

Kentucky Employees' Health Plan
Benefits Selection Guide



**Plan Year
2011**

Open Enrollment
October 11 - 24, 2010



When

October 11 - 24, 2010

How

- Active employees and KCTCS Retirees:
 - Enroll online at kehpn.ky.gov
 - Click on the "Your KEHP Online Access" link
- Retirees from KRS, KTRS, LRS and JRS:
 - Enroll through your retirement system



Get Active

Open Enrollment for the 2011 Plan Year is a **mandatory, active enrollment**.

We encourage everyone to enroll early to avoid a last minute "log jam" which could jeopardize your ability to enroll for 2011.

The Commonwealth of Kentucky does not discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, gender identity, ancestry, age, disability, or veteran status in employment or the provision of services. This booklet is available in an alternative format upon request.

Enrollment Information

Hours for Assistance

Monday – Friday 8 a.m. to 8 p.m. EST
Saturday and Sunday 8 a.m. to Noon EST

Who to Call

- For local, personalized help contact your Insurance Coordinator
Check with your Human Resource Administrator or go to kehpn.ky.gov to find your Insurance Coordinator's name and number.
- For assistance with your **Employee ID and Password**
Commonwealth Office of Technology
Outside Frankfort **1-877-741-7017****
In Frankfort **564-3116****
- For **computer or technical assistance**
Commonwealth Office of Technology
Outside Frankfort **1-866-746-1613****
In Frankfort **564-4597****
- For information about your **current benefits**
Humana Customer Service &
Open Enrollment Hotline..... **1-877-KYSPIRIT
(1-877-597-7474)**
- For other information about **Open Enrollment**
Department of Employee Insurance (DEI)
Member Services Branch
Outside Frankfort..... **1-888-581-8834**
In Frankfort..... **564-6534**

The DEI Phone Message will prompt you to choose from one of the following four options:

Option 1
User ID & Password
or Computer/Technical
Assistance

Option 2
Benefit Questions

Option 3
Web Enrollment
& Eligibility

Option 4
Member Services

** Telephone service at these numbers is only valid
October 11 through 24, 2010.

Members Matter

Quality of Life

A couple of months ago, I was talking with a friend about "wellness." I mentioned the fact that people who eat right, lead active lives, and refrain from smoking, tend to live years longer than those who don't.

"That may be," my friend said, "but those people don't have any fun. The active, healthy folks have to deprive themselves all the time. I may not live as long, but my life will be filled with great food, great smokes, and tons of relaxation. It's quality of life that matters . . . not quantity."

I agreed with my friend about the importance of quality of life, but I told him he had things backwards. I told him chances are good the folks who take care of themselves will be able to maintain a high quality of life well into old age — with lots of energy, few health problems and few hospitalizations. Now that's the way to go!

I told him chances are equally good that, if he doesn't make changes, his quality of life will undergo a steady downhill slide, filled with lack of stamina, chronic health problems, and multiple hospitalizations.

My friend got a serious look on his face. "I already have some chronic health problems," he said. "Is it too late for me to act?" "No," I said, "it's never too late."

As a member of the Kentucky Employees' Health Plan, you are already enrolled in a free, confidential program that can make a major difference in your health. It's called Informed Care Management and it will set you up with a registered nurse to act as your personal, telephonic, health coach: a supportive ally who can motivate you, help you make the most of your doctor visits, explain your treatment plan, and help you avoid future complications. That way, you'll spend less time dealing with your weight issue or other health condition and more time enjoying your life!

Isn't it time you took advantage of Informed Care Management? Call KEHP's wellness partner, ActiveHealth Management, at 1-888-803-7431 and take that first, critical step towards a healthier, happier you.

Yours in Good Health,



Frederick D. Nelson, J.D.
Commissioner
Department of Employee Insurance

"It's Never Too Late"



Commonwealth of Kentucky
Personnel Cabinet
Department of Employee Insurance
2nd Floor, State Office Building
501 High Street
Frankfort, Kentucky 40601

Website: kehpc.ky.gov
Wellness Hotline: 877-KEHPWELL

KENTUCKY GROUP HEALTH
INSURANCE BOARD:

TIMOTHY LONGMEYER, CHAIR
Personnel Cabinet

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Kentucky Department of Insurance

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Kentucky Education Support
Professional Association

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Kentucky Education Association

JONATHAN MILLER
Finance and Administration
Cabinet

RONNIE O'NAN
Kentucky Transportation Cabinet

Benefit Fair Schedule Plan Year 2011



Benefit Fair locations



Enrollment kiosk locations



Health Fair locations

For your convenience, the Kentucky Employees' Health Plan has arranged to provide enrollment kiosks at more benefit fair locations and added several health fairs across the state.

Jefferson Co.
 October 4 from 8 a.m. to 6 p.m.
 KY Fair & Expo Center
 West Hall, Meeting Rm. 1 & 2
 Louisville, KY 40233

Madison Co.
 October 12 from 2 p.m. to 6 p.m.
 B. Michael Caudill Middle School
 Media Ctr.
 1428 Robert B. Martin Bypass
 Richmond, KY 40475

Hopkins Co.
 October 18 from 2 p.m. to 6 p.m.
 Madisonville N. Hopkins High
 Library
 4515 Hanson Rd.
 Madisonville, KY 42431

Rowan Co.
 October 6 from 2 p.m. to 6 p.m.
 Rowan Co. Board of Ed.
 Central Office Board Rm.
 121 East 2nd St.
 Morehead, KY 40351

Fayette Co.
 October 13 from 4p.m. to 8 p.m.
 Dunbar High Cafeteria
 1600 Man O War
 Lexington, KY 40513

McCracken Co.
 October 19 from 2 p.m. to 6 p.m.
 Western KY Community &
 Technical College
 Emerging Technology Center
 4810 Alben Barkley Dr.
 Paducah, KY 42001

Boyle Co.
 October 7 from 2 p.m. to 6 p.m.
 Boyle Co. High School Library
 1637 Perryville Rd.
 Danville, KY 40422

Pulaski Co.
 October 14 from 2 p.m. to 6 p.m.
 The Center for Rural Development
 South Hall
 2292 HWY 27 South
 Somerset, KY 42501

Daviess Co.
 October 20 from 2 p.m. to 6 p.m.
 Professional Learning Center
 (Old Daviess Co. Public Library)
 450 Griffith Ave.
 Owensboro, KY 42301

Franklin Co.
 October 11 from 8 a.m. to 6 p.m.
 KY State Office Building
 Main Auditorium
 501 High St.
 Frankfort, KY 40601

Kenton Co.
 October 15 from 2 p.m. - 6 p.m.
 N. KY Area Development Dist.
 22 Spiral Dr.
 Florence, KY 41022

Warren Co.
 October 21 from 2 p.m. to 6 p.m.
 Briarwood Elementary School
 265 Lover's Ln.
 Bowling Green, KY 42102

Nelson Co.
 October 12 from 2 p.m. to 6 p.m.
 Nelson Co. High School Library
 1070 Bloomfield Rd.
 Bardstown, KY 40004

Laurel Co.
 October 15 from 2 p.m. to 6 p.m.
 G.C. Garland Administration Bldg.
 London Elem. School Campus
 710 N. Main St.
 London, KY 40741

Floyd Co.
 October 22 from 2 p.m. to 6 p.m.
 Prestonsburg Elementary Library
 140 S. Clark Rd.
 Prestonsburg, KY 41653

Take Charge of Your Benefits

Take charge of your benefits. Use this Benefits Selection Guide to understand how to get the most out of your Kentucky Employees' Health Plan. You'll find information on what's available to you, how to take charge of your health and your healthcare, and ways to reduce your taxes.

As you go through the Guide and prepare to enroll in your 2011 KEHP Benefit Plan, the following checklist will point you to key areas of information.

Before Enrolling Online:

- Review the letters from the Commissioner (page 1) and State Wellness Director (page 4) for information on taking advantage of multiple wellness opportunities
- Review the Highlights for 2011 section on pages 6 and 7 before you begin your enrollment planning
- Review the detailed plan descriptions (pages 10 and 11) and benefits grid (pages 16 and 17) to learn more about each plan
- Review the KEHP Benefits Analyzer tool (details on page 9) to help you make sound benefit decisions based on your specific healthcare and financial needs
- Review the Dependent Eligibility criteria for changes to eligibility for children and for documentation requirements (page 22)
- Determine if a Healthcare or Dependent Care Flexible Spending Account (FSA) is right for you (see pages 18 and 19) – remember FSAs can reduce your taxes
- Review the Waiving Health Insurance information (see page 20) to see if you are eligible for a Health Reimbursement Account (HRA) if you waive your health insurance
- Select the Health Plan and Flexible Spending Account that is right for you in 2011

When Enrolling Online:

- Have your Employee ID and Password letter on hand
- Complete the KEHP Benefits Analyzer tool and use the information to select your plan
- Complete and verify all personal information
- Include an up-to-date e-mail address
- List all of your dependents (if applicable)
- Review all of your elections for accuracy
- Write down your enrollment confirmation number
- Print your enrollment confirmation page for future reference



Open Enrollment Website: kehpk.ky.gov

Dear KEHP Members,

It is my ongoing ambition in my role as Wellness Director to do my part in helping KEHP members and their families live long, healthy lives and not have to bear the emotional and financial burden of illness and disease. The challenge for me is that I am only one person caring about the lives of more than 250,000 people, so I need your help. I invite you, with the help of KEHP services, to take a personal responsibility for the wellness and prevention efforts of you and your family. You don't have time not to.

I know you want to be healthy, happy, and feel energized to make it through a productive day, but I recognize the reality is that wanting isn't always enough to get people to make changes towards living a healthier life on their own. That's why I am excited to be the one who gets to tell you about two new fantastic programs we will be making available to KEHP members in 2011! These two programs might be just what you need to change wanting to be healthy into being healthy!

The first program, called **KEHPWELL Online**, is an enhancement to our LifeSynch health coaching benefit. Eighty percent of all heart disease and forty percent of all cancer is preventable if Americans would stop smoking, move more, and eat healthier. You can avoid

being an unnecessary statistic by taking advantage of the enhanced health coaching service. This is an opportunity to work with a free, personal health coach to set goals and improve lifestyle so illnesses and conditions such as cancer, heart disease, and diabetes can be prevented. The new KEHPWELL Online program will make accessing and communicating with a health coach easier than it has ever been. KEHP members will be able to track and journal their daily behaviors, access helpful resources, and the best part is members will now be able to chat with their health coach online if they choose.

“These two programs might be just what you need to change wanting to be healthy into being healthy!”

The second new program is a benefit enhancement for the children in our health plan called **The Alliance for a Healthier Generation**. Today nearly 1 in 3 children and teens in the United States is already overweight or obese. Overweight children and teens are more likely to develop serious health problems such as high cholesterol, high blood pressure, heart disease and type 2 diabetes. Until recently, most healthcare professionals have been unable to work with families around the prevention, assessment, and treatment of childhood obesity. This program will change that by allowing KEHP to now provide coverage of physician visits and registered dietician counseling for children, and their parents, who are in need of lifestyle interventions relating to weight management.

I hope as you take charge of the health of you and your family in 2011 that you'll find these new programs helpful. I vow to continue to do my part in helping our KEHP family in the year to come. Please remember, I can't do it without you.

Yours in Good Health,

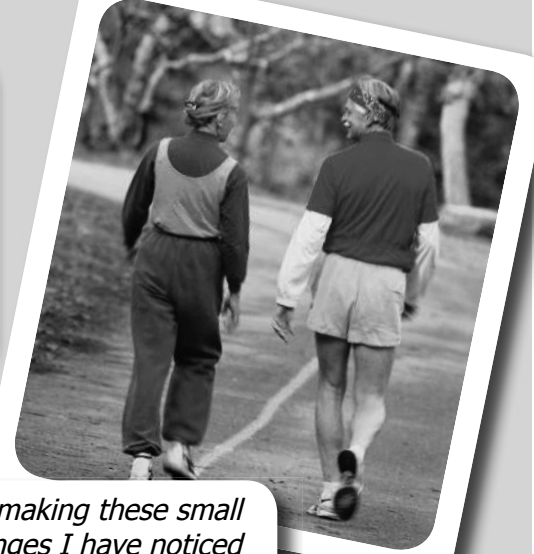


Stephanie Marshall, MS
State Wellness Director
Department of Employee Insurance



Kenneth Warlick says, "Exercise and healthy food choices have become a way of life for me rather than a program or task to be completed."

Kentucky Adult Education employee, Toni Quire has lost over 50 pounds and says "I walked 2,537,498 steps (1,194 miles) and have worn out 3 pair of walking shoes!" since joining the Virgin HealthMiles program.



"I have started exercising; changed my eating choices and habits; and participated in my first 5k a couple of weeks ago! I lost 33 lbs in 5 months and have kept it off now for almost 3 months." DPA Employee

"Since making these small lifestyle changes I have noticed a marked difference in my attitude, managing my stresses of the day and in the control of my blood glucose levels each day."

Finance Cabinet Employee

"ActiveHealth can help you become healthier and guide you with the disease expertise for diabetes and obesity. They empower you with the best course of action to help control or curtail the disease. The few minutes you spend with them could help you live many more healthy years."

Personnel Cabinet Employee

"Every day during our 15 minute breaks, we go outside and walk a mile. The group has slowly gotten much larger and we have all become so much closer as an agency. It has been a great experience for us and I hope this is not your first thank you letter."

EEC Employee

"I think we have all learned so much from the WeightWise Challenge." DOC Employee



Mandatory, Active Enrollment

Open Enrollment for the 2011 Plan Year will be a mandatory, active enrollment. This means **YOU MUST ENROLL** either online or by paper application. We encourage you to enroll online; however, retirees must work through their retirement systems.

None of your current benefits will automatically “roll over” to the 2011 Plan Year. **If you do not enroll for the 2011 Plan Year, your current coverage will be terminated**, your benefits will be waived, and you will not receive a contribution to a Health Reimbursement Account (HRA).

KEHP Benefits Analyzer

Select the Right Insurance for You

Last year KEHP rolled out a pre-enrollment planning tool known as the “KEHP Benefits Analyzer.” We’re offering this online tool again during Open Enrollment to help you select the right health insurance plan based on your personal healthcare and financial needs. The Analyzer also helps you determine how much pre-tax money you should put into your Healthcare Flexible Spending Account to make the best use of this benefit to lower your taxes.

Go to page 9 of this Guide for details on how to use the KEHP Benefits Analyzer. You can access the KEHP Benefits Analyzer through KEHP’s Open Enrollment Website: kehp.ky.gov.

Wellness and Prevention Support

KEHP is committed to the health and wellness of our members. All KEHP Wellness programs are completely voluntary, completely confidential, and (in most cases) completely free. Please review these tools and add them to your toolbox for wellness today. See page 29 for more wellness information.

KEHPWELL Hotline 1-877-KEHPWELL

Wouldn’t it be great to have your very own personal health coach? Someone who can help you get active, stop smoking, or lose weight? Or perhaps a personal nurse consultant to help you better manage a chronic disease condition?



KEHP’s Wellness Hotline — a toll-free telephone number with “one-stop shopping” for KEHP wellness services is a free service for all KEHP members.

KEHPWELL Online – Health Coaching At Your Fingertips

Online access to contact your own health coach, assess your health, track your progress toward your wellness goals, view the resource library, and keep a journal of activities. The KEHPWELL Online tool allows you multiple ways to work with your health coach through a chat center, e-mail and forums.



Walk Your Way to a Healthier You

In the first year of this program almost 12,000 KEHP members participated in the Virgin HealthMiles program and walked more than **10 billion steps** – equivalent to more than **5 million miles** and burned the equivalent of **500 million calories** or **145,018 pounds**.

Participants already enrolled in the Virgin HealthMiles program can continue to earn even more cash rewards in 2011 and new participants can still join. There will be additional cash and prize incentives throughout the year. See page 29 for more details on the Virgin HealthMiles program.

KEHP Benefits

Dependent Eligibility Increased to Age 26

The definition of dependent children for KEHP now includes dependent children to age 26; the child can be married and the child does not have to live with the planholder. However, dependent children must not be eligible to enroll in their own employer-sponsored health plan through their employer. See page 22 for more information on KEHP dependent eligibility rules for Plan Year 2011.

Autism Coverage

The annual maximum allowed for Autism Services has greatly increased to \$50,000 per year for dependents ages one through six, and \$1,000 per month for dependents ages seven through 21.

Alliance for a Healthier Generation

In Kentucky, 37.1% of youth between the ages of 10 and 17 are overweight or obese. KEHP is partnering with the Alliance, an initiative of the American Heart Association and the William J. Clinton Foundation, to provide additional healthcare benefits to at-risk children ages 3 to 18. Children who are in the 85th percentile or higher on the pediatric growth chart will have access to four visits per year to their primary care physician and four visits per year to a registered dietician, payable the same as the routine, well-child benefit.

Pre-Existing Condition Elimination for Children

Children under 19 will no longer be subject to pre-existing condition rules starting in 2011.

Unlimited Lifetime Maximum

KEHP continues to provide unlimited lifetime maximum in all four health plans.

Urgent Treatment Center versus Emergency Room Treatment

Co-pays and/or co-insurance for Urgent Treatment Centers remain the same for all four health plans. The Commonwealth Optimum PPO and Commonwealth Capitol Choice PPO plans have a significantly lower co-pay rate than emergency room co-pays (if not admitted). Urgent Treatment Centers are a more cost-effective treatment for non-emergency care for both the member and the health plan.

Routine Well-Child and Well-Adult Care

Employee cost remains the same in all four plans. There is no increase, from 2010, in member responsibility.

Special Enrollment For Dependents

Dependent children, ages 19 to 26, who are eligible to enroll in KEHP, have a 31-day special enrollment period.

The planholder can request enrollment for these dependents beginning October 1, 2010 through October 31, 2010 for coverage to be effective January 1, 2011.

Easy Enrollment

Enrolling Online Is As Simple As

All active employees must enroll for the 2011 Plan Year online by going to kehp.ky.gov.

Online Enrollment

Before you begin the online enrollment process, be sure you have your Employee ID# and Password. This information was mailed to your home.

If you do not have your Employee ID# and Password, contact the Commonwealth Office of Technology at 1-877-741-7017* (outside Frankfort) or 564-3116* (in Frankfort).

**Telephone service at these numbers is only valid October 11 through 24, 2010.*

Paper Enrollment

Most participants will be able to enroll online, but there are a few exceptions. You must complete a paper Enrollment Application and submit it to your Insurance Coordinator if you are:

- Paying by cross-reference with a retiree
- A new employee who has not yet enrolled for 2010 or who wants to begin a cross-reference payment option
- Switching the "primary" planholder on a cross-reference payment option
- Ending a cross-reference payment option
- Retirees who have returned to work and are under age 65

Note: At the top of the paper Enrollment Application (Pages 26 and 27) EVERYONE should mark **Open Enrollment** as the reason for the application. Your Insurance Coordinator will process the application.

Retirees

You may enroll online using the online enrollment information sent to you from your retirement system.

1 EASY

- You can take advantage of the KEHP Benefits Analyzer to assist you in selecting the health plan option that is right for you
- A series of questions will walk you through each step of the enrollment process

2 PRIVATE AND SECURE

- Your Employee ID# and personal Password allow you access to the enrollment site
- We are committed to protecting the privacy of your personal information

3 INSTANT CONFIRMATION

- Once you complete the enrollment process, you will receive a confirmation number screen
- You should immediately review the confirmation information
- If you do not see a confirmation number, your enrollment is not official and you must re-enroll prior to the end of the Open Enrollment period
- Print the confirmation page or write down the confirmation number and save for future reference

Helping you choose the best health plan for your needs...

The KEHP Benefits Analyzer is an easy-to-use, step-by-step website that takes less than 10 minutes and shows you:

- **The right plan** – which health insurance plan meets your family's needs?
- **The right amount** – How much should you contribute to a Healthcare Flexible Spending Account to maximize your tax savings?
- **The right care** – What preventive care does your family need?

All active planholders should access this online tool at **kehp.ky.gov**

- **Select 2011 Open Enrollment**
- **Use your secure Employee ID# and Password to log in**
- **Select the KEHP Benefits Analyzer link**

Choosing a Plan

As you review each plan consider:

- Which coverage option offers you (and your family) the most value and best meets your future needs?
- How much risk should you take?
- Do you expect to have higher healthcare expenses or use more services in 2011 than you did in 2010?



1. **Your Healthcare History** – Review this to see your healthcare spending on premiums and out-of-pocket costs for the past 18 months.
2. **Expected Healthcare Services** – Lets you include anticipated changes to your healthcare needs for the coming year.
3. **Your Healthcare Needs** – Select a few personal preferences that will allow the KEHP Benefits Analyzer to provide you with some additional things to think about.
4. **Recommendations** – Review comparisons of your available plan options, spending account considerations and even preventive care recommendations for the coming year.

Note: This pre-enrollment planning tool is brought to you by KEHP through a partnership with its creator, Thomson Reuters. As part of our contract with Thomson Reuters, KEHP does not have access to your personal health information.

As a general rule of thumb:

- Consider how much money will be deducted from your paychecks, or your "out-of-paycheck" costs.
- Consider how much additional money you will have to pay in the event you receive medical care, or your "out-of-pocket" costs.

Health Plan Choices

Different individuals have different health care needs. For this reason, KEHP continues to offer four different plan choices for the 2011 Plan Year. One of the four plans offers non-smokers a \$0 employee contribution for single coverage and the family cross-reference payment option. While you are free to choose where to receive your care, all four plans offer an opportunity to save money by using an extensive network of preferred providers. None of the four plans require referrals.

All four KEHP plans feature:

- Unlimited lifetime maximums
- 100% coverage for most or all in-network, preventive services
- Low, annual, out-of-pocket maximums

Regardless of which KEHP plan you choose, you will have a comfortable safety net in the event of a chronic or catastrophic condition.

2011 KEHP Options



COMMONWEALTH STANDARD PPO

Commonwealth Standard PPO is a value-based, traditional PPO plan. Although it features higher deductibles, higher member co-insurance percentages, and higher annual out-of-pocket maximums than the Commonwealth Optimum PPO, it offers much lower premiums.

Commonwealth Standard PPO is a good choice for people who are mainly interested in a good, basic plan to provide health coverage and for people who want dependent coverage at a lower price.



COMMONWEALTH MAXIMUM CHOICE

Commonwealth Maximum Choice is a consumer-driven plan that includes a KEHP-funded, Health Reimbursement Account (HRA). KEHP contributes \$1,000 for single coverage, \$1,500 for parent plus and couple coverage, and \$2,000 for family coverage into your HRA.

Commonwealth Maximum Choice is a good choice for people at both ends of the healthcare spectrum: people who are healthy and have few, if any, medical expenses; and people who have chronic or other significant medical conditions with above-average expenses.

According to our actuaries, this is one of KEHP's richer benefit plans. If you choose this plan, you will enjoy substantial "out-of-paycheck" savings throughout the Plan Year. Although the plan includes higher, initial, out-of-pocket costs, the monies funded by KEHP into your HRA can help offset those costs. For example, for single coverage, the money in your HRA may be used to cover the first \$1,000 in out-of-pocket costs. This has the effect of lowering your annual deductible to \$1,300. Once the deductible is met, the plan pays 90% of in-network expenses until you reach your annual, out-of-pocket maximum; and since the plan does not have co-pays, all covered expenses apply to the annual, out-of-pocket maximum. Also, preventive screenings (such as well child care and well adult care) are covered at 100%.

If you had Commonwealth Maximum Choice in 2010, you will "roll over" any unused 2010 HRA funds if you continue with the same plan for the 2011 Plan Year. However, if you chose the Commonwealth Maximum Choice Plan in 2010 and elect a different plan in 2011, any funds remaining in your 2010 HRA WILL NOT roll over.

Due to the nature of the HRA accompanying this plan, RETIREES ARE NOT ELIGIBLE to participate in the Commonwealth Maximum Choice Plan.



COMMONWEALTH CAPITOL CHOICE

Commonwealth Capitol Choice is a unique, hybrid health plan that combines features of a consumer-driven plan with a traditional PPO plan. With this plan, KEHP funds a \$500 per family member “benefit allowance” that provides 100% coverage for many in-network services before you start paying towards your deductible. (Note: the \$500 is a benefit allowance, it does not accumulate nor roll over from year to year.)

Commonwealth Capitol Choice should work especially well for people with annual medical expenses below \$500 and people looking for a plan with excellent inpatient hospital facility benefits.

Commonwealth Capitol Choice offers predictable office visit and pharmacy co-pays, similar to a traditional PPO. Another valuable feature of Commonwealth Capitol Choice is the \$115 per admission, hospital facility co-pay. After payment of the \$115 per admission co-pay and a \$575 annual deductible, you pay nothing for additional hospital facility charges. (Note: physician and other services while in the hospital will apply to the deductible and co-insurance.)



COMMONWEALTH OPTIMUM PPO

Commonwealth Optimum PPO is a traditional Preferred Provider Organization (PPO) plan. This plan is a good choice if you are willing to have larger paycheck deductions in exchange for lower out-of-pocket costs. As with all KEHP plans, you pay less when you use in-network providers. The plan also provides coverage when you use out-of-network providers, but you will pay more.

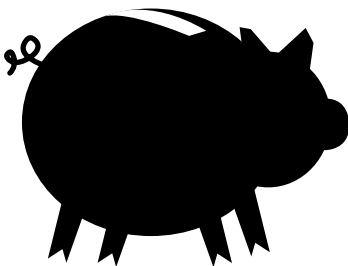
Commonwealth Optimum PPO offers fixed, predictable co-pays for physician office visits, prescription medications, and various other services.

For a detailed explanation of how your insurance works go to kehp.ky.gov.

Know Your Benefits... It Makes Cents

Co-Pay

The flat dollar amount that you pay for a visit to an in-network provider or for a prescription drug. Co-pays do not count to your deductible or out-of-pocket maximum.



Deductible

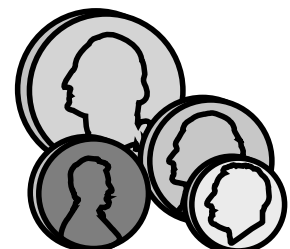
The deductible is the amount you need to pay out of your pocket for covered health expenses before your plan begins paying a percentage of the costs (co-insurance). The deductible applies to the out-of-pocket maximum.

Co-insurance

The percentages of the total medical bill that you and the plan pay once you meet your deductible. For example, if the plan covers an expense at 90% (the plan’s co-insurance), you will pay the remaining 10% (your co-insurance) after your deductible. Co-insurance applies to the out-of-pocket maximum.

Out-of-Pocket Maximum

The most you will pay each year in deductibles and your share of co-insurance. If you reach the maximum, your plan pays 100% of most of your eligible medical bills (except co-pays) for the rest of the year.



Making Sense of the Plans

The following scenarios are designed to assist you in selecting the benefit plan that best meets your needs.

Meet: Roberto and Sheila

Roberto is a 43-year-old, retired social worker who participates in KEHP through his retirement system. His wife, Sheila, is a 46-year-old school secretary who participates in KEHP through her school system. They have a teenage son and need family coverage.

Since Roberto and Sheila are married, need family coverage, and both are eligible for coverage through an organization that participates in KEHP, they qualify for a cross-reference payment option.

Although Roberto and Sheila have different priorities when selecting coverage, they select the Commonwealth Capitol Choice plan because it offers:

- Features of a consumer-driven plan with features of a PPO-type plan
- \$500 per person, per year,

up-front “benefit allowance” for many types of in-network expenses excluding prescription drugs

- Set co-pays for physician office visits and prescription drugs

They both like the low employee premium contribution associated with the family cross-reference payment option.

Kim

Kim is a 41-year-old accountant for a local government. He has a wife and four children and needs family coverage. Kim knows that his “out-of-paycheck” costs may be just as important as his “out-of-pocket” costs. As an accountant, Kim recognizes that the annual cost savings associated with a lower employee premium contribution may offset some or all of a higher deductible plan.

Kim considers the Commonwealth Optimum PPO. Then he reviews the Commonwealth Maximum Choice plan. At first, the \$3,455 family deductible for Commonwealth Maximum Choice seems high – especially when compared to the \$690 family deductible for the Commonwealth Optimum PPO.

Kim selects the Commonwealth Maximum Choice plan because it offers:

- A \$2,130 savings in the annual employee premium contribution
- A \$2,000 Health Reimbursement Account (HRA) funded by KEHP which combines with the premium

savings to give Kim \$4,130 which more than covers the \$3,455 family deductible

- 90% payment of any additional costs until the annual, family, out-of-pocket maximums have been met
- 100% coverage of child and adult preventive care

Linda

Linda is a 57-year-old, retired school teacher who needs couple coverage. Her husband recently had a heart attack and ended up with inpatient hospital facility charges of more than \$40,000. Linda is relieved to know that every KEHP plan has unlimited lifetime maximum benefits. As a retiree, Linda is not eligible for Commonwealth Maximum Choice.

Linda selects the Commonwealth Capitol Choice plan because it offers:

- A \$500 per person, per year, up-front “benefit allowance” for many types of in-network expenses excluding prescription drugs
- A generous inpatient hospital facility benefit; the total out-of-pocket inpatient facility cost is only \$690 – a \$115 per admission inpatient hospital facility co-pay plus a \$575 per person deductible

Josh

Josh is a 24-year-old, unmarried transportation worker who needs single coverage. He only occasionally goes to the doctor. In selecting a health plan, he is mainly interested in a low premium and coverage for his infrequent doctor visits.

Josh selects the Commonwealth Maximum Choice plan because it offers:

- A lower employee premium contribution for single coverage
- A \$1,000 Health Reimbursement Account (HRA) funded by KEHP which offsets the higher deductible of \$2,300; HRA funds can be used for qualified medical, dental, vision, and other types of expenses

Josh can pay for his estimated annual medical and pharmacy expenses of \$400 with the KEHP funded HRA. With the remaining \$600 funds in the HRA, he can purchase a new pair of \$300 glasses and still have \$300 to roll over to the next year if he continues with the Commonwealth Maximum Choice plan.

Keely

Keely is a 19-year-old food service worker who needs couple coverage. She and her husband are healthy with very few medical issues or costs. They typically go to the doctor only once a year for their preventive exams. They very rarely have prescriptions or other medical needs.

Keely selects the Commonwealth Standard PPO plan because it offers:

- The lowest employee premium contributions
- Catastrophic coverage
- Dependent coverage at a lower price

Rohini

Rohini is a 38-year-old, divorced, school principal with two young children who needs parent plus coverage. Each year, the children require numerous visits to the pediatrician. She is willing to pay more in monthly premiums for the peace of mind of predictable co-pays.

Rohini selects the Commonwealth Optimum PPO plan because it offers:

- Set co-pays for physician office visits and prescription drugs that allow her to know beforehand how much each doctor visit and each medicine will cost
- A lower annual, out-of-pocket maximum in the event of a catastrophic injury



2011 Monthly Premiums

Non-Smoker Rates

Commonwealth Standard PPO

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$486.40	\$486.40	\$0.00
Parent Plus	\$749.84	\$741.56	\$8.28
Couple	\$1,127.80	\$845.62	\$282.18
Family	\$1,253.56	\$965.12	\$288.44
Family Cross Reference**	\$626.78	\$626.78	\$0.00

Commonwealth Maximum Choice

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$605.40	\$575.42	\$29.98
Parent Plus	\$861.26	\$742.60	\$118.66
Couple	\$1,207.80	\$843.02	\$364.78
Family	\$1,377.36	\$943.20	\$434.16
Family Cross Reference**	\$688.68	\$644.34	\$44.34

Commonwealth Capitol Choice

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$625.68	\$589.14	\$36.54
Parent Plus	\$909.02	\$752.04	\$156.98
Couple	\$1,387.36	\$903.38	\$483.98
Family	\$1,537.92	\$964.76	\$573.16
Family Cross Reference**	\$768.96	\$717.22	\$51.74

Commonwealth Optimum PPO

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$650.30	\$588.78	\$61.52
Parent Plus	\$905.42	\$713.02	\$192.40
Couple	\$1,405.66	\$893.88	\$511.78
Family	\$1,565.88	\$954.22	\$611.66
Family Cross Reference**	\$782.94	\$714.54	\$68.40

2011 Monthly Premiums

Smoker Rates

Commonwealth Standard PPO

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$486.40	\$460.90	\$25.50
Parent Plus	\$749.84	\$689.24	\$60.60
Couple	\$1,127.80	\$793.30	\$334.50
Family	\$1,253.56	\$912.80	\$340.76
Family Cross Reference**	\$626.78	\$602.06	\$24.72

Commonwealth Maximum Choice

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$605.40	\$549.88	\$55.52
Parent Plus	\$861.26	\$690.28	\$170.98
Couple	\$1,207.80	\$790.70	\$417.10
Family	\$1,377.36	\$890.88	\$486.48
Family Cross Reference**	\$688.68	\$619.70	\$68.98

Commonwealth Capitol Choice

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$625.68	\$563.86	\$61.82
Parent Plus	\$909.02	\$699.72	\$209.30
Couple	\$1,387.36	\$850.96	\$536.40
Family	\$1,537.92	\$912.44	\$625.48
Family Cross Reference**	\$768.96	\$692.46	\$76.50

*All employee contributions are per employee, per month.

**For additional information about the family cross-reference payment option, see page 24. If either employee in a Family Cross Reference Plan is a smoker, both employees are subject to the monthly Smoker Rates.

Commonwealth Optimum PPO

	Total Premium	Employer Contribution	Employee Contribution*
Single	\$650.30	\$563.66	\$86.64
Parent Plus	\$905.42	\$660.70	\$244.72
Couple	\$1,405.66	\$841.56	\$564.10
Family	\$1,565.88	\$901.90	\$663.98
Family Cross Reference**	\$782.94	\$689.82	\$93.12



Kentucky Employees' Health Plan - 2011 Benefits Grid

Benefit Plan	Commonwealth Standard PPO		Commonwealth Maximum Choice (not available to Retirees)		Commonwealth Capitol Choice		Commonwealth Optimum PPO	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Lifetime Maximum Health Reimbursement Account (HRA)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Up-Front Benefit Allowance	Not Applicable	Not Applicable	Single: \$1,000; Parent Plus: \$1,500; Couple \$1,500; Family \$2,000 Cross Ref. \$2,000	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Annual Deductible	Single \$500 Family \$1,500	Single \$1,500 Family \$3,000	Single \$2,300 Family \$3,455	Single \$2,300 Family \$3,455	Single \$575 Family \$1,725	Single \$1,150 Family \$3,455	Single \$345 Family \$690	Single \$690 Family \$1,380
Annual Out-of-Pocket Maximum	Single \$3,500 Family \$7,000	Single \$5,000 Family \$9,500	Single \$3,455 Family \$5,185	Single \$4,600 Family \$6,900	Single \$2,300 Family \$6,900	Single \$3,800 Family \$9,400	Single \$1,295 Family \$2,590	Single \$2,590 Family \$5,185
Co-Insurance	Plan: 75% Member: 25%	Plan: 50% Member: 50%	Plan: 90% Member: 10%	Plan: 60% Member: 40%	Plan: 80% Member: 20%	Plan: 60% Member: 40%	Plan: 85% Member: 15%	Plan: 70% Member: 30%
Doctor's Office Visits	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	Co-Pay: \$20 PCP; \$25 Specialist	Deductible then 40%*	Co-Pay: \$15 PCP; \$20 Specialist	Deductible then 30%*
Physician Care (Inpatient/Outpatient/Other)	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	Deductible then 20%*	Deductible then 40%*	Deductible then 15%*	Deductible then 30%*
Diagnostic Tests In Doctor's Office (Same Site/ Same Day as Office Visit)	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	Office Visit Co-Pay	Deductible then 40%*	Office Visit Co-Pay	Deductible then 30%*
Other Laboratory	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	Deductible then 20%*	Deductible then 40%*	\$15 Co-Pay	Deductible then 30%*
Inpatient Hospital (Semi-Private Room)	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	\$115 Co-Pay per Admission plus Deductible*	Deductible then 40%*	Deductible then 15%*	Deductible then 30%*
Outpatient Hospital/Surgery	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	\$55 Co-Pay plus Deductible*	Deductible then 40%*	Deductible then 15%*	Deductible then 30%*
ER Physician Care	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	Deductible only	Deductible only	15%*	Deductible then 30%*
Emergency Room	\$50 Co-Pay then Deductible then 25%*	\$50 Co-Pay then Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	\$115 Co-Pay plus Deductible*	\$115 Co-Pay plus Deductible*	\$85 Co-Pay then 15%*	\$85 Co-Pay then Deductible then 30%*
Ambulance	Deductible then 25%*	Co-Pay waived if admitted Deductible then 25%*	Deductible then 10%*	Deductible then 10%*	Co-Pay waived if admitted Deductible then 20%*	Co-Pay waived if admitted Deductible then 20%*	Co-Pay waived if admitted Deductible then 15%*	Deductible then 15%*

Urgent Care Center (Facility)	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	\$50 Co-Pay	Deductible then 40%*	\$20 Co-Pay	Deductible then 30%*
Mental Health	Treated the same as any other health condition. See specifics related to physician specialists, inpatient and outpatient services.							
Allergy Injections	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	\$10 Co-Pay	Deductible then 40%*	\$15 Co-Pay	Deductible then 30%*
Maternity Care (See SPD for Specifics)	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	\$20 Co-Pay (office visit pregnancy diagnosed) Delivery Charge: Deductible then 20%*	Deductible then 40%*	\$15 Co-Pay (office visit pregnancy diagnosed) Delivery Charge: Deductible then 15%*	Deductible then 30%*
Routine Well Child Care (0-18 Years Old)	Covered at 100%	Covered at 100%	Covered at 100%	Not Covered	\$15 Co-Pay	Deductible then 40%*	\$10 Co-Pay	Deductible then 30%*
Routine Well Adult Care (Over 18)	Covered at 100%	Covered at 100%	Covered at 100%	Not Covered	\$15 Co-Pay	Deductible then 40%*	\$10 Co-Pay	Deductible then 30%*
Autism Service (Benefits payable based on services rendered)	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000	Ages 1 through 6 Annual Maximum \$50,000 Ages 7 through 21 Monthly Maximum \$1,000
Durable Medical Equipment	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	Deductible then 20%*	Deductible then 40%*	Deductible then 15%*	Deductible then 30%*
Therapy Services (Per Visit; Physical, Occupational, Speech)	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	Deductible then 20%*	Deductible then 40%*	Deductible then 15%*	Deductible then 30%*
Chiropractic Care	Deductible then 25%*	Deductible then 50%*	Deductible then 10%*	Deductible then 40%*	\$20 Co-Pay	Deductible then 40%*	\$15 Co-Pay	Deductible then 30%*
Administered by Express Scripts								
Prescription Drugs								
30-Day Supply								
Tier 1 - Generic	25%	Not Applicable	Each Tier: Deductible then 10%*	Each Tier: Deductible then 40%*	\$10	Not Applicable	\$10	Each Tier: 30%
Tier 2 - Formulary	Min \$10 - Max \$25	Not Applicable	Each Tier: Deductible then 10%*	Each Tier: Deductible then 40%*	\$25**	Not Applicable	\$25**	Each Tier: 30%
Tier 3 - Non-Formulary	Min \$20 - Max \$50	Not Applicable	Each Tier: Deductible then 10%*	Each Tier: Deductible then 40%*	\$45**	Not Applicable	\$45**	Each Tier: 30%
90-Day Supply (Retail or Mail Order)								
Tier 1 - Generic	25%	Not Applicable	Each Tier: Deductible then 10%*	Each Tier: Deductible then 40%*	\$15	Not Applicable	\$15	Not Applicable
Tier 2 - Formulary	Min \$20 - Max \$50	Not Applicable	Each Tier: Deductible then 10%*	Each Tier: Deductible then 40%*	\$45	Not Applicable	\$45	Not Applicable
Tier 3 - Non Formulary	Min \$40 - Max \$100	Not Applicable	Each Tier: Deductible then 10%*	Each Tier: Deductible then 40%*	\$90	Not Applicable	\$90	Not Applicable

Note: The boxed areas of the grid are components of each plan most often used by members when making a plan choice, but are not all inclusive of plan options. Please refer to the **KEHP Summary Plan Descriptions (SPDs)** for a complete list of benefits. KEHP has made every attempt to ensure the accuracy of the benefits outlined in this Benefits Grid. However, if an error has occurred, the benefits outlined in the 2011 SPDs will determine how benefits are paid. Benefits are subject to the terms, conditions, limitations and exclusions set forth in the SPDs.

* Applies to out-of-pocket maximum **After the 75th prescription has been filled, excluding mail order, the prescription drug co-pays will reduce to \$20 (Tier 2) and \$35 (Tier 3).

The Kentucky Employees' Health Plan Offers Two Flexible Spending Accounts (FSAs) Which Can Save You Money!

One is a Healthcare FSA, and the other is a Dependent Care FSA. Both FSAs are tax free accounts that allow you to pay for certain healthcare or dependent care (child or adult day care services) expenses with pre-tax money that you set aside through payroll deductions. This results in you paying less income and Social Security taxes!

Healthcare Flexible Spending Account

A Healthcare FSA is an account available for you to pay for healthcare services such as prescription co-payments, deductibles, and doctor's office co-payments with pre-tax money. You may contribute up to \$5,000 a calendar year into your account. The amount you contribute will be payroll deducted. Make sure to set aside only as much as you will use – with an FSA, you can use the money only for eligible expenses paid for during the current plan year.



Who is Eligible to Participate?

- Employees of state agencies or school boards
- Employees of local health departments and certain quasi-governmental agencies must contact their Insurance Coordinators for participating details

Who is NOT Eligible to Participate?

- Retirees
- Non-participating agencies
- Employees or spouses with a Health Savings Account (HSA)

What's Covered Under a Healthcare FSA?

A Healthcare FSA covers healthcare expenses that are not usually covered by your health insurance. You can use your FSA for family members who are considered a tax dependent.

A **few examples** of eligible covered expenses are listed below.

- Medical & prescription co-payments
- Certain dental fees
- Orthodontic treatment
- Vision fees, including eyeglasses

This is not a complete listing. You can see a more comprehensive list of covered services at kehpn.ky.gov.

How Do I Receive a Reimbursement?

It's easy! You will receive a HumanaAccessSM Visa[®] Debit Card, and your funds will be automatically deducted from your account. You can use the HumanaAccessSM Visa[®] Debit Card anywhere that VISA[®] is accepted. Because of IRS rules, Humana may contact you to verify that your expense was a qualified expense.

Or, you can pay for your eligible expenses up front and submit the documentation to Humana for reimbursement. You must complete an FSA Reimbursement Form. You can access the form at kehpn.ky.gov or MyHumana.com and fax or mail to address on facing page.

**Remember:
Use-it or lose-it!**

How a Healthcare FSA Saves Money...

Example: Tammy

Last year, Tammy made \$28,000 and put \$1,500 in her healthcare FSA. The example below shows how much she saved by using the pre-tax money for qualified health expenses. Without an FSA, she would have paid for these expenses from her take-home pay, which she paid taxes on. **She saved \$340.**

	No FSA	With FSA
Annual taxable income	\$28,000	\$28,000
Pre-tax money deposited into FSA through payroll deduction	0	\$1,500
Remaining taxable income	\$28,000	\$26,500
Minus Federal and Social Security Taxes	\$5,945	\$5,605
Remaining take-home pay	\$22,055	\$20,895
Minus the take-home pay spent on qualified expenses	\$1,500	0
Remaining take-home pay	\$20,555	\$20,895
Savings	0	\$340

For all FSA & HRA accounts:

You will have until March 31, 2012 to submit ALL reimbursement requests incurred during your 2011 coverage period.

Dependent Care Flexible Spending Account (Child Care or Adult Day Care)

A Dependent Care FSA allows you to pay for dependent care expenses such as a day care or after-school program for dependents up to age 13, or an adult day care. The maximum that you can contribute per year is based on your tax-filing status as listed below:

- Married, filing a joint return \$5,000
- Head-of-Household \$5,000
- Married, filing separate returns \$2,500

Make sure to set aside only as much as you will use – with an FSA, you can use the money only for eligible expenses paid for during the current plan year.

**Remember:
Use-it or lose-it!**

How Do I Receive a Reimbursement?

You must submit a statement from your daycare to Humana, which reflects the amount charged for services. Humana will issue you a check, or directly deposit your reimbursement into your checking account.

You must complete an FSA Reimbursement Form. You can access the form at kehp.ky.gov or MyHumana.com and fax or mail to address on below.

For all FSA & HRA accounts:

Humana Spending Account Administration
P.O. Box 14167
Lexington KY 40512-4167
800-604-6228 FAX 800-905-1851

Health Reimbursement Account (HRA)

If, as an eligible, active employee, you choose to waive your health insurance coverage, your employer will contribute \$175 per month, up to \$2,100 per year, to a **Health Reimbursement Account (HRA)**.

An HRA is a federally qualified expense account where KEHP sets aside funds to reimburse you for qualified medical expenses. A few examples of eligible covered expenses are listed below.

- Medical & prescription co-payments
- Certain dental fees
- Orthodontic treatment
- Vision fees, including eyeglasses
- Co-insurance
- Wheelchairs

You can see a more comprehensive list at kehpcy.gov.

Who is Eligible?

You are eligible to waive health insurance and enroll in the HRA if you are an active employee of a state agency, school board, or certain quasi agencies who is eligible for state-sponsored health insurance coverage.

You are also eligible to waive health insurance and enroll in the HRA if you are a retiree who has returned to work AND who is over age 65. REMEMBER, if you choose to waive health insurance through KEHP, your waiver HRA will be your primary health plan over Medicare.

Who is NOT Eligible?

- If you (or your spouse) have a Health Savings Account (HSA), you cannot have an HRA per IRS regulation
- If you are a member of an agency that chose NOT to participate in the KEHP Waiver HRA
- If you are a retiree (under age 65) who has gone back to work and elected health insurance coverage under your retirement system

NEW

Beginning in 2011, FSA and HRA funds cannot be used for over-the-counter medicines unless specifically prescribed by a doctor.

For BOTH FSA and HRA accounts please note:

It's important to save your receipts. The IRS requires that 100% of all claims be verified as an eligible expense. Humana will attempt to verify that your claim is eligible for reimbursement through their claims system. If Humana cannot verify that the service is eligible, you will be required to provide documentation to them – often referred to as “substantiation.”

If you have your health insurance coverage with KEHP, then most of your Healthcare FSA and HRA claims will be automatically substantiated by Humana and you will not be required to provide documentation. However, if you waive your health insurance with KEHP, then you will be required to provide documentation on all of your claims. This is because as a waiver, Humana will not have access to your health insurance claims payments and therefore will not be able to automatically verify them.

All dental and vision claims require substantiation.



Prescription coverage is administered by Express Scripts, Inc. The amount you pay will depend on the health plan you select and whether the prescribed drug is a Tier 1/Generic Drug, Tier 2/Formulary Brand Drug, or Tier 3/Non-Formulary Brand Drug. For details on the pharmacy breakout of each health plan, see page 17.

Formulary and Additional Pharmacy Coverage Information

You may view the Express Scripts National Preferred Formulary for KEHP at kehpcy.gov. The website also includes the Pharmacy Summary Plan Descriptions which provide additional information about Prior Authorization; Step Therapy; Quantity Level Limit programs; inherited metabolic diseases; CuraScript Specialty Pharmacy; and other pharmacy issues.

Save Money With Maintenance Drug Mail Order and 90-Day Retail Programs

You may receive a 90-day supply of maintenance drugs through Express Scripts mail order or through participating local retail pharmacies.

Purchasing the 90-day supply of maintenance drugs allows you to pay for a three-month supply for a two-month co-pay or co-insurance.

To qualify for the mail order benefit, the drug must be listed on Express Scripts' maintenance drug list.

Tier Payment Level Descriptions

- Tier 1 - Generic Drugs

Generic prescription drugs have the same active ingredients in the same dosage form and strength as their brand-name counterparts. The U.S. Food and Drug Administration (FDA) approves both brand-name drugs and generic drugs and requires generic drugs to have the same active ingredients.

Kentucky law requires the pharmacy to dispense the generic drug if a generic drug is available. Generic drugs are therapeutically equivalent to brand name drugs whose patents have expired.

- Tier 2 - Formulary Brand Drugs

A formulary brand-name drug is a drug that has been reviewed and approved by an independent group of doctors and pharmacists, and has been selected for formulary inclusion based on its proven clinical and cost-effectiveness.

- Tier 3 - Non-Formulary Brand Drugs

A non-formulary brand drug is a brand-name prescription-drug that has one or more therapeutic alternatives available, either a generic drug or a formulary brand drug. A non-formulary drug, is a drug that has been reviewed by the same team of doctors and pharmacists. They've determined that a therapeutically-equivalent and more cost-effective alternative drug is available.

Throughout the year, these designations may change as new clinical information becomes available. Sometimes, formulary brand drugs are moved to non-formulary status when generic versions of that drug become available.

Dependent Eligibility Rules and Verification Requirements for Plan Year 2011



Eligibility Definition	Documentation Required
<p><u>Spouse</u> A person of the opposite sex to whom you are legally married.</p>	<p>A legible photocopy of the Marriage Certificate OR a legible photocopy of the top half of the front page of the employee/retiree's most recent federal tax return (Form 1040)</p>
<p><u>Common Law Spouse</u> A person of the opposite sex with whom you have established a Common Law union in a state which recognizes Common Law marriage (Kentucky does not recognize Common Law Marriage).</p>	<p>A legible photocopy of the Certificate or Affidavit of Common Law Marriage from a state that recognizes Common Law Marriage.</p>
<p><u>Child Age 0 to 18</u> In the case of a child who has not yet attained his/her 19th birthday, "child" means an individual who is –</p> <ul style="list-style-type: none"> • A son, daughter, stepson, or stepdaughter of the employee/retiree, or • An eligible foster child of the employee/retiree (eligible foster child means an individual who is placed with the employee/retiree by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction), or • An adopted child of the employee/retiree (a legally adopted individual of the employee/retiree, or an individual who is lawfully placed with the employee/retiree for legal adoption by the employee/retiree, shall be treated as a child), or • A grandchild for whom the employee/retiree has been awarded guardianship or custody by a court of competent jurisdiction. 	<p><u>Natural Child:</u> A legible photocopy of the child's birth certificate showing the name of the employee/retiree as a parent.</p> <p><u>Step Child:</u> A legible photocopy of the child's birth certificate showing the name of the employee/retiree's spouse as a parent; and a legible copy of the marriage certificate showing the names of the employee/retiree and the spouse.</p> <p><u>Legal Guardian, Adoption, Grandchild(ren) or Foster Child(ren):</u> Legible photocopies of Court Orders, Guardianship Documents, Affidavits of Dependency, with the presiding judge's signature and filed status; or legible Adoption or Legal Placement Decrees with the presiding judge's signature.</p>
<p><u>Child Age 19 to 25</u> In the case of a child who has attained his/her 19th birthday but who has not yet attained his/her 26th birthday, "child" means an individual who is –</p> <ul style="list-style-type: none"> • A son, daughter, stepson, stepdaughter, eligible foster child, an adopted child or a grandchild of the employee/retiree – as described above; <p>AND</p> <ul style="list-style-type: none"> • Is <u>NOT</u> eligible to enroll in an employer-sponsored health plan offered by the child's employer. 	<p>Must submit the documents described above for children and the Kentucky Employees' Health Plan 2011 Certification of Dependent Eligibility form.</p>
<p><u>Disabled Dependent</u> A dependent child who is totally and permanently disabled may be covered on your KEHP benefit plan beyond the end of the month in which he/she turns 26, provided the disability (a) started before his/her 26th birthday and (b) is medically-certified by a physician. A disabled child who was not covered on this Plan prior to his/her 26th birthday may not be enrolled in KEHP unless he/she sustains a specific qualifying event.</p>	<p>Contact the Enrollment Information Branch at 502-564-1205 for the specific documentation needed.</p>
<p><u>Cross Reference Payment Option</u> A payment option involving two employees/retirees who are a legally married couple and enroll themselves and at least one child as a dependent in a KEHP family plan.</p>	<p>Documentation listed above to verify spouse and children.</p>

Please Note: Documentation for dependents enrolled during Open Enrollment (who were not previously verified during the dependent audit) must be provided no later than December 20, 2010. Dependent verification for Qualifying Events must be submitted with the Qualifying Event documents. Qualifying Event enrollment documents must be signed within the event timeframe.

This form MUST be submitted for every dependent child between the ages of 19-26



**Kentucky Employees' Health Plan
2011 Certification of Dependent Eligibility
Must be submitted for covered dependents ages 19 to 26**

Section I: Statement of Dependency

Name of KEHP Member

Member's Social Security Number

Name of Dependent

Dependent's Social Security Number

Dependent's Date of Birth

Section II: Dependent's Status

Does the dependent meet the dependent eligibility criteria for Kentucky Employees' Health Plan? Yes No

Is this Dependent Employed? Yes No

Name and Address of Employer: _____

Does this employer offer health insurance for which this dependent is eligible? Yes No

Section III: Acknowledgement

I, the member, and I, the dependent referenced above, do certify under penalty of perjury that the information I have provided on this affidavit is correct and complete. I understand that omissions or incorrect statements made by me on this affidavit could lead to (1) retroactive loss of benefits for the dependent named above; (2) disciplinary action, up to and including termination of employment; and (3) civil and/or criminal penalties.

I understand that this form is not an application for insurance coverage and that the purpose of this form is to establish eligibility of dependent persons named herein for the coverage provided under the Kentucky Employees' Health Plan.

I understand that this signed affidavit will be retained in my employee benefits file.

Print Name of Member

Print Name of Dependent

Signature of Member

Signature of Dependent

Date

Date



Mail to KEHP at: 501 High Street, 2nd Floor, Frankfort KY 40601

Mid-Year Changes

KEHP is operated as a federally regulated, Section 125 Cafeteria Plan which enables you to pay your health insurance premiums and your flexible spending account contributions with pre-tax dollars. In exchange for this benefit, there are only three times you can change or cancel your benefit elections during the plan year.

- During the enrollment period when you first become eligible for benefits
- During the annual Open Enrollment period;
- If you experience a life event, referred to as a **Qualifying Event**

What is a Qualifying Event?

- *Marriage*
- *Having or adopting a child*
- *Divorce*
- *Loss of other health insurance*
- *Legal guardianship or court order*

If You Have a Qualifying Event ...

In all cases, the change of your coverage election must be consistent with the Qualifying Event. For most events, you must complete an Enrollment Change Application Form and submit to your Insurance Coordinator within 35 calendar days. If you have a baby, or adopt a child, you have 60 calendar days unless adding additional dependents.

The subject of Qualifying Events is a complicated one. There are some restrictions on the types of changes you may make due to the federal Qualifying Event rules. A Change in Status may or may not entitle you to change the amount you contribute to a Flexible Spending Account. If you do not sign and date the required form in a timely manner, you will not be permitted to revise your coverage election until the next Open Enrollment period.

For additional information about Qualifying Events, contact your Insurance Coordinator or consult the 2011 Summary Plan Descriptions at kehp.ky.gov. Summary Plan Descriptions will be available beginning January 1, 2011.

Transition From Dependent Child to Employee

An employee of an agency participating in KEHP may NOT be covered as a dependent child under his/her parents' KEHP plan. The employee must elect coverage under his/her own plan.

Family Cross-Reference Payment Option

The Family Cross-Reference payment option is a legislatively mandated payment option made available only for two eligible employees who are legally married and have at least one eligible dependent. When choosing this option, the dual planholders are required to elect the same benefit plan, complete all other required information when enrolling, and have both planholders authorize or sign the enrollment application.

Remember, you must continue to meet all eligibility requirements to continue Cross-Referencing. When the Cross-Reference payment option ends, the remaining planholder will default to parent-plus coverage. However, the remaining planholder has the option to enroll in single coverage or to elect dependent coverage for the former planholder. To make any changes, the remaining planholder must submit a KEHP Add/Drop Form within 35 days of the end of the Cross-Reference eligibility.

If you are a retiree, you should enroll online with your retirement system or obtain an application from your retirement system if necessary. You must also get rates and/or contribution amounts from your retirement system.

Retirees should NOT complete the application included in this booklet. Commonwealth Maximum Choice will NOT be available for retirees.

KRS Retirees

KRS retirees should receive a packet from Kentucky Retirement Systems detailing rates, contribution amounts, enrollment instructions and benefit fairs. Please refer to that material if you have questions regarding your benefit.

KRS retirees who return to work and become eligible for KEHP coverage may be INELIGIBLE for KRS coverage. Re-employed retirees with questions are urged to contact KRS.

KTRS Retirees

KTRS retirees will receive an enrollment packet from KTRS detailing rates, contribution amounts and enrollment instructions.

KTRS retirees who return to work and become eligible for KEHP coverage are INELIGIBLE for KTRS coverage. Re-employed retirees with questions are urged to contact KTRS.

The Enrollment Application in this Guide is for active employees ONLY.

Who to Call

- **Humana:** 877-KYSPIRIT
- **KEHP**
888-581-8834
502-564-6534
- **Kentucky Teachers' Retirement System**
800-618-1687
502-848-8500
- **Kentucky Retirement Systems**
800-928-4646, menu option 2
502-696-8800, menu option 2
- **KCTCS Retirement**
859-256-3100
- **Judicial Retirement or Legislative Retirement**
502-564-5310

Where to Click

- www.MyHumana.com
- www.kehp.ky.gov
- www.ktrs.ky.gov
- www.kyret.ky.gov





KENTUCKY EMPLOYEES' HEALTH PLAN PY 2011
ENROLLMENT/CHANGE APPLICATION – Active Employee
 www.KEHP.KY.GOV • 1-888-581-8834

Insurance Coordinator Section

Coverage Effective Date / / 2 0 1 1 Company Number

Reason for Application

<input type="checkbox"/>	New Hire
<input type="checkbox"/>	Open Enrollment
<input type="checkbox"/>	New Group
<input type="checkbox"/>	QE
<input type="checkbox"/>	Other
Reason	

If QE select reason Date of Event / /

<input type="checkbox"/>	Deletion of dependent
<input type="checkbox"/>	Divorce
<input type="checkbox"/>	Death
<input type="checkbox"/>	Loss of eligibility
<input type="checkbox"/>	Gaining other coverage
<input type="checkbox"/>	Gaining Medicare/Medicaid
Other	
Reason	

<input type="checkbox"/>	Addition of Dependent
<input type="checkbox"/>	Marriage
<input type="checkbox"/>	Birth/Adoption of child
<input type="checkbox"/>	Guardianship/Ct Order
<input type="checkbox"/>	Loss of other coverage
<input type="checkbox"/>	Loss of KCHIP/Medicaid
<input type="checkbox"/>	Re-establishes eligibility
<input type="checkbox"/>	Special Enrollment

Demographic Information

I am covered under a KY retirement plan My Hazardous Duty Plan Spouse's Hazardous Duty plan Medicare Supplement I am a Dual Employee

- - Social Security Number / / Date of Birth

Name (First, MI, Last) _____

Mailing Address _____

City, State, Zip Code _____

Home or mobile phone number _____ Work phone number _____ Email Address _____

Have you smoked in the last 2 months? YES NO
 Gender M F Marital Status M S

Dependent Information

SOCIAL SECURITY NUMBER	NAME (FIRST, MI, LAST)	BIRTH DATE MONTH/ DAY/ YEAR	GENDER	Cross Reference Payment Option (LRC, JRC not eligible)
Spouse		__/__/__	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> YES (Employee, Employee and child(ren))
SP's Company number	<input type="checkbox"/> Dual Employee <input type="checkbox"/> Hazardous Duty	Has spouse smoked in last 2 months <input type="checkbox"/> YES <input type="checkbox"/> NO		Date of hire/retirement __/__/__
Child 1		__/__/__	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Natural <input type="checkbox"/> Foster <input type="checkbox"/> Adopted <input type="checkbox"/> Step <input type="checkbox"/> Court Order <input type="checkbox"/> Disabled
Child 2		__/__/__	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Natural <input type="checkbox"/> Foster <input type="checkbox"/> Adopted <input type="checkbox"/> Step <input type="checkbox"/> Court Order <input type="checkbox"/> Disabled
Child 3		__/__/__	<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Natural <input type="checkbox"/> Foster <input type="checkbox"/> Adopted <input type="checkbox"/> Step <input type="checkbox"/> Court Order <input type="checkbox"/> Disabled

Plan Election

Benefit Options

Commonwealth Optimum PPO
 Commonwealth Capitol Choice PPO
 Commonwealth Standard PPO
 Commonwealth Maximum Choice PPO

Coverage Level

Single (self only)
 Parent Plus (self and child(ren))
 Couple (self and spouse)
 Family (self, spouse and child(ren))

Waiver (No Health Insurance) \Rightarrow \$175/mo HRA NO HRA (not eligible)

Healthcare FSA for qualified healthcare expenses
 Calendar Year Contribution must be divisible by two
 Min = \$10/paycheck; Max = \$5,000/year
 Employee \$ _____ Spouse \$ _____
 If cross referenced

Dependent Care FSA for qualified daycare expenses
 Calendar Year Contribution
 Max = \$5,000 married filing joint and head-of-household (HOH); \$2,500 married filing separate
 HOH Married filing: Joint Separate
 Employee \$ _____ Spouse \$ _____



Planholder's SSN

Authorization and Certification

I understand and agree that:

- I have made the above plan selection for plan year 2011.
My signature on this application creates a legal and binding contract between myself, the Department of Employee Insurance (DEI), Kentucky Employees' Health Plan (KEHP) and any TPA's.
If my spouse and I elect the cross-reference payment option, we are dual plan holders with Family coverage and that upon a loss of eligibility by either spouse, the remaining plan holder will have the option to enroll in either Single or Parent Plus coverage. The cross-reference payment option ceases upon loss of eligibility or employment by either spouse/plan holder.
I certify that each dependent I am enrolling meets the eligibility requirements of a dependent as set forth in the Summary Plan Description(s) and in the KEHP Benefits Selection Guide. I understand that DEI requires supporting documentation to verify the eligibility of any dependent enrolled or requesting to be enrolled in the Plan. And, in addition, an affidavit 2011 Certification of Dependent Eligibility must be submitted for dependent children between the ages of 19-26.
All benefits for myself and eligible dependents be provided in accordance with the Summary Plan Description (s) and Benefits Selection Guide.
I will abide by the terms and conditions governing membership and receipt of services from the plan in which I have enrolled.
The elections indicated on this application may not be changed or cancelled during the Plan Year, with the exception of certain Qualifying Events.
I authorize my employer to deduct from my earnings the amount required to cover my share of the coverage I have selected, including any arrears I may owe. I authorize payment of my employee contributions to be made on a pre-tax basis unless I sign a Post-Tax Form.
If I elect to waive KEHP medical coverage, with or without a stand-alone Health Reimbursement Account (HRA), I am doing so voluntarily and intentionally.
Enrollment in a Healthcare and/or Dependent Care Flexible Spending Account (FSA) is voluntary and optional and that by completing the FSA section of this application, I am enrolling in an FSA, if eligible to participate.
Regarding my FSA and HRA, any dependents for which I claim reimbursement are eligible to seek such reimbursement.
I have a 90-day run-out period (until March 31) for reimbursement of eligible Healthcare FSA and HRA expenses incurred during my period of coverage.
Regarding my Healthcare FSA, any unused amount remaining in my spending account at the end of the Plan Year cannot be carried forward to the next year due to federal law.
My HumanaAccessSM Visa®Card will be suspended if the required HRA/ FSA claim verification is not sent in within sixty (60) days after the card swipe. I agree to follow all rules and guidelines established by the plan concerning the HumanaAccessSM Visa®Card.
This Plan reserves the right to deny access to the card, require repayment, deduct/withhold from your paycheck and offset your HRA/ FSA if you fail to properly substantiate your HRA/ FSA claims.
This plan has a tobacco incentive for members who do not use tobacco and that this plan offers tobacco cessation programs.
Plan terms permit rescission of coverage with respect to an individual if the individual engages in an act, practice, or omission that constitutes fraud or makes an intentional misrepresentation of a material fact.
I have rights under HIPAA and that DEI will comply with the HIPAA rules and that disclosure of protected information will be done under the rules of such Federal Law. I further authorize DEI to use such information and to disclose such information to business associates, third party administrators, vendors, consultants, governmental agencies with jurisdiction and other necessary parties when necessary for my care or treatment, payment for services, the operation of my health plan or to conduct related activities.
Any person who knowingly, and with the intent to defraud any insurance company or other person, files an application for insurance containing any forged signature or incorrect signature date thereto commits a fraudulent insurance act, which is a crime. I understand that I can be held responsible for any fraudulent act that is the result of a forged signature or incorrect signature date that I could have prevented while acting within my duties related to the KEHP and it may be used to reduce or deny a claim or to terminate my coverage.
I have fully read the materials provided to me. My signature below certifies that all information, signatures and signature dates affixed to this contract are correct to the best of my knowledge.

Please submit this application to your Insurance Coordinator

Employee Signature

Date

Spouse Signature - REQUIRED if electing the cross-reference payment option

Date

Insurance Coordinator Signature

Date

Spouse's Insurance Coordinator Signature - REQUIRED if electing the cross-reference payment option

Date

Know Your Rights – Important Legal Notices

As a KEHP member, you have certain legal rights. Notices of the following legal rights were mailed to your home. You may also find a complete copy of the notices on KEHP's website at kehpn.ky.gov and in the KEHP Summary Plan Descriptions.

Notice of Opportunity to Enroll Due to Extension of Dependent Coverage to Age 26

Individuals whose KEHP coverage ended, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before attainment of age 26 are eligible to enroll in KEHP. Individuals may request enrollment for such children for 31 days, beginning October 1, 2010 and ending October 31, 2010. KEHP 2011 Open Enrollment is October 11 through October 24, 2010. Coverage will be effective January 1, 2011. For more information contact KEHP at 888-581-8834.

Notice of Grandfathered Status of Plan Year 2011

KEHP believes it is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits and rescission. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to KEHP at 888-581-8834. You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

Information About Medicare Secondary Payor

Employer group health plans, like KEHP, must pay primary to Medicare for employees who are eligible for the employer's group health plan by

reason of their current employment status. If a retiree returns to work and works enough hours to qualify for coverage under the employer's group health plan for active employees, federal regulations require the employer to treat the retiree as an active employee. The employer may offer a Medicare eligible active employee a choice between coverage under the group health plan or opting out and receiving coverage exclusively by Medicare. If the active employee opts out of the employer's plan, the employer may not offer the employee any group health coverage that supplements Medicare.

Additional Notices Available at kehpn.ky.gov

- **HIPAA**
 - **Special Enrollment Rights**
 - **New Dependent** – by Marriage, Birth, Adoption, or Placement for Adoption
 - **Privacy Notice** – describes obligations and rights regarding your protected health information held by KEHP under HIPAA
 - **Pre-Existing Condition Exclusion** – there are no pre-existing condition exclusions for dependent children under the age of 19
- **COBRA Continuation Coverage**
- **Notice to Enrollees Concerning Tobacco Use**
- **Women's Health and Cancer Rights Act of 1998**
- **Mental Health Parity**
- **Newborn's and Mother's Health Protection Act**
- **New Federal Limits on Use of FSA and HRA Funds**
- **Plan Year 2011 KEHP Prescription Drug Coverage and Medicare**

KEHPWELL

Services that support a Healthy Lifestyle.

Remember, good health is best achieved through appropriate prevention efforts including regular health screenings and smart health choices. Please take a moment to review the KEHPWELL checklist to make sure you are taking advantage of the services available to help you enhance your healthy lifestyle:

✔ Take your Humana Health

Assessment

The Humana Health Assessment can be taken online or over the phone. Just answer a few basic health questions and you'll get confidential results with tips on enhancing and maintaining a healthy lifestyle. Take your health assessment at *MyHumana.com*.

✔ Sign up for Health Coaching Online (KEHPWELL online feature available in 2011)

Health coaching has been enhanced this year with the addition of the KEHPWELL online tool which will allow you to track your health behaviors in the areas of weight management, physical activity, nutrition, stress, tobacco cessation, and back care, and work with a personal health coach via online chat, e-mail or phone.

✔ Make Plans to Stop Smoking

KEHP's nicotine replacement benefit helps you through participation in the Cooper Clayton Smoking Cessation program and the KY Tobacco Quitline.

Kick the habit of smoking with the help of the KY Quitline **1-800-QUIT-NOW** (800-784-8669) which offers one-on-one phone based counseling or the Cooper Clayton Smoking Cessation Program, a 13-week program led by a certified facilitator which includes nicotine replacement therapy, group support, and education. To find a class near you visit <http://www.kcp.uky.edu/cc-classes.htm>.

✔ Take Advantage of Disease Management Services

ActiveHealth Disease Management offers help with long term conditions through ongoing coaching with a free personal health nurse who will assist in explaining your condition(s),

tests and results, medications, and care changes. ActiveHealth services also include

- Why Weight KY, a program available for adults and children with overweight conditions to work with a nurse case manager.
- Maternicheck, a prenatal health program.

Access a variety of wellness services through the KEHPWELL hotline.



877-KEHPWELL
(877-534-7935)

✔ Join the Virgin HealthMiles Program

Are you a Virgin HealthMiles participant or have you been thinking about joining? There's even more cash to be won in 2011!

Your chances to win the Virgin HealthMiles monthly cash drawing will be QUADRUPLED starting January 2011. Over 800 winners will be selected each month to win cash prizes ranging from \$25 to \$1,000.

All you have to do is take 7,000 steps a day to have a chance at winning! KEHP employee members can get more details or join the program by visiting www.virginhealthmiles.com/kehpemployees. Dependents over 18 can also participate (www.virginhealthmiles.com/kehpdependents). Employees who waive coverage and other friends and family can enjoy the Virgin HealthMiles Get Active program (www.virginhealthmiles.com/getactive).

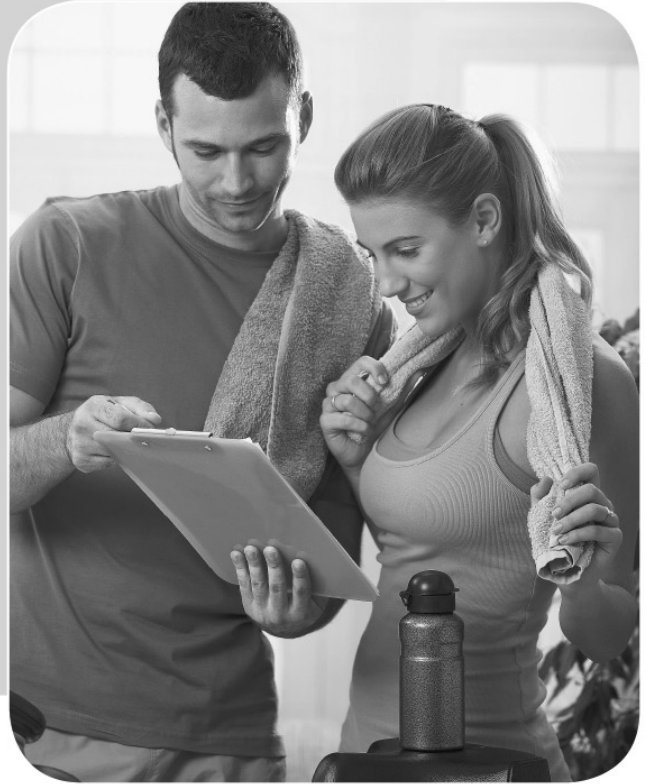
Wellness just got a lot easier

KEHPWELL is your one stop shop for KEHP wellness programs, services and information.

You will find Coaching, Assessments, Health Information, what's going on right now and much more. The information you need to reach your full wellness potential is in one user-friendly location.

Just log in to access your wellness programs and interact with health coaches. They're here in one convenient location. You'll see how the integrated tools and services make it easy to get on the path to a healthy lifestyle.

KEHPWELL On-line will be here soon, make sure you don't miss out.



Join the fight against childhood obesity

It's no secret – childhood obesity is a growing problem in the United States. Healthier Generation is here to help.

Through collaboration between KEHP, Humana and the Alliance for a Healthier Generation, the new Healthier Generation benefit will offer children and their families strategies to manage their weight.

This new benefit allows for eligible children ages 3-18 to receive four visits to a primary care doctor and four visits to a registered dietitian. These professionals help children and their families establish and maintain a healthy lifestyle.



To find out more tips for fighting childhood obesity, visit HealthierGeneration.org.

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KEHP WELL

HUMANA
Guidance when you need it most