



RHS Bulletin

October 2009

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New plan will lower premiums for Basic Plus customers

Here's a bit of good news: Premiums for employers with RHS Basic Plus plans will actually go down next year by as much as 13%. Premiums will be lower because Anthem Blue Cross is replacing its Basic PPO plan (the "Basic" side of Basic Plus) with a new plan called Elements Hospital. The premiums for the new plan are up to 13% lower than for the Basic PPO.

Basic Plus groups using the Basic PPO will need to transition to Elements Hospital by January 1, 2011. The transition, which requires the employer to select Elements Hospital from a list of plans offered by Anthem, should occur on each group's anniversary date in 2010.

The table below compares Elements Hospital to the Basic PPO. The services offered are similar, but **the premium for Elements Hospital is up to 13% less than for the Basic PPO**, based on the member's age. Depending on the services offered, employers will probably spend less on Basic Plus after the transition to Elements Hospital.

Other differences between the Basic PPO and Elements Hospital are discussed below the table.

Feature	Basic PPO	Elements Hospital
Average monthly premium for a 31-year-old member	\$139	\$121 (13% less)
Annual deductible per member/family	\$1,250/\$2,500	\$1,250/\$2,500
Annual out-of-pocket maximum per member/family	\$2,000/\$4,000	\$2,500/\$5,000
Services paid by percentage	Identical (includes hospital services, ambulatory surgery and emergency care)	
Coinsurance rate	80%	70%
Services with dollar limits	Identical (includes ambulance, skilled nursing facility and home health care)	
Prescription drugs	\$500 maximum (generic and brand name combined)	Unlimited coverage for generic; brand name not covered
Physical exams	Not covered	\$500 maximum

Besides the lower premium for Elements Hospital, differences from the Basic PPO include out-of-pocket maximum, coinsurance rate and coverage for prescription drugs.

Annual out-of-pocket maximum will increase from \$2,000 per member in the Basic PPO to \$2,500 in Elements Hospital. (Family maximums will increase from \$4,000 to \$5,000.)

Coinsurance rates will decrease from 80% for the Basic PPO to 70% for Elements Hospital. After members reach the out-of-pocket maximum, Elements Hospital will pay 100% for percentage-based services, just like the Basic PPO.

Members will get unlimited coverage for generic drugs. The Basic PPO covers only the first \$500 for generic or brand name prescription drugs. In contrast, Elements Hospital will offer unlimited coverage for generic drugs. Brand name drugs will not be covered, but they can be purchased with a discount at participating pharmacies.

Physical exams will be covered. Elements Hospital will allow members to choose between physical exams with their own doctors or annual screenings at HealthyCheck centers. Maximum coverage is \$500.

Employers should select Elements Hospital when they receive their annual renewal packages from Anthem during 2010. The other Elements plans (Elements Hospital Preferred and Elements Hospital Plus) are not compatible with Basic Plus.

For more details on the transition to Elements Hospital, contact John Nacol at jnacol@rhs.org or 800-548-7677, Ext. 121.

RHS offers both debit and secondary cards

RHS is now offering two different kinds of cards for use with its health plans: a **debit card** and a **secondary card**.

Debit Cards

Most insurance plans require employees to pay deductibles, coinsurance and copayments. The RHS debit card enables employees to deduct these medical expenses automatically from trust accounts, without any paperwork. Just one swipe is all it takes.

The RHS debit card gives employers flexibility and control. They can easily set the benefit limits on the card, and they can restrict the card to specific merchants and types of merchandise. In a pharmacy, for example, the card can be limited to prescription drugs and not allowed for soap or shampoo.

RHS has full access to the debit card system and can tailor the programming to each employer's particular needs. We can also reissue or terminate cards immediately. During the first few months of operation, RHS debit cards have proved to be particularly effective for health plans in the Kaiser environment.

Secondary Cards

For some RHS health plans, employees receive two cards: one from the **primary carrier** (such as Anthem Blue Cross) and one from the **secondary payer** (RHS). Because RHS is secondary, our card is called a **secondary card**.

Employees on these plans should present **both** cards whenever they receive services from a medical provider. Depending on the service, the provider will bill either the primary carrier or RHS.

Employers set the benefit limits, copays and deductibles for the secondary card, which includes logos for both the primary carrier and RHS.

If you have any questions about RHS debit or secondary cards, contact RHS Customer Service at 800-548-7677, or send an e-mail to kpass@rhs.org.

RHS adds Connection Dental Network

RHS has both expanded the scope and lowered the cost of its self-insured dental plans by linking up with the Connection Dental Network. This nationwide network, owned and operated by the Government Employees Health Association, offers an extensive list of dentists throughout the country. Dentists in the network have agreed to discounted rates for dental plan members.

RHS normally pays dentists based on UCR (usual, customary and reasonable) rates. Because Connection's rates are lower than UCR, employers can achieve significant savings—often as much as 30%—by using dentists in the network.

For more details on RHS dental plans, contact Sandy Sylvers at ssylvers@rhs.org or 800-548-7677, Ext. 116.

COBRA administration from RHS eases paperwork burden

Like its namesake serpent, COBRA poses grave risks to employers unless properly tamed. The paperwork burden is staggering, the fines can be significant, and the details are endless.

The safest route is to bring your COBRA needs to RHS, which offers full-service administration. Employers need to complete **only one** form for employees with COBRA qualifying events. Thereafter, RHS prepares and mails all required notices and manages employee elections and premium payments. We also comply with all IRS updates and new regulations, including the recent ARRA COBRA Premium Reduction Subsidy bill.

For more details on RHS COBRA administration, contact Nancee Mertens at nmertens@rhs.org or 800-548-7677, Ext. 101.

About RHS

Redwood Health Services, founded in 1976, provides employee benefit plans and third-party administrative services to both large and small employers.

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