

Ferndale Education Association Frequently Asked Questions

Why are we evaluating the medical plans?

As a result of our recent bargaining negotiations FEA now has the ability to evaluate other insurance plan options. We've been monitoring the WEA plans for years, but it wasn't until 2 years ago that this became a viable option. We feel that there are a number of compelling reasons to consider a move to the WEA Select Plans through Premera Blue Cross.

- There is a less expensive alternative through WEA for most plans currently offered to our members.
- In the last 5 years, Premera's provider network has expanded greatly and it is now very similar to the Regence network, and even includes most providers that contract with Group Health in Whatcom County. To date, we are not aware of any members who have not found their local provider included in Premera's network.
- If we offer the WEA medical plans and 1 HMO option we can receive a 10% discount off the WEA medical plan rates. (Please note that all of the comparisons include the 10% discount rates, there isn't an additional 10% discount.)
- By doing so, we can participate in a much larger purchasing pool. Instead of ~3,000 people in the pool, we would participate in a pool of over 118,000 educators from across the state.
- Many members would see a reduction in premiums and/or benefit enhancements if we make this change. Additionally, if employee only purchasers can save money, that could have a positive impact to our insurance pool, and provide more help to families.

How will this decision be made?

Basically, this is a two part process. First, we need to decide if we want to take advantage of this opportunity.

Secondly, if this change is approved, we will have an open enrollment period to allow people to change or enroll on a new plan. This will consist of many meetings at all or most of the buildings, and we will provide resources to help you select the plan that best meets the needs of you and your family.

If we approve this change, how will this impact me?

If you are currently enrolled on a Regence plan:

- The Regence plans would be replaced with the WEA Select Medical Plans.

If you are currently enrolled on a Group Health plan:

- We will decide as a group which Group Health HMO option to offer. You would then have the opportunity to enroll on the Group Health HMO option or any of the 7 WEA medical plans.

If you are currently enrolled on a WEA medical plan through Premera Blue Cross:

- You would receive a 10% reduction in your monthly premium.
- Instead of only 2 WEA Select plan options you would now have 7 plan options to choose from.

Do I need to select a WEA medical plan now?

No, you do not need to do this at this time. If we decide to make this change, we will have an open enrollment period to allow people to change or enroll on one of the plans that will be offered.

Will this change have a negative impact on the classified employees?

In our discussions with other locals that have gone through a similar evaluation and moved to the 10% discount by themselves (the classified employees didn't change), we are not aware of any situations where the insurance company re-rated them, or they had a significant increase the following year. Obviously, we can't promise that will be the case, but to-date we couldn't find one example where that had happened.

Does Premera have an adequate provider network in our area?

- Over the past 5 years, Premera has made a concerted effort to expand their network in our area. Now, the Regence and Premera networks are very similar. Approximately 97% of all providers within the state participate in Premera's network.
- The WEA medical plans offer two networks. All plans include benefits whether you use in- or out-of-network providers. You will have lower copayments and out-of-pocket costs if you use in-network providers.
 - The Heritage network is Premera's largest network. Plans 1, 2, 3, and EasyChoice A and B use this network.
 - The Foundation network is Premera's slightly smaller network. It does not include the University of Washington System or the Seattle Cancer Care Alliance. Emergency services are always paid at the higher in-network level. Plan 5 and EasyChoice C use the Foundation network.
- You do not need to select a primary care provider; you direct your own care. Additionally, referrals for specialty care are not required on any of the WEA medical plans.
- Outside Washington State you have Nationwide/Worldwide access through the BlueCard program. When you use any Blue Cross or Blue Shield participating provider, you will receive in-network benefits. Benefits are not limited to emergency only – you can receive routine care outside of the service area. This works very well for families that have dependents residing out-of-state.
- To find out if your provider is contracted with Premera, go to www.premera.com/wea. Select "Find a Doctor" on the home page or call Customer Service at 1-800-932-9221.

Do the WEA plans cover pre-existing conditions?

Yes, the WEA plans cover you immediately, regardless of your health condition.

Will any amounts I've paid toward my deductible transfer from Regence to the WEA medical plan?

- The WEA deductibles are on a calendar year basis. Your prior health plan deductible will not be credited towards your deductible under the WEA plan. This is consistent with how the plan has implemented other groups that have made the transition to the WEA plan.
- Please keep in mind that there are many benefits that are not subject to the deductible on the WEA plans. This includes office visits, preventive care, and prescription drugs. (Note: Brand name drugs under the EasyChoice plans are subject to a deductible; except for generic drugs which are covered in full.)
- The WEA Select plans contain a "fourth quarter carry over provision," which means that any amounts that are applied toward your deductible during the last three calendar months of the year will be carried forward and applied toward your deductible in the following year.

What are the key differences between the Regence and WEA medical plans prescription benefits?

- The Regence plans use a “closed” formulary, which means that not all prescribed prescription drugs are covered. The WEA medical plans use an “open” formulary, which means that any prescription drug is covered, provided it is for a covered condition and it is not considered experimental.
- The WEA medical plans use a three tiered copayment structure:
 - Tier 1 (generic drugs) have the lowest copayment
 - Tier 2 (preferred brand name drugs) will have a moderate copayment
 - Tier 3 (non-preferred brand name drugs) will have the highest copayment
- You pay the same retail copay for Plans 1, 2 and 3 for a 100-day supply when you use the Plans’ mail-order benefit.
- To find out what tier applies to a specific prescription drug go to: www.premera.com/wea and click on “Pharmacy,” or contact Customer Service at 1-800-932-9221.
- The WEA medical plan does not require that you try the generic version of a medication before the brand name version would be covered. The decision of which prescription is best for you (e.g., generic/name brand/same family of drugs) is left between you and your doctor.

What is unique about the WEA Select Medical Plans?

- **Claim Appeals:** The WEA Select Plans offer a special claim appeal process, which allows enrollees to present their denied claim to the BSAB; this is in addition to the Premera Blue Cross claim appeal process. The BSAB can overturn Premera’s decision or uphold the denial. Over the years many of the benefit changes have been a result of these claim appeals.
- **Employee Only Life Insurance Benefit:** All plans include a \$20,000 decreasing term life insurance benefit for the subscriber. This is important because we currently do not offer a group life insurance plan.
- **Waiver of Premium:** The WEA medical plan has a very unique feature that waives medical premiums for any covered dependents for the first 12 months of COBRA in the event of the subscriber’s death. (Many of our married employees have decided to cover their spouse on one plan. This feature is available when the covered subscriber dies only.)
- **COBRA Rates for Overage Dependents:** Children that are no longer eligible for coverage (e.g., they turn 26) are charged a child’s rate – not an employee rate – if they elect to continue coverage through COBRA. We aren’t aware of any other plan that does this.

How can I contact Premera’s Customer Service department?

- Premera has a dedicated team that provides customer service for the WEA plan only. They can be reached Monday-Friday from 6 a.m. to 6 p.m.
 - 1-800-932-9221
 - TDD (Hearing Impaired) 1-800-842-5357
- You do not need to be enrolled on a Premera plan to contact customer service. They are aware we are evaluating plans and are prepared to answer our questions.

How are decisions made on the WEA plans?

The WEA has been sponsoring these programs for over 40 years and has a very robust process to manage these programs.

- **Benefit Services Advisory Board (BSAB):** This group is appointed by WEA's President. The BSAB is comprised of approximately 8-10 WEA members (including ESP members) from districts throughout the state. There are two BSAB members from our area: the Chairperson, Chris Sargo, is from Sedro-Woolley, and Phil Karlberg is from Arlington.

The group functions much like a group of trustees, meeting throughout the plan year to evaluate WEA's benefit plans, research renewal alternatives, direct any plan bids, and hear claim appeals. Based on this work, the BSAB makes recommendations on rates; benefit modifications, etc., to the full **WEA Board of Directors**, which has final approval and decision-making authority. Adam Goldstein is currently on the WEA Board.

- **Board Executive Committee:** This group is a subset of the full Board of Directors. In addition to other duties, they are the trustees for the Rate Stabilization Funds. They are responsible for overseeing the Rate Stabilization Funds and approving any rates subsidies.

What is the Rate Stabilization Fund?

The Rate Stabilization Fund (RSF) is a formal 501(c)(9) IRS trust account. In years when the claims experience is better than projected, the "surplus" premium is transferred to the RSF. Neither the insurance company nor WEA has access to that money. By contract (and according to IRS regulations) these funds can only be used to benefit plan participants, usually by subsidizing rates or purchasing additional benefits.

WEA's Board Executive Committee are the trustees for the RSF trust accounts. They are responsible for approving any use of RSF dollars, and premium subsidies.

Do the WEA plans have rate advantages?

- The WEA Select Medical Plan is a very large purchasing pool of over 118,000 plan participants which blends claims statewide providing more rate stability. For example, last year the WEA medical plan had 375+ claims that were over \$100,000 and 3 that were over \$1 million and rates went up by 13.3%. Much smaller groups would experience a greater impact to rates with several large claims.
- The WEA medical plan is offered in over 80% of the school districts in Washington State. The vast majority of them (over 85%) do so using the 10% discount rates. The reason why WEA offers the 10% discount is that if there is a more stable population it's easier to project future costs and rate increases. When the WEA medical plan is offered alongside another PPO plan, it makes it more difficult since the population is more fluid (e.g. they can change plans every year).
- The average rate increase on the WEA medical plan has been ~8% over the past 5 years – with no benefit cutbacks.