

# Win for Life

**Making SMART health choices**

**Employee  
and  
Retiree  
Enrollment  
Guide**

**City of Houston  
May 2007**

Suitable for all employees of all ages  
1 or more enrollees required

## A message from the Mayor

Dear employees and retirees:

One of my many responsibilities is to ensure the security of and your confidence in the City's employee benefits plans. It is important to me that you and the City both continue to afford top-quality medical programs. Meeting this crucial goal is a delicate balancing act that takes hard work and money from both sides — yours and the City's.

The cost of health benefits in the U.S. has increased by the lowest amount since 1973. However, it continues to rise on a pace higher than the rate of inflation. This continues to be a problem for us all — employees, retirees, payers and providers. We must all persist in obtaining the best health care value by being efficient and frugal in the way we spend our health care dollars. Last year, the City negotiated a contract with BlueCross BlueShield of Texas, guaranteeing no more than a 9.5% renewal increase in HMO premium costs for May 2007. And, even though that's a single digit increase, it still means an additional \$25 million out of our collective pockets. The total cost of medical insurance is expected to reach \$251 million in FY08, up from \$226 million in FY07.

To keep the medical plans affordable for the future, the City's contribution to the plans will change from 77% to 74% on May 1, 2007. Overall, contributions will increase 28%, with employees' increases lower than 28%, and some retirees' increases being greater than 28%. The new contribution calculation is described in this Guide. In light of that change, there will be no benefits changes to the health plans in May 2007. I feel confident that most of you will still pay less for medical coverage than your neighbors do, especially if you are in the HMO.

I recognize that you work hard for your money and that you are very careful about every cent you spend. When the City re-issued its contract with our current providers, it was because they offered the greatest savings and value compared to the numerous other competitors. Your dental and supplemental insurance rates are locked in for the next two years, so you will not experience any cost increases or benefit changes at least through April 30, 2009.

Specific information about your benefits and new rates is included in this enrollment guide. If you have questions or need additional information, please attend one of the open enrollment meetings. See the meeting schedule online at [www.houstonhumanresources.org](http://www.houstonhumanresources.org).

It takes a close working partnership between the City and its employees to balance the needs of 67,000 very diverse people, on a limited budget. We are all aware that health care costs are increasing, and my team and I will continue to fight to provide you with affordable, accessible, quality benefits.

Every step we take now is with the intent of securing the affordability of these precious benefits for the future. Thank you for using your health care benefits wisely.



Respectfully,

*Bill White*

Mayor

# Enrollment

## Here's how your benefits package looks:

### Health plans

- HMO
- PPO
- Plan A (for grandfathered retirees)
- Three Medicare Advantage plans for Medicare-covered retirees and their dependents

### Dental plans – employee paid

- Dental HMO
- Dental indemnity plan

### Supplemental Insurance plans – employee paid

- Cancer
- Hospital
- Accident / disability

### Flexible Spending accounts

- Health Care
- Dependent Care

In addition, these plans are offered outside this open enrollment period.

- Life insurance – one-times salary, paid by the city
- Voluntary life insurance – up to four times salary, employee-paid
- Time off, including holidays, vacation, sick, wellness leave, personal days, for most employees
- Long term disability, paid by the city, for most employees
- Pension – valuable defined benefit plan; unique plans for civilians, police and fire classified employees
- 457 pretax deferred compensation savings plan
- Subsidized transportation benefit



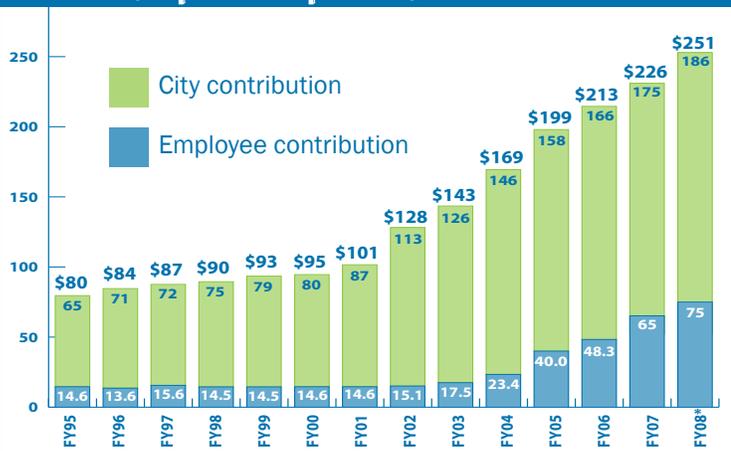
## What's new for May 2007 ?

- There are no plan design changes.
- Your contributions to the medical plan will change. See page 7 - 8 for details.
- Active employees who cover dependents will begin to pay \$20 per month for dependent coverage. See page 7 - 8 for details.
- On January 1, 2007, the City added another Medicare Advantage plan as an option for retirees and their dependents who are covered by Medicare Parts A and B. It is the Aetna Private-Fee-for-Service plan. See page 6 for details.

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## Health plan expenditures in millions



\*Estimated

## Who's in the game?

Who	HMO	PPO	Total
Employees	19,131	541	19,672
Retirees	6,924	606	7,530
Dependents	37,472	646	38,118
MA Enrollees	-	-	1,748
<b>Total</b>	<b>63,527</b>	<b>1,793</b>	<b>67,068</b>

Date: Oct. 2006

# Health Plan Highlights

## Plan Highlights

### There are no benefit changes for May 2007!

We are happy to announce that there are no changes to the medical plans for the 2007 plan year. You are experiencing an increase to your contributions.

The HMO and PPO plans offer a choice of plan that delivers comprehensive care, predictable and budgetable health costs, and to offer a choice.

The HMO requires that all of your care be directed by your Primary Care Physician and you must use network providers, except in the case of emergency. There is more flexibility in the PPO, more doctors, no PCP requirement, and the option to go out-of-network. The trade-off is that you pay more for this flexibility, in your contribution and at the time of service.

You are familiar with the features of these plans, which are summarized in the chart on this page. These plan features have not changed since May 2006. A detailed comparison is provided at [www.houstontx.gov/hr/oe07/main.htm](http://www.houstontx.gov/hr/oe07/main.htm), or with your enrollment materials.

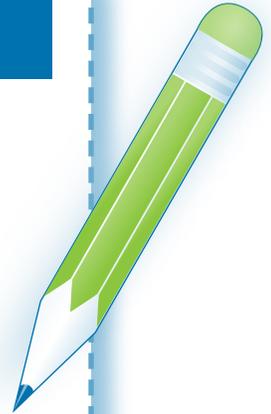
### Health Materials Checklist

#### Employees

- Statement of benefits
- Open enrollment guide
- Comparison chart
- Election/change forms

#### Retirees

- Open enrollment guide
- Comparison chart
- Medical/Dental change form



### Health plan features at-a-glance

Plan feature	What you pay		
	HMO	PPO In-network	PPO Out-of-network
Deductible (Individual/Family)	no deductible	\$200/\$600	\$400/\$1,200
PCP office visit copayment	\$20	\$30	40%
Specialist office visit copayment	\$45	\$50	40%
Routine physical copayment	\$0	\$0	40%
Well woman/man exam	\$0	\$0	40%
Inpatient admission copayment/coinsurance	\$500	\$500 + 20%	\$1000 + 20%
Emergency room	\$150	\$150 + 20%	\$150 + 20%
Ambulance Outpatient Surgery	\$100	20%	20%
Outpatient surgery	\$200	20%	40%
<b>Prescriptions*</b> (30-day supply) participating pharmacy copayment			
Generic*	\$10	\$10	\$10
Preferred brand	\$30	\$30	\$30
Nonpreferred brand	\$45	\$45	\$45
<b>Prescriptions*</b> (90-day supply) mail-order copayment			
Generic*	\$20	\$20	\$20
Preferred brand	\$60	\$60	\$60
Nonpreferred brand	\$90	\$90	\$90
<b>Annual maximum copay/coinsurance</b> (Individual/Family)	\$1,500/\$3,000	\$3,000/\$6,000	\$5,000/\$10,000

\*Generics are mandatory, if available.

## Type of Service

Copayments for primary care services and specialist services are determined by the type of service.

- If the service is performed by the primary care provider in the office, the lower copayment will apply, \$20 in the HMO and \$30 in the PPO.
- If the service is performed in a specialist's office, or in another location, the higher specialist copayment will apply, \$45 in the HMO and \$50 in the PPO.

Services such as home health visits, family planning and infertility treatment, physical therapy and other similar services are considered "specialist services," and you will pay the higher copayment.

### Covered by Medicare?

To help you win financially, retirees who are covered by Medicare should consider one of the new Medicare Advantage Plans. See page 6 for additional information.

### Captain Carrot Card

Crunch time. Before you even get out of bed in the morning, do 10 stomach crunches while lying flat on your mattress. **Roll out of bed and take two steps forward.**

Increase by one each day until you get up to 100. Think you'll never get there? Try it. You may eventually have to set your clock to wake up 15 minutes earlier.

**Capt. Carrot's thought for the day:**

Crunches are small price to pay for a flatter stomach.



### Enrollment Options

If you are currently enrolled in:	You may enroll in one of these plans during this enrollment		
	HMO	PPO	OOA**
HMO	yes*	yes	no
PPO	yes*	yes	no
OOA	yes*	yes*	yes**

\* If you live in the plan's service area.

\*\* Only available to a few employees/retirees. You must live outside the PPO/HMO service area to enroll. See a list of zip codes on the enrollment Web site.

### Winning Tip

The PPO in-network has an annual deductible of \$200 for individuals and \$600 for families. 

For families, the maximum can be reached by a combination of all covered family members' eligible expenses.

If you don't reach your annual deductible by Sept. 30, a three-month carryover feature will help you in the following calendar year. Charges that apply to the annual deductible and that are incurred in October, November and December can be counted in the next year.

### What's the score?

	HMO	PPO
Percent enrolled	97%	3%

Date: Oct. 2006

# Health Plan Highlights

## Which Doctors can help you Win?

This chart is a partial listing of doctor groups in the HMO and PPO. Many doctors contract independently with the PPO. For a complete list, go to [www.bcbstx.com](http://www.bcbstx.com) and search by doctor name or by zip code.

Doctors in the HMO and PPO		
Physician Group	HMO	PPO
Baylor	*	X
CardioVascular Care Providers, Inc.	† †	X
Independent Physicians, if listed	X	
Inpatient Consultants of Texas		X
Kelsey-Seybold Clinic	X	X
The Limited Provider Network	X	**
MD Anderson Cancer Center	† †	X
Medical Clinic of Houston		X
Memorial Hermann Healthnet Network Providers	†	X
Northwest Diagnostic Clinic	X	X
OB/Gyn Associates		X
Renaissance	X	**
Sadler Clinic	X	X
UT Physicians		X
UTMB-Galveston		X

\* Pediatricians/specialty care providers participating in the HMO. \*\* Physicians in these groups may be in the PPO through independent contracts instead of through the IPA. † Physicians may be in the HMO through independent contracts instead of through the IPA. †† Available through referral only.

### Captain Carrot Card

Cut the fat. **Lean forward three squares.** You avoid the obvious fried foods and fatty meats such as pork, bacon, ham, salami, ribs and sausage.

Dairy products such as cheese, milk and cream should be eaten in the lowfat versions.

Sandwich meats, mayonnaise, margarine, butter and sauces should be eaten in limited amounts or substituted for lower fat versions

**Capt. Carrot's thought for the day:** Be a lean, fat-burning machine.



## Which plan is right for me?

Features	HMO	PPO
	You must select a PCP. Services are available from specific doctors for a specific copayment; no claims to file; no coverage out-of-network (except for emergencies.)	Services are available from a large network of doctors; services are subject to deductible, copayment and coinsurance; you may have to file a claim; out-of-network coverage is available at a lower benefit level.
<b>Network</b>	8463 PCPs and specialists in the counties surrounding Houston.	12,955 doctors in the Houston area, and 700,000 doctors across the United States.
<b>Service Area</b>	220 counties in Texas.	All 50 states, plus Puerto Rico.
<b>Network services</b>	Except for emergency care, only services provided in the network are covered.	Services performed in-network and out-of-network are covered at different levels.
<b>Primary Care Physician</b>	Your PCP coordinates all medical care.	Freedom to choose any doctor, hospital, or specialist.
<b>Referrals</b>	PCP must refer you to specialists and hospitals.	Referrals are not required.
<b>Deductible</b>	No deductible or coinsurance.	\$200/\$600 in-network. \$400/\$1,200 out-of-network.
<b>PCP visit</b>	Most common copayment is \$20.	Most common copayment is \$30 in-network.
<b>Specialist visit</b>	Most common copayment is \$45.	Most common copayment is \$50 in-network.
<b>Coinsurance</b>	Most services covered at 100% after copayment.	Services covered 80% (or 60% out-of-network) after annual deductible.
<b>Billing for services</b>	No balance billing. No claims to file.	No balance billing, unless you seek out-of-network services; you must file a claim to seek reimbursement.
<b>Preventive care</b>	Routine preventive care such as well-baby, well-woman, and well-man exams are free; annual physicals are covered with \$0 copayment.	Preventive care such as well-woman and well-man exams are free in-network and annual physicals are covered with \$0 copayment. Limitations on out-of-network preventive services.

# Medicare Advantage



## Are you or your dependents covered by Medicare?

Get ahead of the game with a Medicare Advantage plan. You now have the choice of three MA plans; Aetna Private-Fee-for-Service, TexanPlus and Texas HealthSpring.

### What's the difference in these three city-sponsored MA plans?

**TexanPlus** offers HMO-type benefits to Medicare-covered retirees in the southeast Texas area. The network includes Kelsey Seybold and Heritage doctors from which to select a PCP.

**Texas HealthSpring** offers HMO-type benefits to Medicare-covered retirees in the southeast/east Texas areas and three counties in the Valley. The network includes Kelsey Seybold, Sadler Clinic and Renaissance doctors from which to select a PCP.

**Aetna Private-Fee-for-Service** offers copayment benefits for most services in all 50 United States. Any doctor and hospital that accepts Medicare assignment and Aetna's terms and conditions can participate. There is no network, no directories, and no referral is required to see a specialist.

### Some of the exceptional benefits are:

- ▶ TexanPlus and Texas HealthSpring have plan designs similar to HMO Blue Texas HMO.
- ▶ Kelsey Seybold doctors participate in TexanPlus and Texas HealthSpring in the Houston area.
- ▶ Renaissance and Sadler doctors participate in Texas HealthSpring and Heritage doctors participate in TexanPlus.
- ▶ Aetna offers the possibility that 96% of the doctors in the U.S. that accept Medicare assignment will belong to their PFFS plan. PCP selection is recommended, but not required.
- ▶ All three plans have prescription benefits similar to the HMO and PPO drug copayment structure.
- ▶ Access to familiar retail pharmacies like CVS, Walgreens, HEB, Kroger, Randalls and others.
- ▶ Access to state-of-the-art medical facilities like St. Luke's and Methodist Hospitals.
- ▶ Urgent-care center locations so convenient they could almost be considered a house call.
- ▶ The option for split-family elections – one stays in HMO or PPO, one elects a Medicare Advantage plan.
- ▶ Opportunity to switch back to the HMO or PPO within 90 days of enrollment in an MA plan, or on January 1, 2008 and again on May 1, 2008. If you are interested in one of the MA plans, call (713) 837-9400 or (888) 205-9266 for a copy of the Medicare Advantage guide.

## Savings? Show me the money!

Savings come in the form of lower monthly contributions, and lower time-of-service payments. Since May 1, 2005, almost 1800 participating retirees and dependents have saved more than \$1.3 million in contributions. That doesn't count what they've saved in copayments. Here's how the savings stack up:

- ▶ If you are in the HMO, and enroll in one of the three new MA plans, you could save as much as 95% over what you're paying for HMO coverage.
- ▶ If you are in the PPO, and enroll in the Aetna PFFS plan, you could save 89% over what you're paying for PPO coverage.
- ▶ Lower out-of-pocket costs on many services including:
  - 25% - 70% on doctor visits
  - \$200 - \$500 on hospital admissions
  - \$100 - \$115 on emergency room visits
  - 4% - 10% on durable medical equipment, like wheel chairs and walkers
  - 100% coverage for home health visits
  - Free rides to the doctor if you enroll in Texas HealthSpring: up to 15 round trips to doctors, hospitals, pharmacies

## How do I get in the game?

If you or your dependent(s) are card-carrying members of Medicare and are enrolled in both Part A, hospital insurance, and Part B, medical insurance, contact the city of Houston benefits division at (713) 837-9400 or (888) 205-9266 for more information regarding these money-saving Medicare Advantage Plans. Request the separate enrollment guide and more information about the plans at [www.houstontx.gov/hr/oe07/main.htm](http://www.houstontx.gov/hr/oe07/main.htm).



# Health Plan Contributions

## Contributions

Each year, we struggle to achieve the right balance of benefits and contributions. We expect to spend \$251 million for health care in FY08. That buys a lot of valuable health care for 67,000 employees, retirees and dependents, but that expense is rising faster than income in the city's General Fund.

To keep the plans affordable and secure this year and in future years, participant contributions will increase May 1, 2007. The overall increase is 28 percent.

Contributions for May 2007 were calculated according to these four steps, in order:

- All HMO rates increased 9.5 percent based on the guarantee we negotiated with BCBSTX last year. All PPO rates increased 5.5 percent, based on experience in the plan.
- The current contribution ratio of 77/23 percent was changed to 75 percent city contribution and 25 percent participant contribution.
- Retirees under age 65 will contribute a greater portion than employees and other retirees because claims for that group are higher and growing.
- Active employees who cover dependents will pay \$20 more per month for dependent coverage.

This contribution calculation has the least effect on active employees — our primary goal. If you have a working spouse, we encourage him/her to enroll in their employer's health plan, if available.

These calculations will result in a contribution ratio of 74 percent city, 26 percent participant. Here's what it means to you:

- HMO contributions will increase 30 percent, on average.
- PPO contributions will increase 15 percent, on average.
- Medicare Advantage plan contributions will not increase now.

These changes will help secure these options for future years — preserving the "benefit-for-contribution" equation. Compare the rates on page 8 to the chart on this page. Even with this increase in contributions, you still pay less for health care than your neighbor. Retirees still have access to several options that provide comprehensive coverage - something that is quite valuable these days.

## Disease Prevention Discount Program

Studies show that people who use tobacco are more likely to have higher medical claims and are hospitalized longer. They are also more likely to have smoking as a primary contributor to illnesses like heart, lung and pulmonary diseases that generally require long-term and costly medical intervention.

For these reasons and others, employees, retirees and their covered dependents who do not use tobacco receive a \$25 discount each month. If you are paying the disease prevention discount premium and cover a tobacco product user, you could lose medical coverage.

Captain Carrot Card

You're thinking about quitting smoking, so you consult with your doctor about your options.

**Drift forward three squares.**

There are an array of products that can help you quit: the nicotine patch, nicotine gum, nicotine lozenges, nicotine inhaler, nicotine nasal spray, and bupropion, an antidepressant drug that can help control nicotine cravings. Select the method that works best for you.

**Game tip:** The medical plans can help you win this game - and help your wallet win, as well. The HMO and PPO plans cover prescription drugs for smoking cessation. The benefit is \$185, limited to one course of treatment annually.



## Monthly rate comparison among local employers

Company (Predominant Plan)	Tier	Employee's Contribution	Employer's Contribution
City of Houston (HMO)	EE only	\$31	\$268
	EE+ family	\$211	\$734
Rice University (HMO)	EE only	\$56	\$293
	EE + family	\$357	\$722
METRO (HMO)	EE only	\$64	\$364
	EE + family	\$206	\$1,165
HISD (Consumer Plan)	EE only	\$115	\$215
	EE + family	\$605	\$219
Harris County (PPO)	EE only	\$0	\$391
	EE + family	\$311	\$702
Private Local Company (PPO)	EE only	\$96	\$287
	EE + family	\$297	\$819

Source: City of Houston annual health benefits survey, January 2007. City of Houston data effective 5/1/07. Other participants' data valid YTD 2007.

**New rates are effective May 1, 2007.**

### Active Employees' Bi-weekly Contributions (24 times per year)

HMO	Non-tobacco user rates		Tobacco user rates	
	from	to	from	to
Employee only	\$13.46	<b>\$15.65</b>	\$25.96	<b>\$28.15</b>
Employee + 1	\$65.33	<b>\$86.00</b>	\$77.83	<b>\$98.50</b>
Employee + 2 or more	\$82.16	<b>\$105.59</b>	\$94.66	<b>\$118.09</b>
<b>PPO and Out-of-Area</b>				
Employee only	\$87.35	<b>\$92.77</b>	\$99.85	<b>\$105.27</b>
Employee + 1	\$243.48	<b>\$271.92</b>	\$255.98	<b>\$284.42</b>
Employee + 2 or more	\$316.43	<b>\$350.07</b>	\$328.93	<b>\$362.57</b>

### Retirees Under 65 Monthly Contributions

HMO	from	to	from	to
Retiree only	\$101.54	<b>\$136.22</b>	\$126.54	<b>\$161.22</b>
Retiree + 1	\$299.58	<b>\$401.98</b>	\$324.58	<b>\$426.98</b>
Retiree + 2 or more	\$467.16	<b>\$626.86</b>	\$492.16	<b>\$651.86</b>
<b>PPO and Out-of-Area</b>				
Retiree only	\$366.94	<b>\$458.02</b>	\$391.94	<b>\$483.02</b>
Retiree + 1	\$939.50	<b>\$1,178.10</b>	\$964.50	<b>\$1,203.10</b>
Retiree + 2 or more	\$1,308.72	<b>\$1,647.88</b>	\$1,333.72	<b>\$1,672.88</b>

### Retirees Over 65 Monthly Contributions

HMO	from	to	from	to
<b>Retirees over 65 without Medicare</b>				
Retiree only	\$344.06	<b>\$421.38</b>	\$369.06	<b>\$446.38</b>
Retiree + Spouse	\$722.52	<b>\$884.90</b>	\$747.52	<b>\$909.90</b>
Retiree + Family	\$1,238.60	<b>\$1,516.98</b>	\$1,263.60	<b>\$1,541.98</b>
<b>Retirees over 65 with Medicare</b>				
Retiree w/Medicare	\$107.32	<b>\$131.44</b>	\$132.32	<b>\$156.44</b>
Retiree + Spouse (1 w/Medicare)	\$214.70	<b>\$262.96</b>	\$239.70	<b>\$287.96</b>
Retiree + Spouse (2 w/Medicare)	\$209.32	<b>\$256.36</b>	\$234.32	<b>\$281.36</b>
Retiree + Family (1 w/Medicare)	\$364.98	<b>\$447.00</b>	\$389.98	<b>\$472.00</b>
Retiree + Family (2 w/Medicare)	\$332.78	<b>\$407.56</b>	\$357.78	<b>\$432.56</b>
<b>PPO and Out-of-Area</b>				
<b>Retirees over 65 without Medicare</b>				
Retiree only	\$526.88	<b>\$621.80</b>	\$551.88	<b>\$646.80</b>
Retiree + Spouse	\$1,106.44	<b>\$1,305.74</b>	\$1,131.44	<b>\$1,330.74</b>
Retiree + Family	\$1,370.44	<b>\$1,617.64</b>	\$1,395.44	<b>\$1,642.64</b>
<b>Retirees over 65 with Medicare</b>				
Retiree w/Medicare	\$351.26	<b>\$399.60</b>	\$376.26	<b>\$424.60</b>
Retiree + Spouse (1 w/Medicare)	\$907.22	<b>\$1,049.76</b>	\$932.22	<b>\$1,074.76</b>
Retiree + Spouse (2 w/Medicare)	\$398.98	<b>\$440.72</b>	\$423.98	<b>\$465.72</b>
Retiree + Family (1 w/Medicare)	\$995.06	<b>\$1,140.24</b>	\$1,020.06	<b>\$1,165.24</b>
Retiree + Family (2 w/Medicare)	\$913.82	<b>\$1,047.30</b>	\$938.82	<b>\$1,072.30</b>

# Prescription Plan Highlights

## Congratulations

Through your careful use of prescriptions, release of new generic drugs, and plan changes, drug spending in the city's HMO and PPO has flattened. Your use of generic alternatives and other cost conscientious choices have really paid off, so the prescription benefits will stay the same for this plan year.

But that doesn't mean you can stop here. The gameboard changes constantly, with prescription drug costs continuing to increase at a faster rate than other medical costs, introduction of new high-priced drugs, brand name patents expiring resulting in new generics, and unusual new uses for those pricey brand name drugs.

You've become better consumers of prescriptions – probably because you are asking the right questions:

- Is this medication required for my condition, or will it get better by itself?
- Is this the best medication for my condition?
- Is there a generic medication available?
- If I have to take medication for more than 30 days, is mail order less expensive?
- Will this medication interact badly with other medications I take?

The drug manufacturers want you to be charmed by their colorful advertisements, and ask your doctor for the newest high-cost drug. Of course! That's the one that makes the most money for them. Don't be charmed – Be smart! Ask these questions, and you can do your part to slow unnecessary drug cost increases. If your doctor prescribes medication, make sure you discuss it, and understand how it is supposed to work.

### Quantity vs. Time drugs

Certain drugs are limited to a specific quantity for 30 or 90 days. Some examples are:

- All nasal inhalers (Flonase)
- Migraine medications (Imitrex)
- Asthma inhalers (Albuterol)
- Pain management (OxyContin)
- Proton Pump Inhibitors (Prevacid)

To find out if a drug you are taking is subject to quantity limits, please contact BlueCross BlueShield of Texas at (800) 521-2227. A complete list can be found online at [www.bcbstx.com](http://www.bcbstx.com).

## Prescription plan features

Here are the features of your prescription benefit that are keeping the plan affordable:

1. This is a **3-tier prescription plan**, with different copayments in each tier. See the chart of prescription coverage on the next page.  
  
Drugs are assigned to the 3 tiers, according to the BCBSTX formulary, which can change annually. Tier 1 contains generic drugs. Tier 2 contains "preferred" brand name drugs. Tier 3 contains other covered brand name drugs. Tier 2 drugs are always less expensive than Tier 3 drugs. Drugs can change among tiers, usually in May.
2. The **mandatory generic** feature calls for filling your prescription with a generic drug if one is available. If you prefer the brand name drug to a generic, you will pay extra for the brand name drug.
3. The **step therapy** feature applies to five classes of prescriptions. Step therapy requires your doctor to consider alternative medications in those five categories before prescribing the higher-cost medications. New drugs could be added from time to time. See box on page 10.
4. **Quantity versus Time**, or QvT, is an edit that provides a baseline for the recommended amount of medication that should be taken over a certain period of time. QvT applies to both retail and mail-order prescriptions. When more medication is necessary, BCBSTX must approve the higher quantity. See sidebox for examples of medications in the QvT program.
5. **Mail-order prescriptions** are available for medications you take on a long-term basis. You can order up to a 90 day supply at one time, and pay less than you would pay at your local drug store. Instead of paying three times the monthly copayment, you only pay two times the copayment — 33 percent savings for you. See the Prescription Coverage chart on page 10, which illustrates the savings.

### Mandatory Generic

If your doctor prescribes a generic drug but you purchase a brand prescription, you will pay more for your medicine. Your copayment will be the total of the generic copayment plus the difference between the cost of the brand and the generic drug.

Doctor prescribes generic Fluoxetine	\$24.99
You purchase brand-name Prozac	\$147.99
Difference in price	\$123
<b>Your cost = price difference + \$10 generic copayment</b>	<b>\$133</b>

The HMO and PPO plans provide access to prescriptions through copayments – always lower than paying the old-fashioned 20% coinsurance. That’s because we want you to take the medications you need to get well, or manage your condition.

Prescription coverage		
HMO and PPO at participating pharmacy		
Tier	Retail pharmacy 30-day supply	Mail-order 30-day supply
Generic	\$10	\$20
Preferred	\$30	\$60
Non preferred	\$45	\$90
PPO and OOA at nonparticipating pharmacy		
All	50% after \$20 copayment	not available

To find a participating pharmacy, go to [www.bcbstx.com](http://www.bcbstx.com) and use the pharmacy or provider finder option.

Example of generic drug savings			
Treatment Usual dose	Brand-name Drug Name Cost	Generic Drug Name Cost	Savings 30-day supply
Diabetes 850 mg tab	Glucophage <b>\$171.99</b>	Metformin <b>\$75.99</b>	<b>\$96</b>
Infection 500 mg cap	Keflex <b>\$137.99</b>	Cephalexin <b>\$18.99</b>	<b>\$119</b>
Allergy symptoms (120INH) 16 gm	Flonase <b>\$93.99</b>	Fluticasone <b>\$64.99</b>	<b>\$29</b>
High cholesterol 40 mg cap	Pravachol <b>\$160.99</b>	Pravastatin <b>\$119.99</b>	<b>\$41</b>

### Step therapy drug categories

Categories in the step therapy program are:

- ▶ COX-2 Inhibitors (Celebrex)
- ▶ Leukotrienes for Asthma (Accolate, Singulair)
- ▶ Rheumatoid arthritis drugs (Enbrel, Humira, Kineret)
- ▶ ACE Inhibitors (Accupril, Mavik, Altace, Aceon)
- ▶ Angiotensin II receptor blockers (Avapro, Atacand, Cozaar, Diovan)

### Mail-order sounds easy; sign me up!

You can get a 90-day supply of your medication for the cost of a 60-day supply. Ask your HR liaison for a Prime Therapeutics mail-order form, or visit [www.houstontx.gov/oe07/main.htm](http://www.houstontx.gov/oe07/main.htm) to learn more.

## You've done a good job!

Talk about a winning combination. Saving yourself and the city money on prescriptions is simple and convenient. Generics offer the same benefits as name-brand drugs at a lower cost, while mail order drugs offer even lower prices and front-door delivery. City employees and retirees understand this, and you are taking advantage of the discounts. Here's how you score compared to BlueCross BlueShield's other customers:

### Generic usage scorecard

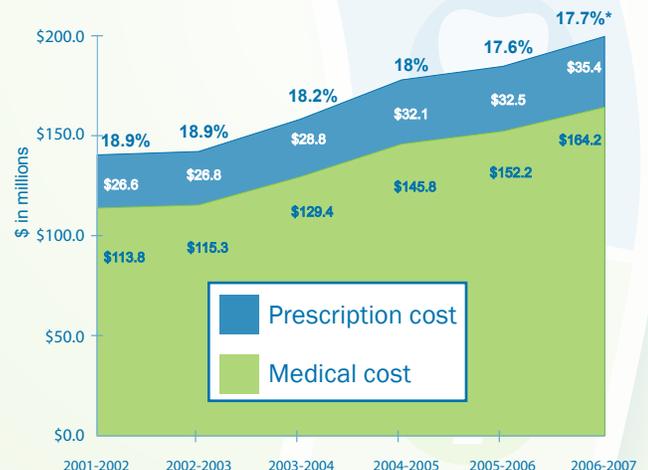
	COH	BCBS clients
Generic utilization: Percent of drugs prescribed that are generic	58 %	52 %
Generic substitution: Percent of generics used when a generic is available	95 %	94 %

### Mail-order usage scorecard

Percent of all prescriptions that are ordered via mail-order	10%	4%
--	-----	----

Date: Oct. 2006

## Prescriptions as a percent of total claims\*\*



\* Estimated

\*\* Excludes data from MA plans.

# Health Plan Highlights

## Prescription Checklist

What should you be asking your doctor about prescriptions? Clip out this checklist and on your next doctor's visit, be prepared.

- Gather together, place in a bag and take with you anything you're taking, including:

- prescription drugs

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- over-the-counter medication

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\_\_\_\_\_

\_\_\_\_\_

- vitamin supplements

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\_\_\_\_\_

\_\_\_\_\_

- herbal remedies

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Write a list of questions you want to ask your doctor.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Make a list of medications you need to ask about. Find out if there really are special benefits, which you may have seen advertised.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Ask about possible side effects.
- Ask if an antibiotic is really necessary. If it is, request that it be a "narrow spectrum" type for your specific need.
- Bring a copy of your three-tiered drug list.
- Ask if there is a generic equivalent of a prescribed brand-name drug.
- Be sure to have your HMO Blue Texas ID card with you.

## Top 20 prescriptions for employees and retirees

Paying the retail cost for prescription drugs is expensive. But you are spared that expense by the city's three-tier prescription drug benefit – especially if you use generic drugs.

It's easy to find what tier your prescriptions are in. Check the chart below to see if your prescription is also one of the top 20 medicines. Then, compare your cost with the retail cost and see how much your plan saves you in out-of-pocket expenses. To see the entire list of preferred drugs, go to [www.bcbstx.com](http://www.bcbstx.com), pharmacy option.

Top 20 prescriptions by amount spent				
Drug Treatment/Usual dosage	\$10	\$30	\$45	Retail cost
	Generic	Preferred	Nonpreferred	30-day Supply
1. Lipitor Cholesterol 20 mg tab			X	\$121.99
2. Nexium GERD 40 mg cap		X		\$156.99
3. Actos Diabetes 30 mg tab		X		\$185.99
4. Enbrel* Arthritis 50 mg/ml inj		X		\$1,521.99
5. Simvastatin (Zocor) Cholesterol 20 mg tab	X			\$129.99
6. Lotrel High blood pressure 5/20 mg cap		X		\$106.99
7. Prevacid GERD 15 mg cap			X	\$152.99
8. Tracleer Primary pulmonary hypertension 125 mg tab		X		\$3,548.07
9. Zofran Anti-nausea 8 mg tab		X		\$501.99
10. Tricor Cholesterol 145 mg tab		X		\$120.99
11. Avandia Diabetes 4 mg tab		X		\$114.99
12. Diovan High blood pressure 80 mg tab		X		\$68.99
13. Effexor XR Depression 75 mg cap		X		\$117.99
14. Protonix GERD 40 mg tab		X		\$123.99
15. Topamax Anti-convulsant 100 mg tab		X		\$330.99
16. Gleevec Leukemia 100 mg cap		X		\$2,619.99
17. Ambien Insomnia 10 mg tab			X	\$134.99
18. Valtrex Herpes virus 500 mg cap		X		\$196.99
19. Norvasc High blood pressure 5 mg tab		X		\$56.99
20. Lexapro Depression 20 mg cap		X		\$82.99

\*Step therapy drug.

As always, if the retail cost of the prescription is less than the copayment, you pay the lower amount.

### Important Note

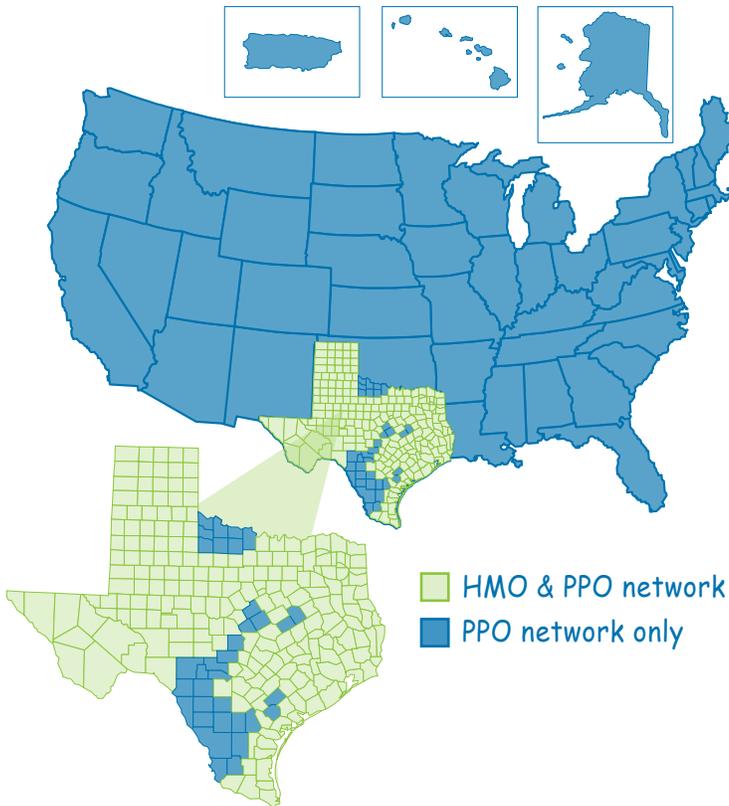
For medical and dental plans, only new enrollees will receive new ID cards for May 1, 2007. Your current ID card has no expiration. If you need additional or replacement ID cards, call HMO Blue Texas at (713) 837-9377 or visit [www.bcbstx.com](http://www.bcbstx.com).



Source: Local retail pharmacy. Date: Oct. 2006.

# Service Area

The map below shows the broad coverage of the service area for HMO and PPO plans. The HMO includes more than 200 counties in Texas and the PPO includes every state, plus Puerto Rico. Your ID card is accepted by additional doctors and hospitals and a larger retail pharmacy network.



## HMO service area

The HMO service area is as big as the state of Texas, except for these 34 counties — Archer, Bandera, Baylor, Clay, Coryell, DeWitt, Dimmit, Duval, Edwards, Falls, Foard, Frio, Gillespie, Goliad, Hamilton, Hardeman, Jim Hogg, Kerr, Kinney, Knox, La Salle, Lampasas, Limestone, Live Oak, Llano, McMullen, Maverick, Real, Uvalde, Webb, Wichita, Wilbarger, Zapata, Zavala.

## PPO service area

The BlueChoice PPO network is as big as America itself. That means employees and retirees under the plan can find contracted providers in every state, plus Puerto Rico.



### Winning Tip

The BlueCard program provides temporary coverage if you or a dependent visits or resides outside the HMO and PPO service area. There are HMO networks in 35 states that honor the BlueCard. Your ID card has a little suitcase that denotes that you have this benefit. Benefits are available only through network providers in that location. Call the number on the back of your ID card to learn more about this benefit.



### Winning Tip

For a provider directory with the complete list of HMO & PPO doctors and medical providers in the network, visit the HMO Blue Texas Web site at [www.hmobluetexas.com](http://www.hmobluetexas.com) or [www.bcbstx.com](http://www.bcbstx.com). You may also request a directory from your HR Liaison.



### Captain Carrot Card

Wear your seatbelt. **Drive forward three squares for buckling up.** Statistics show that seatbelts add to longevity and help alleviate potential injuries in car wrecks.

**Capt. Carrot's thought for the day:** Buckle up for safety.



# Dental Plan Highlights

## Dental Highlights

No news is good news. Your dental rates and benefits remain the same for May 2007. In fact, they won't change again for two more years — until May 1, 2009.

United Healthcare, Inc. provides the dental indemnity plan and National Pacific Dental provides the DHMO plan.

See the charts below for contributions and a comparison of plan features.

2007 Dental contributions		
	Employee bi-weekly cost	Retiree monthly cost
<b>DHMO contributions</b>		
Self only	\$4.33	\$8.66
Self + one	\$9.33	\$18.66
Self + two or more	\$13.20	\$26.40
<b>Dental Indemnity Plan contributions</b>		
Self only	\$12.50	\$25.00
Self + one	\$28.91	\$57.82
Self + two or more	\$39.41	\$78.82

## DHMO

A dental health maintenance organization is a network of dentists, like an HMO, that offers a comprehensive range of dental services for fixed copayments. You choose a primary care dentist who coordinates your care and refers you to specialists. You must live in the service area to enroll.

Features of the DHMO include:

- No maximum annual limit on dental services,
- No deductibles,
- No claim forms to complete for most procedures,
- A fixed copayment for dental services, and
- A network that includes dentists and orthodontists.

### SMART! Tip

Sign-up for the Healthcare Flexible Spending Account to save even more on your dental copayments. See page 16 for more information.

## Comparison of Dental Indemnity and DHMO features

Plan Features	DHMO	Dental Indemnity
<b>Preventive Services</b>	<b>Sample copayments</b>	
Cleaning and oral examinations, bitewing X-rays	Preventive services - \$0	The plan pays for 100 percent of services up to usual and customary limits. \$0 deductible
<b>Basic Services</b>		
Extractions, root canals, oral surgery, restorative services (excluding gold fillings) and periodontal scaling	Extraction, Coronal Remnants - \$9 Periodontal Scaling - \$14-24 Root Canal Therapy, Molar - \$162	After you pay the annual deductible, the plan will pay 80 percent of services, up to usual and customary limits.
<b>Major Services</b>		
Initial fixed bridgework, crowns and dentures, replacement of bridgework	Crown - Titanium - \$210 Complete Denture, Maxillary - \$260 Immediate Denture, Maxillary - \$270	After you pay the annual deductible, the plan will pay 50 percent of services, up to usual and customary limits.
<b>Orthodontic Services</b>		
Covered services up to two years	Adult, 24-month Case - \$2,000 Adolescent, 24-month Case - \$1,800 Interceptive Ortho Service - \$1,100 (Primary and Transition Dentition)	After you pay the annual deductible, the plan will pay 50 percent of services, up to usual and customary limits. The lifetime maximum benefit is \$1000 per individual.
<b>Annual Maximum Benefit</b>	No annual maximum benefit	\$1,500 per individual
<b>Annual Deductible</b>	No annual deductible	\$50 for each individual / \$150 family
<b>Referrals for Specialty Care</b>	PCD must refer patient to specialist	Not required
<b>To Receive Reimbursement</b>	Filing a claim is not required	Complete and submit a claim form.

For a list of DHMO benefits and copayments visit [www.houstontx.gov/hr/oe07/main.htm](http://www.houstontx.gov/hr/oe07/main.htm).

## Dental Indemnity Plan

A dental indemnity plan is a traditional plan that lets you receive a comprehensive range of dental services from the provider of your choice anywhere in the United States. You pay a percentage of charges for certain services and file a claim for reimbursement.

To use the plan:

- Make an appointment with the dentist of your choice.
- If the treatment will cost more than \$200, get a cost estimate.
- Pay the dentist. Some dentists require patients to pay only their portion.
- File a claim for reimbursement within 90 days. Some dentists will file your claim for you.

The chart on page 13 shows some services provided under the dental indemnity and DHMO plans. For a complete list of services provided under this plan, refer to the City of Houston Dental Indemnity Plan brochure.

## In-network Preferred Dentist Option

If you are enrolled in the dental indemnity plan, you can reduce your out-of-pocket costs by using a preferred dentist. If you receive care from a preferred dentist or a network of dental providers, you will receive a discount on your dental services and have more money in your pocket.

As you can see in the chart below, if you use a preferred dentist, you will realize a considerable savings. The more costly the dental work, such as bridges or dentures, the more savings you will realize. Also, because all fees are reduced, you will receive more services before you reach the \$1,500 annual maximum benefit.

The city's In-network Preferred Dentist Option brochure provides information about this feature as well as a list of preferred dentists in the network. Contact the benefits division for a brochure.

### Example of savings using a preferred dentist

Plan	Usual cost	50 percent coinsurance
Out-of-network	\$875	\$437.50
In-network	\$701	\$350.50
<b>Your savings</b>		<b>\$87.00</b>

### Who's in the game?

Who	DHMO	Indemnity	Total
Total subscribers	14,189	7,283	21,472

To access the dental plan documents visit [www.houstontx.gov/hr/oe07/main.htm](http://www.houstontx.gov/hr/oe07/main.htm).

### Dental Materials Checklist

- DHMO brochure
- Dental Indemnity brochure
- In-network dentist brochure
- Change/Election forms

### Important Note

With the dental indemnity plan, you pay for services you receive at the time of your appointment and file a claim for reimbursement. If your dentist files the claim, you may be asked to pay only the portion the plan will not pay. You can get a claim form from the benefits division.

You must submit your claim within 90 days after the date of service. Reimbursement is made by mail, usually within 10 work days.

To check the status of a claim, call (866) 605 - 2599. Mail your claim forms to:

United HealthCare, Inc.  
1445 North Loop West, Suite 500  
Houston, Texas 77008

### Counties in the DHMO service area

Anderson, Bowie, Brazoria, Brazos, Brown, Carson, Chambers, Collin, Dallas, Deaf Smith, Delta, Denton, Ellis, Fannin, Fort Bend, Galveston, Gray, Grayson, Grimes, Harris, Harrison, Hood, Hopkins, Hunt, Hutchinson, Jefferson, Johnson, Kaufman, Lamar, Liberty, Montgomery, Moore, Nacogdoches, Orange, Parker, Potter, Randall, Rockwall, Tarrant, Walker, Waller

### Web site

Here's easy access to network dentists, claim information, dental definitions, brushing tips for kids, and other dental education - [www.myuhdental.com](http://www.myuhdental.com).

# Supplemental Insurance Plans

For active employees only

There are no changes in these plans. In fact, the rates are locked in for an additional two years. That's right – no rate increase from 2001 to 2009. You may enroll in any or all of these three plans.

## Hospital Indemnity Plan

This plan pays a daily cash benefit while you or a covered dependent is hospitalized. The money is paid to the employee and may be used for all expenses, even if they are not medical expenses. These payments are in addition to your city medical plan.

Under this plan, pre-existing conditions are not covered for an injury or sickness that required medical advice or attention during the 12-month period before the effective date of coverage.

## Accident/Disability Plan

This plan provides a benefit if you or a covered dependent is injured or becomes disabled according to plan guidelines. The plan will pay a scheduled benefit on or off the job for for:

- emergency room use and care
- hospital confinement
- disability income for off-the-job accidents - employee only
- accidental death
- follow-up visits to the doctor

When a covered accident occurs, benefits begin the first day treatment is rendered by a doctor or hospital. These benefit payments are also in addition to benefits paid by your city medical plan.

## Personal Cancer Protector Plan

This plan provides supplemental insurance for you or a covered dependent diagnosed with cancer. Benefits are paid directly to you, not to a doctor or hospital.

You may use this benefit to pay for medical, travel and other expenses including, but not limited to:

- house or apartment payment
- parking
- utilities
- child care
- car payments
- special equipment
- copayments and deductibles
- gasoline
- necessary household help
- food and lodging

## Supplemental Plan Checklist

- Brochures
- Enrollment forms

## Rates and Additional Information

The rates for each plan are shown in the packet of information you will receive from your department human resources liaison. Benefits under the supplemental insurance plans will be effective May 1, 2007.

If you would like more information about the supplemental insurance plans, contact your department human resources liaison, or an AFLAC representative at (281) 440-1133 or (281) 440-3465.

## Who's in the game?

Number of employees enrolled in one or more supplemental insurance plans

5,953

Date: Oct. 2006

## Important Note

If you are enrolled in a supplemental insurance plan and don't want to make any changes, don't do anything. Your coverage will remain in effect through April 30, 2008. All deductions will be pretax, except for the disability plan.



# Flexible Spending Account



## Healthcare Flexible Spending Account — a SMART choice

You asked for another way to save money — and we delivered. The **Healthcare Flexible Spending Account** is a voluntary pretax benefit plan that allows you to set aside money from your paycheck to pay for out-of-pocket medical, prescription, dental and vision expenses incurred by you and your family.

More than 690 of your co-workers signed up for the HFSA last year and saved money on eyeglasses, dental deductibles, prescriptions and other medical expenses. They contributed an average of \$693 for the year and more than 200 participants contributed the maximum of \$1,000. Be sure to ask for the HFSA Enrollment Guide to see if this plan is right for you!

## Why should I participate?

If you're like most of us, you and your family will have health care expenses in the next 12 months. Your medical and dental plans will pay the majority of those expenses. But what about the part that isn't covered - like copayments?

The HFSA may help save tax dollars on these out-of-pocket costs. The money that you contribute into the HFSA comes out of your paycheck before taxes, and you do not pay taxes on the reimbursements you receive for qualified health care expenses.

## What expenses are reimbursable?

- Items and services that you can deduct from your income tax, according to Internal Revenue Code 213.
- Copayments, coinsurance and insurance deductibles for physicians, dentists, hospital and vision services
- Copayments for prescriptions, retail and mail order
- Prescription drugs not covered in the medical plan
- Orthodontia expenses
- Eye glasses, contact lenses and contact lens solution
- Corrective vision surgery (i.e. lasik)
- Over-the-counter medications, such as aspirin, cough and cold medicine, allergy and sinus medication, etc.

Since you never pay taxes on this money, you can save up to 35 percent in federal tax on the amount that you put into the HFSA. The amount you save will vary depending upon your individual income tax bracket

## OK — I'm curious. How does this work?

Enrollment is voluntary and you must re-enroll if you want to continue. Ask your HR liaison for the SMART Choice HFSA Enrollment Guide.

### SMART! Tip

Ask your benefits liaison for the HFSA guide which provides detailed information on how you can use this pretax benefit to lower your family's tax bill.

### What do you spend?

In 2006, employees in the HMO spent about \$210 in medical costs, and about \$381 in prescription expenses. That doesn't count over-the-counter items like aspirin, cold medicines or that stomach stuff. These items are also eligible.

### SMART facts - at a glance

- **Minimum contribution:**  
\$120 a year/\$4.62 per pay period
- **Maximum contribution:**  
\$1,000 a year/\$38.46 per pay period
- **Plan year:** May through April
- **Incur claims:** May 1 through April 30
- **File claims:** Within 90 days beyond plan year, through July 29
- **Claim administrator:** FLEXONE
- **Minimum claim reimbursement:** \$10

### Dependent Care Reimbursement

Did you remember that this is another way you can save money? If you have qualifying expenses for dependent care, you can enroll in this plan in January. Watch for enrollment announcements in November.



## Staying on top of your game

Use your health plans wisely and stay healthy. They offer wellness exams, screenings, immunizations, information and management resources that cost you little or nothing. Did you know your health plan provides a \$0 copayment for well-man, well-woman screening or annual physical? Or that the DHMO offers preventive dental services for \$0 copayment?

In addition to these health plan features, the city offers several avenues of access to wellness activities.

**Blue Access:** Provides online access at [www.bcbstx.com](http://www.bcbstx.com) to important information for health plan members about their coverage. Members can use the Personal Health Manager to set up a personal health record and receive wellness advice for you and your family members.

**Special Beginnings:** Is a prenatal education program to help expectant mothers better understand and manage their pregnancy. An introductory video is available in English and Spanish. To enroll call (800) 462-3275.

**Personal Health Manager:** Did you ever wish for a personal trainer to help design a fitness program just for you? If only you had a nutritionist to find the calorie pockets in your fast-food lunch. Well, here they are! Online resources to personalize a program for you. How about daily medals for reaching your goal? Log on through Blue Access and click on Personal Health Manager to start making some SMART choices.

**24/7 Nurseline:** Call this number 24/7 for health issues that come up when you can't reach your doctor: (800) 581-0353/HMO members or (800) 581-0368/PPO members.

**Wellness Leave:** Compensable Sick Plan gives eight hours of paid time-off for preventive wellness activities after an employee has been employed for one benefit year, Sept. 1 – Aug. 31. Activities include dental, vision, well-woman, well-man and physical exams, as well as other wellness-related doctor visits. Contact your HR liaison for information.

**50 free fitness facilities:** You don't have to pay your way to fitness. The city offers free memberships in city facilities all over Houston. You ride stationary bikes, lift weights, swim, play basketball or play tennis. To view a chart of facility locations and services visit [www.houstonhumanresources.org](http://www.houstonhumanresources.org) and click on Benefits Alert.

## Personal Health Manager



Do you know what fitness regimen to follow to reach your goals? A personal trainer can help you select and focus on those exercises most beneficial to you. How about adding a nutritionist to help you determine what to eat? And maybe you should buy an encyclopedia to help you understand what those two are telling you. By the time you gain all the resources you need to reach your goal, your wallet, like your figure, could be noticeably thinner. But the Personal Health Manager available through Blue Access provides you with your own virtual trainer and nutritionist, all at no cost to you. And there's more. Reminders, a health encyclopedia, news, recipes, meal planners and incentives to keep you working out are also on the site. Just log onto Blue Access and make some SMART choices.

## Health Risk Assessment

Get a \$50 gift card just for completing your Health Risk Assessment. More than 650 of your co-workers have already taken advantage of this one-time opportunity.

It's easy. Log on to [www.bcbstx.com](http://www.bcbstx.com) and click on the Personal Health Manager. Then click on Health Risk Assessment. Complete your HRA and authorize its release to BlueCross Blue Shield, and in about six weeks, they'll send you a \$50 gift card\* to Academy in Texas or The Sports Authority for non-residents.

The assessment is a short series of easy-to-answer questions. You'll then receive an evaluation of your overall health along with scores on your medical health, job satisfaction, risky lifestyle choices, stress, nutrition and even sleep habits.

Of course, you'll be winning a much bigger prize by getting important guideposts to making healthier lifestyle choices.

\*Only one card per employee/family. If you have already received a gift card, you will not receive another one for completing the HRA again.

# Section 125

All employees enrolled in medical, dental, and supplemental insurance products have deductions taken on a pretax basis.

The one exception is for those enrolled in the voluntary disability benefit. Deductions for that benefit are post-tax, so that any disability benefit you receive from it is not taxable.

## What does Section 125 mean to me?

Paying for your deductions on a pretax basis will reflect a lower “taxable earnings” figure on your W2 – and that means you pay taxes on a lower amount – and that usually means less taxes!

In many cases, you see an increase in your take-home pay.

Changes to your benefits are limited to Open Enrollment periods, unless you have a qualified change in family status. The change in benefits must be consistent with the status change. See the Qualified Family Status Change information on page 20 to learn more.

## Here's the math

This is an example of how you may benefit from paying for benefits with pretax dollars. The example is based on a married couple with two withholding allowances in 2006.

### Example of Pretax deduction savings

Pay/Deductions	Pretax	Post-tax
Gross biweekly pay	\$1,250.00	\$1,250.00
Employee pretax HMO premium	-\$105.59	\$0.00
Employee pretax DHMO premium	-\$13.20	\$0.00
Taxable income	\$1,131.21	\$1,250.00
Federal withholding	-\$69.68	-\$87.50
Social Security withholding	-\$86.54	-\$95.63
Emp. post-tax HMO medical premium	\$0.00	-\$105.59
Emp. post-tax DHMO dental premium	\$0.00	-\$13.20
Net biweekly pay	\$974.99	\$948.08
<b>Biweekly increase in take-home pay</b>	<b>\$26.91</b>	<b>\$0.00</b>
<b>Annual increase (24 checks) in take-home pay</b>	<b>\$645.84</b>	<b>\$0.00</b>

### Captain Carrot Card

You feel like a snack, so you go to the vending machine and buy a candy bar. **Fall back two squares.** Rather than munching on sugary candy or fattening chips from the vending machine, reach for some fruit or vegetables. Carry a small container of natural, healthy food with you so you're not caught hungry with just a vending machine offering relief.



### Winning Tip

If you are enrolled in the medical, dental or supplemental insurance plans and don't want to make any changes - don't do anything. Your coverage will remain in effect through April 30, 2008.



### Winning Tip

Don't forget the pretax Healthcare Flexible Spending Account. You must re-enroll if you want to continue. Learn more about it on page 16.



### Captain Carrot Card

Move more. You begin a daily fitness program by challenging yourself to find inventive ways to get exercise.

#### Climb three squares forward.

Remember, anything that moves your limbs is a fitness tool and a stress buster.



It doesn't have to be an hour spent at a gym. Just by climbing the stairs instead of taking the elevator or escalator is a step in the right fitness direction.

**Capt. Carrot's thought for the day:** Move it!



# Rules of the game

## Who is eligible?

You are eligible for coverage under the benefits plans if you are:

- A full-time employee or a part-time employee regularly scheduled to work at least 30 hours a week;
- A retiree who was covered by a city medical plan on the date of retirement from the city;
- A survivor of a covered city employee or retiree, up to age limits and application of other plan rules; or,
- A deferred retired employee who will become eligible to receive a pension within five years after termination and continuously pays the monthly contribution for health coverage.

If both you and your spouse work for the city, you may be covered as an employee or as a dependent — but not both. Dependents may be enrolled under only one parent or guardian.

## Eligible Dependents

Eligible dependents are your:

- Legal spouse,
- Unmarried natural or adopted children up to age 25, if they qualify as dependents for federal income tax purposes,
- Children up to age 25, over whom you have legal guardianship or legal foster care if they qualify as dependents for federal income tax purposes,
- Grandchildren under age 25 if they qualify as your dependents for federal income tax purposes,
- Disabled dependents over age 25 who are incapable of self-sustaining employment because of mental retardation or physical handicap. The dependent must be primarily dependent on you for more than 50 percent of financial support and covered before age 25.
- Unmarried dependent children who lose Medicaid coverage may be enrolled under the employee's medical plan within 31 days after Medicaid coverage is lost. They may be covered to age 25 if they qualify as the employee's dependent for federal income tax purposes.

## Required Documentation

To add dependents for coverage, you must submit the required documents. The following is a list of documents you must provide with your medical/dental election or change form by the open enrollment deadline.

- Spouse — copy of a certified marriage license
- Common-law spouse — copy of a Declaration and Registration of an Informal Marriage Certificate
- Children up to age 25, over whom you have legal guardianship or legal foster care — copy of the legal documents that gave custody, guardianship or foster care
- Grandchild(ren) under age 25, who are your covered dependents for federal income tax purposes — copy of the Financial Dependency of Children form and a birth certificate
- Disabled dependents over age 25 if they were covered before age 25 and are primarily dependent on you for more than 50 percent of their financial support — medical documentation of the disability or mental handicap
- Children under age 25, if not added at time of birth or if you are requesting reinstatement of their coverage — copy of a birth certificate or legal document that establishes paternity of the employee and a completed certification of Financial Dependency of Children form

There is no waiting period for dependents added during open enrollment.

### Important Note

If you are enrolled in the HMO plan, and you do not add a new dependent within 31 days of the event, you may add the dependent later, but there will be a 90-day waiting period. Coverage will be effective on the first or the 16th of the month following the waiting period. You may add a dependent to the PPO within 31 days of the event or during annual open enrollment.



## Qualified Family Status Change

If you are an active employee and pay for coverage with pretax dollars, you may change your coverage during the year only if you have a qualified family status change.

Qualified family status changes include:

- marriage or divorce,
- birth or adoption of a child,
- death of a dependent,
- a dependent child reaches age 25, or marries,
- a spouse's loss of employment,
- a spouse becomes employed and enrolls in that employer's benefits program,
- you or your spouse change from full-time to part-time employment or vice-versa, or you experience a significant change in your spouse's benefits or premium payments,
- a dependent loses Medicaid medical coverage.

If you have a family status change, you must submit a status change form and documentation within 31 days of the change. See the "Required Documentation to Add Dependents" section on page 19.

### Important Note

When your dependents become ineligible, they will be dropped from coverage. You must submit a status change form within 31 days.

You will receive a refund of the premiums you paid for coverage only from the date of your notification.

If they are not dropped on time, they are still ineligible for coverage. You will not get a full refund beyond 60 days, and you may be responsible for any claims incorrectly paid on their behalf.

You can get a status change form from your department human resources liaison or the Benefits Division at 611 Walker, 4th floor.



### Captain Carrot Card



You brush your teeth twice a day, clean between teeth with floss or an interdental cleaner once a day and visit your dentist regularly.

**Move your bright white smile forward three squares.**

Proper hygiene saves your teeth, eliminates the pain, anxiety and discomfort of dental diseases, avoids or reduces the need for periodontal surgery, saves money and saves time, the American Dental Association states.

**Game tip:** Your dental plan covers two cleanings per year. Take advantage of them for cleaner teeth and fresher breath.



### Captain Carrot Card

Reduce stress. The captain knows it's easier said than done, but stress busters come in many forms.

Try to spend 30 peaceful minutes each day. Soak in a hot tub; walk in a park; visit a friend or read a good book.

**Think happy thoughts and float forward two squares.**

**Capt. Carrot's thought for the day:** Count to 10 before losing your temper or getting aggravated.



# More rules of the game

## How to Enroll or Make Changes

**Employees:** If you want to enroll or make changes to your current coverage, ask your department human resources liaison for an enrollment or change form.

**Retirees:** Use the medical or dental change forms in your enrollment packet and mail to the:

Benefits Division  
P.O. Box 248  
Houston, TX 77001

## If You Don't Enroll Now — Active Employees

If you do not enroll for benefits during open enrollment, you may apply during the year for coverage in the HMO plan by completing a medical/dental election form. Your coverage will be effective on the first or the 16th of the month following the 90-day waiting period from the date you submit your enrollment form. You may not enroll in the PPO or dental plan until open enrollment in 2008, unless you have a qualifying family status change through loss of other group coverage.

## Life Insurance — Active Employees

You may apply for voluntary group life insurance at any time. If you apply for first-time coverage or increase your coverage during this enrollment period, you must complete a personal health statement. You will begin paying premiums after the insurance company approves your application.

### Important Note

Your completed forms must be given to your department human resources liaison by the last day of the enrollment period. The open enrollment period ends April 12, 2007. Any changes you make will be effective May 1, 2007.

Retirees should use the postage-paid envelope in their packet to return their completed forms, or use the address above.



## Employee Self Service at your service — online tool for reviewing your personal record

Thousands of employees have logged into the Employee Self Service system. This is a convenient way to look up information in your personal record.

You can access current leave balances and usage, deductions, and your last three paycheck stubs. You will also find forms to print and links to sources of information for city employees. It is a secure site, accessed through the Internet, which means you can login from any Internet location, your home, your PC at work, or the public library. Employees have access to only their own information.

The first thing you will need to do when you login is set up your password. Select “first time user” and follow the instructions (enter your 6-digit employee number and enter a password). When you login, the menu choices are on the left side of the screen, in the blue bar.

Here's the link:

<https://cohapp.cityofhouston.gov/HRSelfService/>

If you have questions about your personal information, print the page and check with your Payroll Representative or HR Liaison. If you experience technical problems, contact the IT help desk. If you have comments or suggestions, e-mail them to the Contact Us address.

Just one more way we're trying to provide more information at your fingertips.



## City of Houston Health Fair

**GEORGE R. BROWN  
CONVENTION CENTER  
EXHIBIT HALL B**

**Thursday, April 26, 2007  
9 a.m. to 2 p.m.**



**WELLNESS SCREENINGS**



**GOODIES AND FUN**



**DOOR PRIZES**



**FITNESS DEMONSTRATIONS**

Free parking in lots 1 and 2 with city ID badge  
or this announcement.

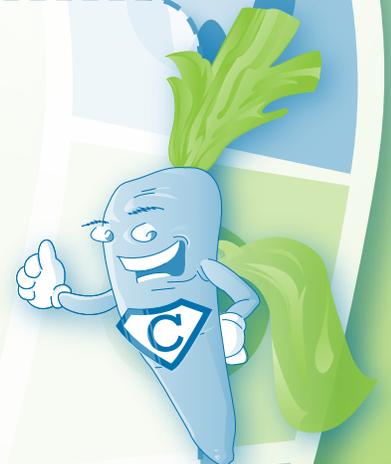
## You're a winner!

### Winning: it's really about you

Congratulations! Look at yourself, now. You're getting stronger, sharper, more focused and effective. Sure, you've always cared about your health. But the role your lifestyle plays is becoming clear. You've learned that when your lifestyle is healthy, you are healthy with higher energy levels.

Continue living a life making balanced choices about better nutrition, maintaining an acceptable weight range, reaching new levels of fitness and motivation. That's the biggest secret for winning the biggest game of all: life.

So bid farewell to fatigue, sayonara to smoking and aweigh to unwanted weight gain. The rest of your life starts here. Stay the course and keep winning.



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## Contacts

**City of Houston Benefits Division**  
(713) 837-9400  
(888) 205-9266

**City of Houston Web site**  
[www.houstonhumanresources.org](http://www.houstonhumanresources.org)

**HMO Blue Texas in the Benefits Division**  
(713) 837-9376  
(713) 837-9377  
(713) 837-9448

**HMO Blue Texas**  
(866) 757-6875  
[www.bcbstx.com](http://www.bcbstx.com)

**Prime Therapeutics (HMO Blue Texas)**  
(877) 357-7463  
[www.myrxhealth.com](http://www.myrxhealth.com)

**National Pacific Dental/UHC**  
(713) 861-8721/(800) 232-0909

**24/7 Nurseline**  
HMO members (800) 581-0353  
PPO members (800) 581-0368

**Municipal Pension**  
(713) 759-9275

**Fire Pension**  
(281) 372-5100

**Police Pension**  
(713) 869-8734

**Great West (Deferred Compensation)**  
(713) 426-5588

# Rules you should know

## Deferred retired employees

If you are eligible to receive a pension within five years after you terminate employment, you are a deferred retired employee. Deferred retired employees may keep their medical and dental coverage for themselves and their covered family members. You may keep life insurance for yourself. You will pay the same premiums that retirees pay. If you don't pay your premiums, you will not be allowed to reinstate coverage when you begin receiving a pension.

## Long term disability

If you were hired after September 1985 and are an active municipal employee or classified firefighter, you are covered under the Compensable Sick Leave Plan. After two years of employment, you are usually covered under the Long Term Disability Plan. If you become disabled, you must apply for your disability benefit within 12 months after the disability caused you to stop working. You may qualify to receive the benefit until age 65.

## Life insurance

Review your life insurance beneficiary NOW. If you have had a "life event" like marriage, divorce, birth, adoption, or death, you may want to change your beneficiary. If your minor child is the beneficiary of your life insurance, the life-insurance company will keep that money until your child reaches age 18, or until the insurance company receives legal documentation showing a financial guardian for your child. An employee is the beneficiary of his/her dependents' life insurance.

If your spouse and you work for the city, both of you have employee basic life insurance of one times your annual base salary. You may not be your spouse's dependent under the life insurance plan. Check your benefits file to ensure your city-employee spouse is not a dependent for the basic or voluntary coverage. Only one of you may cover dependent children.

You may buy life insurance up to four times your base salary. If your spouse does not work for the city, the maximum coverage is \$50,000. A child's maximum coverage is \$10,000.

## Medical/Dental coverage

If you die while you are an active employee, your covered surviving spouse and covered dependent children may keep medical and/or dental coverage until your spouse remarries or becomes covered under another group medical or dental plan. The children may be covered until age 25. Your spouse will pay premiums based on "employee rates."

## COBRA

If you are covered under the benefits plans when you terminate employment, you may keep your medical and dental coverage for 18 months through the Consolidated Omnibus Budget Reconciliation Act. You will pay the total premium. If you become disabled during that period, you may keep COBRA benefits for 29 months, when you should qualify for Medicare.

## No paycheck? Keep your benefits

If you are an active employee and you do not receive a paycheck from the city but want to retain your benefits, you must pay your premiums directly to the benefits division at 611 Walker, 4th floor. Premiums are not deducted for your benefits from the check that you receive from the workers' compensation carrier.

## What's in your benefits file?

You may review your benefits file at 611 Walker, 4th floor, weekdays, 8 a.m. – 5 p.m. Because your records are confidential and protected, a written request, a written release with your notarized signature, or your physical presence is required. Present your city ID card. Information will not be released over the telephone.

## Change of address

When you change your mailing address, you need to also update your address with the city's central payroll division or your pension office, and complete a benefits change form for the medical/dental plans. To receive important information about your medical and dental plans, your address must be current at all times.

## Small pension check? Pay your premiums by check or money order

If you are a retiree and find that you need to pay your health-care premiums by cashier check or money order, you may do so. Contact the Benefits Division at (713) 837-9400 or (888) 205-9266.