

# Program Overview

The Local Choice Health Benefits Program was created exclusively for local governments, authorities, school divisions, constitutional officers, groups designated by the General Assembly, and political subdivisions of the Commonwealth of Virginia. Launched in July 1990, the program is managed by the Commonwealth of Virginia's Department of Human Resource Management (DHRM), the same team of administrators that manage the State's employee health benefits program.

TLC offers one of the most comprehensive selections of plans available in the commonwealth and includes four Key Advantage plans, a High Deductible Health Plan and a Regional HMO plan.

The following plans are offered.

- ✓ Key Advantage Expanded
- ✓ Key Advantage 250
- ✓ TLC HDHP (HSA compatible High Deductible Health Plan)
- ✓ Medicare Supplemental Plans
- ✓ Key Advantage 500
- ✓ Key Advantage 1000
- ✓ Kaiser Permanente HMO (in certain service areas)

## Choice of Plans – Statewide and Regional

Most employers may select a combination of plans.

- Groups with 25 or fewer eligible employees may offer only one benefit plan.
- Groups with 26 to 100 eligible employees may offer two plan options.
- Groups with more than 100 eligible employees may offer two Key Advantage plans plus the HDHP and/or the Regional plan (if available).

Following is a high level description of the plans offered by TLC. More details can be found in the Benefit Summaries and Comparison of Benefits brochure found later in this renewal.

### Key Advantage Plans (statewide)

- Claims are administered by:  
Medical and Routine Vision: Anthem Blue Cross and Blue Shield  
Behavioral Health: ValueOptions, Inc.  
Pharmacy: Medco Health Solutions, Inc.  
Dental: Delta Dental of Virginia
- All four Key Advantage plans are preferred provider organization (PPO) plans offering routine medical care and specialist care without referral requirements.

### TLC HDHP (statewide)

- All claims administered by Anthem
- PPO plan offering routine medical care and specialist care without referral requirements
- While this is an HSA (Health Spending Account) compatible plan, TLC does not provide the HSA account. This allows each group to contract with the financial institution that can best serve their needs.
- Dental coverage is provided with a separate deductible.

### **Kaiser Permanente HMO (regional)**

- A fully insured HMO, it is available in Fredericksburg, Northern Virginia, Washington D.C. and parts of Maryland.

### **Medicare Supplemental Plans**

- Medical claims are administered by Anthem. Vision coverage, if elected, is also administered by Anthem. Dental, if elected, is administered by Delta Dental of Virginia.

## **Key Advantage – Statewide Plans:**

### **Medical & Routine Vision Services from Anthem**

Comprehensive medical, preventive care and wellness benefits, immunizations and routine vision benefits (through Blue View Vision) are covered in the Key Advantage plans.

Specialist referrals are not required. Admission to a hospital for an inpatient stay must be approved in advance, or within 48 hours in the case of an emergency or birth of a child.

While members receive the highest level of benefits when visiting an in-network provider, Key Advantage plans also provide out-of-network coverage for covered medical services with additional deductibles and/or coinsurance.

These plans also allow for medical care when traveling outside Virginia through the Blue Card program.

### **Behavioral Health Services from Value Options**

As with medical services, members receive the highest level of benefits when visiting an in-network provider for behavioral health services. All Key Advantage plans offer out-of-network behavioral health services with additional deductibles and/or coinsurance.

Prior authorization of benefits is not required but is highly recommended. Members should contact ValueOptions to confirm that the service is medically necessary to avoid deductibles and coinsurance for services received outside the network.

Under the Employee Assistance Program (EAP), members receive up to four visits per incident at no cost. The EAP is only available in-network through ValueOptions. Prior to receiving behavioral health or EAP services, members should contact ValueOptions.

### **Dental Services from Delta Dental of Virginia**

Preventive, primary and major restorative dental benefits with orthodontia are provided through Delta Dental of Virginia. You are not required to use an in-network provider for dental. However, members pay less when using an in-network dentist. Non-network providers may balance bill members for charges in excess of the negotiated discounts.

### **Outpatient Prescription Drug Benefits from Medco Health Solutions**

The TLC plan is a mandatory generic drug program administered by Medco. If members receive a brand name drug when a generic equivalent is available they are responsible for the applicable copayment plus the difference between the allowable charge for the generic equivalent and the brand name drug.

Prescription drugs are divided into three co-payment tiers, depending upon the type of drug.

- First Tier – Typically generic drugs - \$10 co-pay for up to a 34 day supply
- Second Tier – Lower cost brand drugs - \$20 co-pay for up to a 34 day supply
- Third Tier – Higher cost brand drugs - \$35 co-pay for up to a 34 day supply

Home Delivery is also available through the outpatient prescription drug benefit. You can receive up to a 90-day supply through the mail at two times the co-pay of a 34-day supply.

## **High Deductible Health Plan (HDHP) – Statewide Plan:**

Medical, behavioral health and EAP, prescription drugs, and dental benefits are administered by Anthem. There is a separate deductible for the dental benefits.

Preventive medical care is covered with no deductible or coinsurance. All other covered medical, behavioral health and prescription services are subject to the \$1,500 employee and \$3,000 family plan year deductible and 80/20 coinsurance. Fourth quarter deductible carry over is not available with HDHP.

Routine vision benefits are not available under this plan.

The HDHP provides only in-network coverage except in the event of a life-threatening emergency.

## **Kaiser Permanente HMO – Regional Plan:**

Kaiser Permanente offers a regional HMO plan in Northern Virginia, Fredericksburg, Washington D.C., and parts of Maryland. The regional HMO is only available in certain areas.

A detailed outline of the service area and benefits may be found in the Kaiser HMO benefits summary. Mental illness and substance abuse, EAP, prescription drug and dental coverage are included in the Kaiser plan.

If you choose to offer the Regional plan to Retirees Not Eligible for Medicare, only blended rates will be available. Coverage for Retirees Eligible for Medicare or Medicare eligible dependents of retirees is not available. Groups must offer a Key Advantage plan if they wish to provide a Medicare supplement. Coverage must be offered to Retirees Not Eligible for Medicare in order for a group to offer coverage to Retirees Eligible for Medicare.

Your proposal will not contain Kaiser information if you are not in the Kaiser service area.

## **Coverage for Retirees Not Eligible for Medicare (all plans):**

Retiree coverage is available but not automatically provided.

If retiree coverage is offered, retirees must be at least age 55 with 5 years of service with your group or age 50 with 10 years of service with your group. Retirees not eligible for Medicare have the same plan options available to them as your active employee group although they must be listed in a separate sub-group.

All rates for groups in our 49 and under pool receive rates that are blended. In a blended program, Active Employees and Retirees Not Eligible for Medicare will have the same rates. Local employers with 50 or more participating employees that offer coverage to Retirees Not Eligible for Medicare may blend premium with the Active Employee premium or elect Stand-Alone rates. With Stand-Alone rates, Retirees Not Eligible for Medicare will pay two times the Active Employee rates. The TLC Local Administrative Manual states that once a premium is blended, it may not revert to Stand-Alone status. Blended rates are only available at plan anniversary. Although allowed, no employer contribution is required for retiree coverage.

## Medicare-Eligible Supplemental Plans for Retirees:

In order for an employer to offer coverage to Retirees Eligible for Medicare, your group must offer coverage to Retirees Not Eligible for Medicare. There can be no gap in coverage.

If a local employer chooses to cover retirees that are not eligible for Medicare they may also provide coverage for Medicare eligible retirees. A local employer may choose either Advantage 65 or Advantage 65 with Dental/Vision for Medicare retirees. Individual retirees are not offered a choice of plans. Medicare Eligible Retirees or Medicare eligible dependents of any retiree may not remain in active coverage. If they participate, it must be in one of our Medicare supplemental plans.

It is important to note that if you choose not to cover your Medicare eligible retirees, coverage for disabled retirees and their dependants will end with Medicare eligibility. The employer is not required to contribute to the cost of Medicare eligible retiree coverage.

**To prevent claims denial and/or retraction of claims, it is imperative that you communicate the following information to all covered participants, whether active or retired.**

### Coverage under a Key Advantage plan, the HDHP or a Regional plan is only for:

- ✓ Active Employees and their Dependents
  - regardless of Medicare status, active employees and their dependents must be covered in the active plan.
- ✓ Retirees not eligible for Medicare and their Dependents Not Eligible for Medicare, and/or
- ✓ Dependents of Medicare eligible retirees who are not Medicare eligible.

Retirees Eligible for Medicare and the Medicare eligible dependents of any retiree, whether Medicare eligible or otherwise, may not enroll or remain in a Key Advantage or Regional plan. If coverage is offered to Retirees Eligible for Medicare and their Medicare eligible dependents, it must be obtained through one of our Medicare Supplemental contracts. Participation in both Parts A and B of Medicare is required to receive maximum benefits. Outpatient Prescription Drug coverage is not offered in our Medicare Supplemental contracts so obtaining Medicare Part D is extremely important.

Local employers may select only one plan for Retirees Eligible for Medicare. These plans are available only if your Active Employees are enrolled in a statewide self-funded plan and you elect to offer coverage to both Retirees Not Eligible for Medicare and Retirees Eligible for Medicare.

### **Advantage 65-Medical Only**

Advantage 65 provides supplemental medical benefits for your Retirees Eligible for Medicare and the Medicare eligible dependents of any covered retiree. It does not provide benefits for outpatient prescription drugs. Anthem administers the plan. A more detailed outline of benefits may be found in the Advantage 65 brochure.

### **Advantage 65 with Dental/Vision**

As a group option, employers may elect to add Dental/Vision coverage to Advantage 65-Medical Only. This product provides Anthem administered Advantage 65 medical coverage plus dental and vision coverage.

Dental: The plan, administered by Delta Dental, pays 100% of the Allowable Charge (AC) for diagnostic and preventive services, 80% of AC for basic dental services and 5% of AC for major dental care. Up to \$1500 per member per plan year is payable.

Vision: Benefits are available once every 24 months through the Anthem Blue View Vision network. Members pay a \$20 copayment for a routine eye exam. They receive up to a \$100 allowance for one pair of frames with a 20% discount on the remaining frame cost. The plan has a \$20 copayment per pair of single, bifocal or trifocal lenses. Or, members may receive up to a \$100 allowance toward the purchase of contact lenses and 15% off the remaining balance for contact lenses.

**Prescription drug coverage is not available in any of the Medicare-Eligible plans.**

Note: In order for Retirees Eligible for Medicare to receive maximum benefits they must have both Parts A and B of Medicare. If prescription drug coverage is desired they should also obtain Medicare Part D coverage.

## No Pre-existing Condition Exclusions or Waiting Periods

There are no pre-existing exclusions in any TLC medical plan. However, TLC does not offer credit for previously satisfied deductibles or out of pocket maximum limits incurred with a prior plan.

## Value Added Benefits: CommonHealth

The CommonHealth Wellness Program is a value-added benefit included at no cost to TLC groups. CommonHealth provides medical screenings, health risk appraisals, and several wellness programs including Quit for Life smoking cessation, Future Moms pre-natal risk management, and stress management.

Since wellness programs often can help control claims costs, we strongly encourage you to take advantage of all that CommonHealth has to offer. Employees and their dependents covered by any TLC program are eligible to participate.

## 24-Hour NurseLine

What do plan members do when it's midnight and their child develops a high fever? Or when they are out of town for the holidays, don't feel well, and need to find a doctor? Help is just a phone call away. The Anthem 24-Hour Nurse Line is there 24 hours a day, seven days a week, every day of the year. Just call **1-800-337-4770** to speak to an experienced registered nurse who is trained to help with medical questions. Members can also choose from a selection of over 400 recorded health topics to learn more about specific medical conditions, their effects, and current prevention and treatment guidelines. This service is completely confidential and free to TLC members and their families.

## Future Moms

Future Moms is a prenatal program available at no cost to covered participants. This program is designed to help women have healthy pregnancies and to help reduce the chances of a premature delivery. A nurse consultant works with the mother-to-be and her physician during the pregnancy to determine what may be needed to help achieve a full-term delivery. As soon as pregnancy is confirmed, members should sign up for the program by calling 1-800-828-5891.

The Key Advantage Expanded and Key Advantage 250 plans waive the hospital co-payment if the expectant mother enrolls in the Future Moms program within the first trimester of pregnancy, has a dental cleaning during pregnancy and satisfactorily completes the entire maternity management program.

## ValueOptions Employee Assistance Program (EAP)

The EAP provides up to four counseling sessions per incident free of charge to covered participants and all immediate family members living in the home. A behavioral health provider will determine the number of sessions (up to four) that is appropriate for a member's care. If additional treatment is required or condition severity calls for more complex care, the member will be transitioned into our behavioral health program for which copayments are required.

## Medco Special Care Pharmacy Service

When a member receives specialty prescription drugs through the Medco By Mail home delivery pharmacy, the program provides them with personal counseling from nurses, registered pharmacists and patient care representatives who are trained in specialty medications. The program includes 24-hour access to a Medco Special Care Pharmacy pharmacist and free supplies needed to administer your medicine, such as needles and syringes.

## The Local Choice Support

You may contact your local Marketing Representative to assist you with the details of your renewal.

If you have questions about eligibility or policy administration, please contact Walter Norman, TLC Program Manager at (804) 786-6460, or Dana Hollins, Senior Benefits Specialist at (804) 371-6211. You may also send inquiries by e-mail to [walter.norman@dhrm.virginia.gov](mailto:walter.norman@dhrm.virginia.gov). Thank you for your continued support of The Local Choice program.

## Additional Information

Please consult the appropriate Plan brochures included with this proposal for additional information on our programs. Detailed information is also available in the member handbooks. Visit the Local Choice Web site at [www.thelocalchoice.virginia.gov](http://www.thelocalchoice.virginia.gov) for more extensive information about the program.