



Date: November 15, 2006
To: Oakland County Retirees
From: Judy Fandale, Supervisor- Retirement
Subject: 2007 Retiree Health Care Changes

As many of you are aware, the cost of providing quality health care has risen to astronomical levels. Already this year Oakland County has paid \$7.3 million for *Retiree* prescription drugs alone, that's in addition to the cost of retiree Medical, Dental and Vision services. In an effort to continue to provide quality health care for retirees and their eligible family members, Oakland County will implement the following changes to current retiree health care beginning January 1, 2007.

PRESCRIPTION DRUG COVERAGE

Prescription drugs for County retirees will continue to be available through retail drug stores as well as through mail order with a three tier co-payment system. Effective January 1, 2007 prescription drug co-pays for all County health plans will continue with a \$5 co-pay for generic and a \$10 co-pay for formulary preferred. The third tier drugs are categorized as non-formulary or non-preferred drugs and will be subject to a \$25 co-pay. Your doctor or pharmacy can assist you with determining which category your drugs fit into and whether or not a generic or preferred drug is available for your use. Members who do not use a non-formulary drug will not see any change in their prescription drug co-pay.

***As a reminder if you and/or an eligible family member are enrolled in Medicare Part D prescription drug coverage you cannot be enrolled in County coverage. You should contact the Retirement Unit immediately if you or an eligible dependant are enrolled in Medicare Part D.**

ANNUAL DEDUCTIBLES

Retirees who are **not enrolled in Medicare** will have an annual deductible of \$200 per person or \$400 per family for all plans where services are subject to a deductible. If you are enrolled in Comprehensive Major Medical (CMM) you will not see a change to your annual deductible. If you are enrolled in an HMO such as Health Alliance Plan or Blue Cross Point of Service, your plan does not have a deductible for any service performed within the network.

(OVER)

OFFICE VISIT CO-PAY

Retirees **not enrolled in Medicare** who have;

- Traditional Blue Cross will continue to have a 10% co-pay for office visits after the annual deductible.
- CMM (comprehensive major medical) will continue to have a 20% co-pay for office visits after the annual deductible
- PPO (Preferred Provider Organization) will have a \$20 co-pay
- Health Alliance Plan (HAP) will have a \$20 co-pay; plan has no deductible
- Point of Service (Blue Choice) will have a \$20 co-pay; subject to a deductible out of network.

Retirees who **are enrolled in Medicare Part A & B** will not be affected by the change in deductibles and office visit co-pays as Medicare is your primary health insurance. The Federal Medicare Program will continue to establish the annual deductible and co-payment amounts for services payable by Medicare Part A & B.

These changes do not affect the Dental and/or Vision coverage you may have through Oakland County. If you would like to change health carriers for 2007 you will have the opportunity to do so during the retiree open enrollment period of January 1 – 31, 2007. Please contact the Retirement Unit if you want to make a change in your health care provider.

The changes outlined in this notice may not affect all retirees. Final interpretation of benefits will be determined by the health carrier. If you have any questions regarding these changes please contact Megan Navarre at 248.858.7592.