance, and out-of-pocket maximum is a great start.

Coverage for Tobacco Cessation



Beginning this year, all of the health insurance plans for state employees follow the provisions of the Affordable Care Act (ACA).

One ACA provision is the state’s health plans cover tobacco cessation therapy and tobacco cessation medication with no cost sharing (copays, coinsurance, or deductibles).

For those who use tobacco products, the health plans will cover at least two tobacco cessation attempts per year with no cost sharing. A tobacco cessation attempt includes coverage for:

- Four tobacco cessation counseling sessions of at least 10 minutes each (including telephone counseling, group counseling, and individual counseling) without prior authorization; and
- All Food and Drug Administration (FDA)-approved tobacco cessation medications (including both prescription and over-the-counter medications) for a 90-day treatment regimen when prescribed by a health care provider without prior authorization (Tobacco cessation medication including brand name or generic drugs similar to inhalers, lozenges, gum like Nicorette, and/or drugs like Wellbutrin and Chantix).



For more details about tobacco cessation covered by the state's health plans, contact Wellmark customer service at **1-800-622-2464**.

The logo features the words "Did You Know?" in white text on a blue rectangular background with a white border.	According to the Centers for Disease Control and Prevention, nearly \$300 billion a year is spent to combat the effects of smoking. One in two Americans who smoke die from smoking. Smoking is the No. 1 preventable cause of death in the United States.
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Explanation of Benefits - Change in Mailing

What is an Explanation of Benefits (EOB)?

Each time Wellmark processes a medical claim submitted by you or your health care provider, they explain how they processed it in the form of an EOB. The EOB is not a bill. It simply explains how your medical benefits were applied to that particular claim. It includes the date you received the service, the amount billed, the amount covered, the amount Wellmark paid, and any balance you're responsible for paying the provider.



["Explanation of Benefits: If it's not a bill, then what is it?"](#) is a great tool about how to interpret an EOB.

Wellmark has ushered in changes in the frequency of when it mails EOBs.

What are the changes?

In order to keep administrative costs low, Wellmark changed the frequencies of when they mail EOBs. (Providers will continue to be paid weekly.)

- EOBs that include a reimbursement check are now mailed weekly instead of daily.
- EOBs without a reimbursement to the member are mailed every other week, rather than every week. If you have multiple claims processed during the two-week time period, the EOBs will be grouped and sent together for fewer mailings.

What are the benefits of electronic EOBs?

If members currently receive their EOBs electronically, they will continue to receive their EOBs weekly and will not notice any changes.

Benefits of switching to electronic EOBs include:

- **Ease of access.** An email notification is sent directly to you when an EOB is available.
- **Convenience.** Wellmark will store your EOBs online for up to 24 months after your initial sign-up – providing a safe and convenient way to access and view your EOBs.
- **Helping the environment.** Wellmark prints and mails approximately 12 million EOBs a year. That's a lot of trees.

How do I sign up for electronic EOBs?

To sign up to receive EOBs electronically, register at <http://www.wellmark.com>.

RETIREMENT INVESTORS' CLUB (RIC)

The Retirement Investors' Club (RIC) is the State of Iowa's supplemental retirement savings benefit, which is designed to help you save for future income needs.



Participants contribute through automatic payroll deduction, and the State of Iowa makes matching contributions up to \$75 monthly. You are fully vested from day one. A program overview presentation is available at https://das.iowa.gov/RIC/SOI/program_education. Discover more about this great benefit on the DAS/RIC website at <https://das.iowa.gov/RIC>.

Tax Credit for Eligible Savers



The IRS Saver's Credit allows qualified savers to receive a credit of up to \$1,000 against taxes owed by making pretax contributions to the RIC 457. The credit is applied to the first \$2,000 you save by contributing to RIC.

The credit amount received by eligible savers is based on their adjusted gross income (AGI) level. See additional information and AGI limits at https://das.iowa.gov/saver_credit.

You will need to file IRS form 8880 (<http://www.irs.gov/pub/irs-pdf/f8880.pdf>). Consult a tax advisor if you question your eligibility.

Reduce 2016 Income Taxes

With tax season around the corner, you may be thinking of ways to lessen your tax burden for 2016. If you make pretax contributions to a RIC 457 deferred compensation plan in 2016, the IRS doesn't see the contributions as taxable income for the year.

Pretax contributions are automatically deducted from your paycheck before state and federal tax withholding, giving you the immediate tax benefit of lower taxable income for the year. Any earnings on pretax contributions grow tax-deferred. Saving pretax does not reduce IPERS and Social Security benefits.

Don't forget, your contributions are matched up to \$75 per month by your employer.

If you are uncertain whether to save on a pretax or post-tax basis, consult a tax professional.

Roth Investing Made Easy

If your goal is to have some tax-free income in retirement, you may wish to contribute post-tax Roth dollars to the RIC deferred compensation 457 Roth. Even if you contribute to a personal Roth IRA, you can make 457 Roth contributions in the same year!

Roth contributions to the RIC 457 plan are automatically deducted from your paycheck after state and federal tax withholding and potentially provide tax-free income in retirement. Your contributions are matched up to the maximum match amount of \$75 per month. For more Roth 457 information, see the Roth Summary at https://das.iowa.gov/sites/default/files/hr/ric/documents/Roth_summary.pdf.

If you are uncertain whether to save on a post-tax or pretax basis, consult a tax professional.

News from Providers



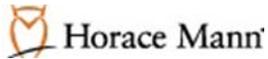
There are many ways to make handling personal finances easier. In today's world of complicated financial decisions, you have the opportunity to see things a bit more clearly. Voya's complimentary financial seminar series is part of its campaign to help make planning for the future easier.

You'll find a wide range of topics suited to many interests and knowledge levels, like basic and advanced investing, as well as retirement planning for savers of all ages. Take advantage of this value-added service and become more confident in making important decisions throughout your financial life. Voya's financial seminar series is available 24/7 by clicking [here](#).



The new, enhanced system is live with MassMutual! Now is a great time to access your account and take full advantage of the services available to you on the new participant website, RetireSmart.SM Visit <http://www.massmutual.com/iowaric> for access and other helpful information. If you haven't logged in to your account yet, select "Login" followed by "Create Account" to set-up your account.

We encourage you to use the new retirement planning tools, such as the RetireSmartSM Ready Tool on the homepage, to help determine your retirement readiness. This tool can help you establish an appropriate savings rate and investment mix.



Horace Mann wants to help you "join the club."

As an approved Iowa RIC provider, Horace Mann can help you achieve your retirement goals. Horace Mann offers a number of benefits and features, including:

- Personalized service from local, experienced professionals;
- Lower fees compared to individual plans;
- Easy online enrollment; and
- Free, educational workshops on a variety of financial topics.

Enroll electronically or access more information by visiting <http://www.horacemann.com/iowa>.

Horace Mann Investors Inc. offers this mutual fund program through custodial accounts provided by MSCS Financial Services, dba Matrix Financial Services, a Delaware Trust Company. Horace Mann Investors Inc. member FINRA is located at 1 Horace Mann Plaza, Springfield, IL 62715.

PRESCRIPTION DRUGS

Drugs losing patent protection in 2016

A number of drugs will lose their patent protection in 2016, including the eight listed in the table below.

Drug Name	Used for	Drug Name	Used for
AcipHex	Acid reflux, ulcers	Humira	Rheumatoid arthritis
Ambisome	Anti-fungal medicine	Kaletra	HIV
Benicar	High blood pressure	Norvir	HIV
Crestor	Lowers bad cholesterol (LDL), raises good cholesterol (HDL)	Zetia	High cholesterol

Generic Drugs

Generic drugs are usually significantly less expensive than brand-name drugs.

When a generic medication becomes available, the brand-name medication moves to Tier 3 on the Wellmark Drug List. Generics are as safe and effective as their brand-name counterparts are; they just cost a lot less. In fact, you will save money when you choose a generic because generics have the lowest copays. You pay the highest price for a medication on Wellmark's Tier 3. Therefore, while you will still have benefits for the drugs moving to Tier 3, your out-of-pocket copays may be higher.

If you choose to use a brand-name drug when a generic equivalent is available with Iowa Select or Program 3 Plus, you are responsible for the copay and any difference between the billed charge for the brand-name drug and the billed charge for the generic drug.

ADDITIONAL BENEFITS

2015 Flexible Spending Account Deadline

Time is running out if you have not filed claims for reimbursement from your 2015 Flexible Spending Accounts (FSAs).

April 15, 2016, is the deadline to file dependent care claims for reimbursement of eligible expenses from your 2015 FSA. April 15, 2016, is also the deadline for submitting health flex claims incurred in 2015. This deadline does not apply to health flex claims incurred in 2016 to be reimbursed with 2015 funds.

Submit claim requests and supporting documents to ASI in one of the following ways:

- Mobile app (Note: Login is case sensitive.)
- Online (Log onto your ASI account at <http://asiflex.com/> and attach a pdf version of your supporting documentation to your claim request.)
- Fax to 877-879-9038
- Mail your claim to ASIFlex, P.O. Box 6044, Columbia, MO 65205-6044. You can download an FSA claim form at the DAS Flexible Spending Accounts website at <https://das.iowa.gov/human-resources/employee-and-retiree-benefits/employees/additional-benefits/flexible-spending-4>.

HEALTHY OPPORTUNITIES

2017 Healthy Opportunities Wellness Campaign

May 15-Sept. 23, 2016

State of Iowa Executive Branch Non-Contract and SPOC-covered employees are invited to participate in the 2017 Healthy Opportunities Wellness Campaign. The voluntary program is designed to promote and support health awareness, healthy lifestyles, and an enhanced quality of life.

If you choose to participate, you must complete the following to qualify for the premium reduction in 2017.

- Biometric screening and online health assessment
- Telephonic health coaching (if identified to participate during the 2016 campaign)

Key Dates

Action	Beginning Date	Ending Date	Additional Information
Biometric Screening*			
Home Test Kit	May 15	July 20	<i>The kit can be ordered beginning May 15 and must be mailed no later than July 20.</i>
Physician Fax	May 15	July 20	<i>The dates of service are January 1, 2016 – July 11, 2016. Your appointment must be held during this timeframe. Your physician has until July 20 to fax in your results.</i>
Hy-Vee in-store screening	June 1	July 20	
Onsite Screening	June 14	July 20	
Online Health Assessment	Sept. 1	Sept. 23	

*Department of Public Safety SPOC and Non-Contract Sworn Officers do not need to complete a biometric screening. The annual mandatory fitness testing results will fulfill this requirement.

Healthy Opportunities Wellness Campaign schedule will end and the results will be available before the 2017 Enrollment and Change Period begins.

Look for more information, including screening locations and the physician fax form, in early May.

