



Department of Administrative Services
Division of Employee Benefits

December 1, 2012

«First_Name» «Last_Name»
«Address_1» «Address_2»
«City» «State» «Zip»

Dear Milwaukee County Retiree:

The 2013 adopted budget included changes to Milwaukee County's medical and prescription drug coverage. We've included a summary of the 2013 Milwaukee County PPO Plan in this letter, which will take effect February 1st, 2013.

We understand that the changes may impact the decisions that you previously made during the open enrollment period. As such, the Benefits Division will accept requests to change enrollment in your medical plan until December 31st, 2012. All requested enrollment changes will be applied as of January 1st, 2013.

To make a change to your benefit enrollment, please submit the request via e-mail to the Benefits Division at benefits@milwcnty.com, or via mail at Courthouse Room 210, 901 N. 9th st, Milwaukee, WI 53233. After processing your requested change, we will provide you with a confirmation to document the change. If you do not wish to change your benefit elections, no action is necessary, and the changes to the plans will be automatically applied.

Please take the time to thoroughly review the PPO summary enclosed with this letter. If you have any questions, please contact the Benefits Division at 414-278-4198.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Hanchek".

Matt Hanchek
Interim Director - Employee Benefits Division

Enclosures

Summary of the 2013 Milwaukee County PPO Plan (Effective 2/1/2013)

Medical Coverage

	In-Network	Out-of-Network
Deductible	Individual: \$800 Employee + Child(ren): \$1,050 Employee + Spouse: \$1,600 Employee + Family: \$1,850	Individual: \$1600 Employee + Child(ren): \$2,100 Employee + Spouse: \$3,200 Employee + Family: \$3,700
Outpatient Services	80% of eligible expenses after any copays and deductibles, until the out-of-pocket maximum is reached. 100% of eligible expenses thereafter.	60% of eligible expenses after any copays and deductibles, until the out-of-pocket maximum is reached. 100% of eligible expenses thereafter.
Inpatient Services	80% of eligible expenses after any copays and deductibles, until the out-of-pocket maximum is reached. 100% of eligible expenses thereafter.	60% of eligible expenses after any copays and deductibles, until the out-of-pocket maximum is reached. 100% of eligible expenses thereafter.
Office Visits	\$30 Copay	\$60 Copay
Office Visits - Wellness / Routine Physicals	100% coverage (Copay waived)	\$60 Copay
Emergency Room	\$200 Copay (waived if admitted)	\$200 Copay (waived if admitted)
Out-of-Pocket Maximums	\$2,500 per person to a family maximum of \$5,000	\$6,000 per person to a family maximum of \$12,000

2013 Prescription Drug Coverage

	Pre-Medicare Retirees/Dependents	Medicare-eligible Retirees/Dependents
Retail Pharmacy (Up to 30-day supply)	Generic: \$10 Diabetic Supplies: \$20 Preferred Brand: \$30 Non-preferred Brand: \$50	Generic: \$10 Diabetic Supplies: \$20 Preferred Brand: \$30 Non-preferred Brand: \$50
Medco Mail Order Pharmacy (Up to 90-day supply)	Generic: \$25 Diabetic Supplies: \$50 Preferred Brand: \$75 Non-preferred Brand: \$125	Generic: \$20 Diabetic Supplies: \$40 Preferred Brand: \$60 Non-preferred Brand: \$100
Coverage of Maintenance Medications (Pre-Medicare Only)	<p><u>Prescriptions for maintenance medications are required to be filled through the Medco Mail Order pharmacy.</u> Maintenance medications will not be covered at retail pharmacies after the third fill. You will be required to pay the full cost.</p> <p>Maintenance medications are long-term treatments such as drugs for high cholesterol, high blood pressure, diabetes, allergies, depression, and many others. If you are currently on maintenance medications, Medco will send you additional information and offer to assist with transferring your prescription to mail order.</p> <p>Note: Due to Medicare regulations, effective January 1, 2013 Medicare-eligible retirees are no longer required to purchase maintenance medications through mail order pharmacy.</p>	
Catastrophic Coverage (Medicare Only)	<p>If your annual out-of-pocket drug costs reach \$4,750, Medicare provides additional coverage you will pay the greater of 5% coinsurance or \$2.65 copayment for covered generic drugs \$6.60 copayment for all other covered drugs.</p>	

The medical and prescription drug coverage tables above are intended as a high-level summary only. For specific coverage terms, provisions, conditions, limitations, or exclusions please refer to your summary plan description.

Medicare Coordination under the “Non-Duplication of Benefits Method”

In 2012 Milwaukee County applied the non-duplication of benefits method for coordinating coverage with Medicare. This approach will continue to be applied in 2013. Under this coordination method, the intent is to maintain the covered person’s same benefit level both before and after achieving Medicare eligibility.

UnitedHealthCare will determine what the Milwaukee County Medical plan would pay in the absence of Medicare. Then, if the Milwaukee County Medical plan amount is greater, the Milwaukee County Medical plan will pay that amount minus the amount Medicare paid (or would have paid). If the Medicare amount is equal to or greater than the Milwaukee County Medical plan amount, the Milwaukee County Medical plan will not pay any benefit.

Medicare participants will typically be responsible for some out-of-pocket costs for services. In most cases, Milwaukee County’s plan continues to be secondary coverage to Medicare. Consequently, Medicare-eligible retirees and dependents are still required to enroll in Medicare parts A and B to receive a benefit from Milwaukee County.

Medicare Coordination Key Points:

- Medicare provider discounts still apply. This means the base cost of services will be much lower for retirees than active employees, before either Medicare or the County plan makes a payment.
- Certain charges applied toward fulfilling the Medicare deductible will still be considered for coverage under the County plan and fulfilling the County plan deductible.. The Medicare A (inpatient) deductible for 2012 is \$1,156.00. the Medicare B deductible is \$140.00
- The County’s out-of-pocket maximums still apply to any claims subject to coinsurance or deductible. In 2012, after \$2,500 of eligible out-of-pocket claims costs have been incurred, the 20% coinsurance no longer applies to that individual, as shown in the Inpatient Claim example below.

Example 1 – Physician Office Visit:

On your first office visit of the year you incur a bill for \$320.00. After Medicare discount, the billable amount is \$148.00.

MEDICARE

The Medicare Part B deductible is \$140 for 2012. Medicare would apply the first \$140.00 toward the Part B deductible, and would pay 80% of the remaining \$8.00, for a total Medicare payment of \$6.40.

MILWAUKEE COUNTY

Milwaukee County's plan limits your cost for office visits to the \$30.00 copay. The County plan would pay \$148.00 minus the \$6.40 already paid by Medicare, minus the \$30.00 copay, for a total payment of \$111.60. You would be responsible for \$30 (your co-pay for an office visit).

Example 2 – Office Visit:

The following month you have a follow-up visit incurring a bill for \$200.00. After Medicare discount, the billable amount is \$96.00. Medicare pays 80% for a total payment of \$76.80. The balance of \$19.20 is submitted to Milwaukee County's plan, however, since the unpaid portion is less than the \$30 copay under the County plan, no additional payment is made by the County plan. You would owe the unpaid Medicare balance of \$19.20.

Example 3 – Outpatient Costs:

Assume your deductibles with Medicare and the Milwaukee County Medical plan are satisfied and you incur a \$1,000 hospital bill for an MRI test. After Medicare's discount, the billable amount is reduced to \$420.00. Medicare pays \$336 (80 percent) as the "primary" carrier. In the absence of Medicare coverage, the Milwaukee County Medical plan would pay \$336 (80 percent). However, the Milwaukee County Medical plan, as a secondary carrier with a non-duplication of benefits clause, will pay only the difference between what is paid by Medicare and what would have been paid by the Milwaukee County Medical plan. In this example the full benefit was already paid by Medicare, so no additional County payment is made. You would be responsible for paying the \$84 that Medicare and the Milwaukee County Medical plan did not pay. The \$84 would be applied toward fulfilling your Milwaukee County out of pocket maximum (\$2,500/person and \$5,000/family).

Example 4 – Inpatient Claim:

Assume your deductibles with Medicare and the Milwaukee County Medical plan are satisfied, but no other costs have been applied to your annual out-of-pocket maximum. You incur a \$70,000 inpatient hospital bill. After Medicare's discount, the billable amount is \$32,000. Medicare pays \$25,600 (80 percent) as the "primary" carrier, leaving a balance of \$6,400. In the absence of Medicare coverage, the Milwaukee County Medical plan would pay \$25,600 (80 percent). In this example the full benefit was already paid by Medicare. However, the Milwaukee County plan has an individual out-pocket-maximum cost of \$2,500, of which, you have already paid \$500 for your County deductible. In this scenario, your out-of-pocket costs are capped at \$2,000. You would pay \$2,000, and Milwaukee County's plan would pay the remaining \$4,400.