Town of
RAYMOND
Home of the Landlocked Salmon
INCORPORATED 1803

401 Webbs Mills Road
Raymond, Maine 04071

June 18, 2013

To: Raymond Board of Selectmen
From: Nancy Yates, Finance Director

Subject: FY2013-2014 Municipal Employees' Health Insurance Program

When reviewing the health insurance plans submitted by Cross Insurance for FY2013-2014, the goal was to meet the budget figure approved by the Board of Selectmen, as well as provide as good coverage as possible and provide some financial relief to the employees. This resulted in the selection and recommendation to the Selectmen of a plan offered by Harvard Pilgrim, as shown in Option 16A of the attached.

Aside from cost, there are two other reasons why this plan was chosen. The first is that the plan can be made to conform to the Town's fiscal year. Not only will the contract run July 1 through June 30, but the plan year will also run July 1 through June 30. This means that the deductible will no longer reset on January 1, which has caused financial difficulties for several employees in the past. A second reason is that this plan also contains a provision for preventive prescription co-pays. Preventive prescriptions such as those for diabetes or cholesterol will have a co-pay of $5, $10, $20,or $30, rather than the employee having to pay for the entire cost up front and then being reimbursed through the HRA. These prescriptions will not be reimbursed under the HRA, but will count towards the total out-of-pocket cost for the employee. All other prescriptions not meeting the plan's definition of preventive drugs will continue to be reimbursed after up-front payment by the employee.

This plan will also save the Town approximately $13,000 per year (as opposed to an increase of over $30,000 for renewal of the current plan), so as part of this plan it is proposed that the Town increase the deductible reimbursement for those 11 employees having spouse or family coverage from $3000 to $4000.

CROSS INSURANCE
Employee Benefits

	Current Anthem *PPO HSA 308 $3,000 Embedded*		Renewal Anthem *PPO HSA 308 $3,000 Embedded*		Option 16 Harvard Pilgrim HealthCare *PPO HSA $3,000 Embedded MD2282 (Plan Year)*	
Benefits	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible (Individual/Family)	$3,000/$6,000	(Combined In/Out)	$3,000/$6,000	(Combined In/Out)	$3,000/$6,000	$6,000/$12,000
Coinsurance	Varies by Service		Varies by Service		Varies by Service	
Inpatient Hospital	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
Outpatient Hospital	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
Coinsurance Limit	None	$3,000/$6,000	None	$3,000/$6,000	$2,000/$4,000	$4,000/$8,000
Out-of-Pocket Maximum (Individual/Family)	$3,000/$6,000	$6,000/$12,000	$3,000/$6,000	$6,000/$12,000	$5,000/$10,000	$10,000/$20,000
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Emergency Room Services	0% after Ded	0% after Ded	0% after Ded	0% after Ded	0% after Ded	0% after Ded
Prescription Drugs (Tier 1, 2, 3, 4)	0% after Ded	20% after Ded	0% after Ded	20% after Ded	$5/$15/$30/$45 after Ded	Eligible for Reimbursement
Primary Care Physician Office Visit	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
Preventive Care (per Benefit Schedule)	$0 Copay	20% after Ded	$0 Copay	20% after Ded	$0 Copay	20%
Specialty Care						
Office Visit	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
Chiropractic Services (per Benefit Schedule)	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
PT, OT & Speech Therapy (per Benefit Schedule)	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
Diagnostic Outpatient Testing						
Lab & X-Ray Services	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
MRI, CT, PET Scans	0% after Ded	20% after Ded	0% after Ded	20% after Ded	0% after Ded	20% after Ded
Mental/Substance Abuse (per Benefit Schedule)	State & Federal Mandates Apply		State & Federal Mandates Apply		State & Federal Mandates Apply	
Pre-Certification (Referral) / Penalty	Yes/$300	Yes/$300	Yes/$300	Yes/$300	None	Yes/$500
Pre-Existing Conditions	6/12 n/a for Members to age of 19		6/12 n/a for Members to age of 19		N/A	

Rates	Counts			
Employee Only	5	$388.34	$458.45	$360.50
Employee + Spouse	3	$892.43	$1,053.69	$757.05
Employee + Child(ren)	0	$699.52	$825.72	$684.95
Family	8	$1,162.51	$1,372.84	$1,081.50
Estimated Monthly Premium		$13,919.07	$16,436.04	$12,725.65
Estimated Annual Premium		$167,028.84	$197,232.48	$152,707.80
Percentage Change From Current		0%	18.08%	-8.57%
Annual Dollar Change From Current		$0.00	$30,203.64	($14,321.04)

Benefits	Option 16 A Harvard Pilgrim HealthCare *PPO HSA $3,000 Embedded MD2282 (Plan Year)*		Option 23 Harvard Pilgrim HealthCare *HMO $2500 MD2823 (Plan Year)*
	In-Network	Out-of-Network	
Deductible (Individual/Family)	$3,000/$6,000	$6,000/$12,000	$2,500/$5,000 - 4Q
Coinsurance	Varies by Service		Varies by Service
Inpatient Hospital	0% after Ded	20% after Ded	20% after Ded
Outpatient Hospital	0% after Ded	20% after Ded	20% after Ded
Coinsurance Limit	$2,000/$4,000	$4,000/$8,000	$2,500/$5,000
Out-of-Pocket Maximum (Individual/Family)	$5,000/$10,000	$10,000/$20,000	$5,000/$10,000
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Emergency Room Services	0% after Ded	0% after Ded	$250 Copay
Prescription Drugs (Tier 1, 2, 3, 4)	$5/$20/$30/$50 After Ded Preventive RX copays apply	Eligible for Reimbursement	$5/$20/$30/$50
Primary Care Physician Office Visit	0% after Ded	20% after Ded	$35 Copay
Preventive Care (per Benefit Schedule)	$0 Copay	20%	$0 Copay
Specialty Care			
Office Visit	0% after Ded	20% after Ded	$50 Copay
Chiropractic Services (per Benefit Schedule)	0% after Ded	20% after Ded	$35 Copay
PT, OT & Speech Therapy (per Benefit Schedule)	0% after Ded	20% after Ded	$35 Copay
Diagnostic Outpatient Testing			
Lab & X-Ray Services	0% after Ded	20% after Ded	20% after Ded
MRI, CT, PET Scans	0% after Ded	20% after Ded	20% after Ded
Mental/Substance Abuse (per Benefit Schedule)	State & Federal Mandates Apply		States & Federal Mandates Apply
Pre-Certification (Referral) / Penalty	None	Yes/$500	Yes/No Benefit
Pre-Existing Conditions	N/A		N/A
Rates	Counts		
Employee Only	5	$363.49	$402.33
Employee + Spouse	3	$763.33	$844.90
Employee + Child(ren)	0	$690.63	$764.42
Family	8	$1,090.47	$1,206.99
Estimated Monthly Premium		$12,831.20	$14,202.27
Estimated Annual Premium		$153,974.40	$170,427.24
Percentage Change From Current		-7.82%	2.03%
Annual Dollar Change From Current		($13,054.44)	$3,398.40

Prescription Drug Coverage

BEST BUY HSA PPO

Your HPHC Insurance Company (HPHC) Best Buy HSA PPO includes coverage for prescription drugs. Covered prescription medications are available at participating pharmacies, which include most large pharmacy chains and many independent drug stores.

Preventive Drug Benefit

Your prescription drug coverage features the Preventive Drug Benefit, which includes medications to help prevent the chronic conditions and illnesses shown below. For a current list of the benefit's covered preventive drugs, visit the Quicklinks section of **www.harvardpilgrim.org/rx.**

- Anticoagulants & Platelet Aggregation Inhibitors for STROKE PREVENTION
- Antineoplastics for BREAST CANCER
- Blood Glucose Regulators for DIABETES
- Cardiovascular Agents for HEART DISEASE/HYPERTENSION
- Dyslipidemics for HIGH CHOLESTEROL
- Hormonal (Parathyroid/Metabolic Bone Disease) for OSTEOPOROSIS
- PEDIATRIC VITAMINS with FLUORIDE
- PRENATAL VITAMINS (excludes over-the-counter products)
- Respiratory Agents for ASTHMA/COPD
- SMOKING CESSATION

The Preventive Drug Benefit enables you to access many covered preventive drugs that are not subject to your plan deductible. That lowers your cost-sharing, as you won't have to satisfy your deductible before receiving coverage. **You'll pay only a copayment** – as noted in the chart on the reverse side of this flyer. These medications are also subject to an out-of-pocket maximum, which limits the amount you're required to pay in any cost-sharing.

Cost-sharing for all other covered prescription drugs

Most covered drugs that are not part of the Preventive Drug Benefit are subject to your in-network deductible. This means that you are responsible for paying the entire cost of your medications until you reach your required in-network deductible amount. You will pay the lower of HPHC's discount rate or the pharmacy's retail price. Please see your Best Buy HSA Schedule of Benefits or Summary of Benefits for your in-network deductible amount. Once you have paid your full, yearly in-network deductible, your drugs are covered with copayments, as noted in the chart on the reverse.

Your Best Buy HSA PPO deductible amounts will be shown on your member identification (ID) card. Bring your prescription or refill to a participating pharmacy, along with your ID card, and you'll pay the appropriate amount.

Continued ▸

Harvard Pilgrim Health Care

Harvard Pilgrim Health Care includes Harvard Pilgrim Health Care and its affiliates, Harvard Pilgrim Health Care of New England and HPHC Insurance Company.

Harvard Pilgrim's Mail Service Prescription Drug Program (maintenance medications ONLY)

If you have a condition, (e.g., high blood pressure or arthritis) that requires maintenance medications, you can order up to a 90-day supply of these drugs through HPHC's Mail Service Prescription Drug Program and save yourself a trip to the pharmacy.

- Mail Service prescriptions covered by the Preventive Drug Benefit are subject to copayments as noted in the chart below.
- All other Mail Service prescription drugs are subject to your Best Buy HSA PPO in-network deductible. Once the in-network deductible has been met, they are subject to copayments as noted in the chart below.

Copayments for 30-day and 90-day supplies of medications

	Tier 1	Tier 2	Tier 3	Tier 4
30-day supply	$5	$20	$30	$50
90-day supply *(Mail Service Prescription Drug Program)*	$10	$40	$60	$150

Preventive Drug Benefit

Harvard Pilgrim Health Care

Your prescription drug coverage features the Preventive Drug Benefit, which includes medications to help prevent chronic conditions and illnesses. The Preventive Drug Benefit enables you to access many covered preventive drugs that are not subject to your plan deductible. That lowers your cost-sharing, as you won't have to satisfy your deductible before receiving coverage.

Below is a list of the most commonly prescribed drugs to help prevent chronic conditions and illnesses. Brand-name drugs begin with a capital letter; all others are generic. Over-the-counter products are not included in this benefit. This list is not all-inclusive, and limitations and restrictions may apply.

Anticoagulants & Platelet Aggregation Inhibitors for STROKE PREVENTION

Arixtra
Aggrenox
Agrylin
anagrelide
Brilinta
cilostazol
clopidogrel
Coumadin
dipyridamole
Effient
enoxaparin
fondaparinux
Fragmin
heparin
Iprivask
Jantoven
Lovenox
Plavix
Pletal
Pradaxa
Ticlid
ticlopidine
warfarin
Xarelto

Antineoplastics for BREAST CANCER

anastrozole
Arimidex
Aromasin
exemestane
Fareston
Femara
letrozole
Nolvadex
tamoxifen

Blood Glucose Regulators for DIABETES

Note: Diabetic supplies (ie: blood glucose meters, test strips, lancets, syringes) are covered under Preventive Drug Benefit with prescription

acarbose
Actoplus Met
Actoplus Met XR
Actos
Amaryl
Apidra
Avandamet
Avandaryl
Avandia
Bydureon
Byetta
chlorpropamide
Cycloset
Diabeta
Duetact
Fortamet
glimepiride
glipizide
glipizide extended-release
glipizide/metformin
Glucophage
Glucophage XR
Glucotrol
Glucotrol XL
Glucovance
Glumetza
glyburide
glyburide/metformin
Glynase
Glyset
Humalog
Humalog Mix
Humulin
Janumet
Janumet XR
Januvia
Jentadueto
Juvisync
Kombiglyze XR
Korlym
Lantus
Levemir
metformin
metformin ER
Micronase
nateglinide
Novolin
Novolog
Onglyza
pioglitazone
pioglitazone/metformin
Prandimet
Prandin
Precose
Riomet
Starlix
Symlin
tolazamide
Tradjenta
Victoza

Cardiovascular agents for HEART DISEASE/ HYPERTENSION

Accupril
Accuretic
acebutolol
Aceon
acetazolamide
acetazolamide capsule ER
Adalat CC
Aldactazide
Aldactone
Altace
amiloride
amiloride/ hydrochlorothiazide
amlodipine
Amturnide
Atacand
atenolol
atenolol/chlorthalidone
Avapro
Azor
benazepril
benazepril/ hydrochlorothiazide
Benicar
Benicar HCT
betaxolol, oral
BiDil
bisoprolol fumarate
bisoprolol/ hydrochlorothiazide
bumetanide
Bumex
Bystolic
Caduet
Calan
Calan SR
Capoten
captopril
captopril/ hydrochlorothiazide
Cardene SR
Cardizem
Cardizem CD
Cardizem LA
Cardura
Cardura XL
Cartia XT
carvedilol
Catapres
Catapres TTS
chlorothiazide
chlorthalidone
clonidine
clonidine transdermal
Coreg
Coreg CR
Corgard
Corzide
Covera HS
Cozaar
Demadex
Diamox Sequels
Dibenzyline
digoxin
Dilacor XR
Dilt-CD
diltiazem
diltiazem 24hr ER
diltiazem CD
diltiazem SR
Dilt XR
Diovan
Diovan HCT
doxazosin mesylate
Dutoprol
Dyazide
Dynacirc CR
Dyrenium
Edarbi
Edarbyclor
Edecrin
enalapril
enalapril/ hydrochlorothiazide
eplerenone
eprosartan
Exforge
Exforge HCT
felodipine ER
fosinopril
fosinopril/ hydrochlorothiazide
furosemide
guanfacine HCL
hydralazine
hydrochlorothiazide
Hytrin
Hyzaar
Imdur
indapamide
Inderal LA
Innopran XL
Inspra
irbesartan
irbesartan/ hydrochlorothiazide
Isoptin SR
Isordil
isosorbide dinitrate
isosorbide dinitrate, sustained action
isosorbide mononitrate
isradipine
Kerlone
labetalol
Lanoxin
Lasix
Levatol
lisinopril
lisinopril/ hydrochlorothiazide
Lopressor
Lopressor HCT
losartan
losartan/ hydrochlorothiazide
Lotensin
Lotensin HCT
Mavik
Maxzide
methazolamide
methyldopa
metolazone
metoprolol succinate
metoprolol tartrate

Continued ▸

Preventive Drug Benefit

Harvard Pilgrim Health Care

metoprolol/
hydrochlorothiazide
Micardis
Micardis HCT
Microzide
Midamor
midodrine
Minipress
Minitran
minoxidil
moexipril
moexipril/
hydrochlorothiazide
Monoket
Monopril
nadolol
nadolol-
bendroflumethiazide
Naturetin-5
nicardipine
Nifediac CC
Nifedical XL
nifedipine
nifedipine SR
nimodipine
Nimotop
nisoldipine
Nitro-Dur
nitroglycerin (patch)
nitroglycerin spray
Nitrolingual
Nitrostat
Norvasc
pentoxifylline
perindopril
pindolol
Plendil
prazosin
Prinivil
Procardia
Procardia XL
propranolol
quinapril
Quinaretic
ramipril
Ranexa
reserpine
Sectral
spironolactone
spironolactone/
hydrochlorothiazide
Sular
Taztia XT
Tekturna
Tekturna HCT
Tenex
Tenoretic
Tenormin
terazosin
Teveten
Teveten HCT
Tiazac
Toprol XL
torsemide
Trandate
trandolapril
Trental
triamterene/
hydrochlorothiazide
Tribenzor
Twynsta
Uniretic
Univasc
Vaseretic
Vasotec
verapamil
verapamil SR
Verelan
Verelan PM
Zaroxolyn
Zebeta
Zestoretic
Zestril
Ziac

Dyslipidemics for HIGH CHOLESTEROL

Advicor
Altoprev
Antara
atorvastatin
cholestyramine/aspartame
cholestyramine/sucrose
Colestid
colestipol
Crestor
fenofibrate
fenofibric acid
Fenoglide
Fibricor
fluvastatin
gemfibrozil
Lescol
Lescol XL
Lipitor
Lipofen
Livalo
LoFibra
Lopid
lovastatin
Lovaza
Mevacor
Niacor
Niaspan
Pravachol
pravastatin
Prevalite
Questran
Questran Light
Simcor
simvastatin
TriCor
Triglide 160mg
Trilipix
Vytorin
Welchol Powder Pack
Welchol tabs
Zetia
Zocor

Hormonal (Parathyroid/ Metabolic Bone Disease) for OSTEOPOROSIS

Actonel
alendronate
Atelvia
Binosto
Boniva
calcitonin-salmon nasal
spray
Didronel
etidronate
Evista
Forteo
Fortical
Fosamax
Fosamax Plus D
ibandronate sodium
Miacalcin
Skelid

PEDIATRIC VITAMINS with FLOURIDE

Poly-Vi-Flor
Multivitamins with fluoride
Tri-Vi-Flor

PRENATAL VITAMINS

Citranatal Harmony
Concept OB
Duet DHA Balanced
Hemenatal OB
Natafort
Natelle One
Nexa Plus
Nutri-Tab OB
OB Complete
PNV-DHA
PNV-Select
Prefera-OB
Prenaissance
Prenaplus
Prenatal Plus
Prenate Elite
Strovite One
Tricare
Vitafol-One
VitaMedMD Plus Rx

Respiratory Agents for ASTHMA/COPD

Accolate
AccuNeb
Advair Diskus
Advair HFA
Aerobid
albuterol
albuterol sulfate ER
Alupent
Alvesco
Arcapta Neohaler
Asmanex
Atrovent HFA
Azmacort
Brovana
budesonide ampule-neb
Combivent Respimat
cromolyn sodium
Dulera
Duoneb
Flovent Diskus
Flovent HFA
Foradil
Intal
ipratropium/albuterol
(nebulizer solution)
isoetharine
levalbuterol
Maxair Autohaler
metaproterenol, oral
montelukast
Perforomist
ProAir HFA
Proventil HFA
Pulmicort
QVAR
Serevent Diskus
Singulair
Spiriva
Symbicort
terbutaline
Theo 24
theophylline
Tudorza Pressair
Ventolin HFA
Vospire ER
Xopenex
Xopenex HFA
zafirlukast
Zyflo CR

SMOKING CESSATION

Buproban
bupropion, smoking
cessation
Chantix
Nicotrol Inhaler
Nicotrol NS
Zyban

Harvard Pilgrim Health Care includes Harvard Pilgrim Health Care and its affiliates, Harvard Pilgrim Health Care of New England and HPHC Insurance Company.