

# Agenda Report

October 27, 2003

TO: City Council  
FROM: City Manager  
RE: Health Benefits For Retirees

## RECOMMENDATION:

This report is presented for information only.

## BACKGROUND:

After a series of discussions with the City's Unions, agreements were reached with the Pasadena Association of Clerical and Technical Employees (PACTE), the Service Employees International Union (SEIU), and the Pasadena Management Association (PMA) to discontinue medical benefits under the California Public Employees Retirement System (PERS medical). Action by the City Council in August 2003 terminated benefits effective December 31, 2003, for employees in classifications represented by these Unions, employees in unrepresented classifications, and retirees previously employed in any of these classifications. Included in this group are 208 retirees; 89 of whom are under the age of 65 and are enrolled in the basic plans, and 119 of whom are enrolled in the medicare supplement plans.

Subsequent to this decision, notices were sent to individual employees and retirees by the City and by PERS to inform those affected. After receiving notice, several retired City employees and dependent spouses of retired City employees communicated with members of the City Council and City staff, and spoke before the City Council in open session, expressing concern about the decision to leave PERS medical. Those retirees and spouses who submitted a speaker card at a City Council meeting were contacted personally. Two meetings were held with a group of the retirees, where they were introduced to the City's broker and the City's Blue Shield account representative.

In summary, the concerns expressed by the retirees included questions about the benefit structure of the new plans, about the process by which the decision was made, and about whether the retirees could be allowed to remain in PERS medical without the participation of the active employees.

The majority of the concerns regarding the benefit structure were discovered to be misunderstandings of existing rules regarding coverage. For example, many of the retirees were worried about whether a pre-existing condition limitation would be imposed, or whether they could be denied coverage due to ongoing medical conditions. Guaranteed coverage for all employees, dependents and retirees was required in the original Request For Proposals; and under Federal law, individuals in changing from one benefits carrier to another without a break

in coverage may not be subject to a pre-existing condition limitation. Others were concerned about whether their medical providers are on the Blue Shield preferred provider list. Individuals were given either a provider list, the web address for the provider list, or the Blue Shield phone number. For those individuals who identified their providers by name, City staff was able to verify that each provider was indeed on the preferred provider list.

A few of the retirees expressed concern that the new plan benefits are not precisely the same as benefits in the PERS plan. In fact, a side-by-side comparison of the plans (please see attached charts) reveals that only minor differences exist. In some instances, the new plans provide a slightly better benefit, and in some instances, PERS medical provides a slightly better benefit. The retirees expressed specific concern over two items that Blue Shield is unable to provide: a vision plan in PERS PPO plans that provides \$30 every 24 months for frames, \$30 every 12 months for an exam, and up to \$50 per 12 months for lenses, depending on the prescription needed; and a \$1000 maximum annual copay for mail order prescription drugs. Staff is exploring whether alternatives exist for providing similar benefits.


The retirees' request to remain in PERS medical as a separate group without the active employees was forwarded to PERS Health Benefits Division staff. Their response, a copy of which is attached, indicated that PERS regulations do not allow such an arrangement, and that the retirees must remain with the active employees. Thus, retirees formerly employed as staff assistants, for example, will leave PERS medical since the union representing that classification, the Pasadena Association of Clerical and Technical Employees is leaving PERS medical; but retired police officers will stay in PERS medical, since the Pasadena Police Officers Association is remaining in PERS medical at this time.

Finally, several of the retirees expressed disappointment that they were not included in the labor-management group and that they therefore did not have input into the recommendation presented to the City Council. While the labor-management committee members did take into account the needs of the retirees, staff understands the opinion of the retirees in this matter. State law prohibits retirees from participating in a labor-management committee, and employers must negotiate only with employees, not retirees or other individuals. It is permissible to consult with or seek input from others when making health benefits decisions, and in the future it is staff's intent to do so when appropriate.

FISCAL IMPACT:

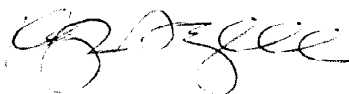
This report is submitted for information only; no fiscal impact is associated with this report.

Respectfully Submitted,



CYNTHIA J. KURTZ  
City Manager

Prepared by:



KARYN S. EZELL  
Director of Human Resources



**Health Benefit Services Division**  
P O Box 942714  
Sacramento, CA 94229-2714  
Telecommunications Device for the Deaf - (916) 326-3240  
Toll Free (888) CalPERS (225-7377)  
FAX (916) 658-1277

September 29, 2003

Karyn S. Ezell  
Director of Human Resources  
City of Pasadena  
100 N. Garfield, Room 146  
Pasadena, CA 91109

Dear Ms. Ezell:

This is in response to your inquiry whether a retiree group could contract for coverage through the Public Employees' Medical and Hospital Care Act (PEMHCA). There are two ways in which an agency can provide PEMHCA to its employees and annuitants.

An agency can contract for coverage as a whole agency. Section 22850 states:

**"A contracting agency and its employees and annuitants shall be subject to this part upon the filing with the board of a resolution of its governing body electing to be so subject. The resolution shall be adopted by a majority vote and shall be effective at such time as is provided in board regulations."**

The agency can also contract for PEMHCA by bargaining group. Section 22850.3 states:

**"Notwithstanding any other provision of this part, a contracting agency shall be subject to this part only with respect to a recognized employee organization upon the filing with the board of a resolution of its governing body electing to be so subject. The resolution shall be adopted by a majority vote and shall be effective at such time as is provided in board regulations."**  
(emphasis added)

An agency contracting by bargaining group is obligated to provide annuitants of the group with health insurance coverage under PEMHCA as well as its active employees.

Karyn S. Ezell

-2-

September 29, 2003

There is no provision under PEMHCA which would allow annuitants of a group to contract for PEMHCA benefits without the active employees of that group. Also, when a group terminates PEMHCA benefits, there is no provision that would allow annuitants to remain in the program. Section 22853 states:

"A contracting agency which has elected to be subject to this part may elect to cease to be so subject by resolution adopted by a majority vote of its governing body and filed with the board on or before such date as is provided in board regulations, to be effective at the end of the current contract term. Coverage of its employees and annuitants shall terminate on that date."

I hope this information will be helpful. Please call me at 916 326-3587 if I may assist you further.

Sincerely,



Terri McIntyre  
Health Benefits Program Analyst  
Health Benefit Services Division



**The City of Pasadena**

**PERSCare PLAN DESIGN COMPARISON**

Coverage	PERSCare		Proposed	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$500/member \$1,000/family		\$500/member \$1,000 family	
Out-of-Pocket Maximum	\$2,000/member \$4,000/ family	N/A	\$2,000/member \$4,000/ family	\$10,000/member \$20,000/ family
Lifetime Maximum	Unlimited		Unlimited	
Inpatient				
Hospital/Surgery	\$250 copay/admission, 90% covered	\$250 copay/admission, 60% covered	No copay/admission, 90% covered	No copay/admission, 60% covered
Emergency Room	\$50 deductible <sup>1</sup> , 90% covered	\$50 deductible <sup>1</sup> , 90% covered	\$50 deductible <sup>1</sup> , 90% covered	\$50 deductible <sup>1</sup> , 90% covered
Ambulance	80% covered	80% covered	80% covered	80% covered
Outpatient				
Office Visit	\$20 copay	60% covered	\$20 copay	60% covered
Lab/X-ray	90% covered	60% covered	\$20 copay	60% covered
Preventive Care	100% covered	60% covered	100% covered	60% covered
OB/GYN	100% covered	60% covered	100% covered	60% covered
Physical Therapy	90% covered, \$5,000 lifetime max	60% covered, \$5,000 lifetime max	90% covered	60% covered
Speech Therapy	90% covered, \$5,000 lifetime max	60% covered, \$5,000 lifetime max	90% covered	60% covered
Audiological exam	90% covered	60% covered	90% covered, up to \$1,000 every 24 months	60% covered, up to \$1,000 every 24 months
Chiropractic Care	90% covered, up to 20 visits/yr max combined	60% covered, up to 20 visits/yr max combined	90% covered, up to 20 visits/yr max combined	60% covered, up to 20 visits/yr max combined
Acupuncture	Not covered	Not covered	\$20/visit for Counseling; 90% Abortion	Not covered
Infertility				
Home Health Care	90% covered, up to 100 visits/year max	60% covered, up to 100 visits/year max	90% covered, up to 100 visits/year max	90% covered, up to 100 visits/year max
Skilled Nursing Facility Care	First 10 days: 90% covered Up to 170 days: 80% covered	First 10 days: 60% covered Up to 170 days: 60% covered	90% covered	60% covered

<sup>1</sup> Waived if admitted

**Color Indicator: Green=Better, Yellow=Worse**

Blue Shield-1

# The City of Pasadena

## PERSCare PLAN DESIGN COMPARISON

Coverage	PERSCare		Proposed	
	In-Network	Out of Network	In-Network	Out of Network
Durable Medical Equipment	90% covered	60% covered	90% covered, up to \$2,000/year max	60% covered, up to \$2,000/year max
Hospice Care	90% covered lifetime max \$10,000	90% covered lifetime max \$10,000	100% for Routine home care and inpatient respite care; 90% 24 hour continuous home care and general inpatient care (as long as it is pre-authorized)	
Outpatient Surgery	90% covered	60% covered	90% covered	60% covered
<b>Mental Health</b>				
Inpatient	\$250 copay, 90% covered, up to 30 days/yr max	\$250 copay, 60% covered, up to 30 days/yr max	90% covered	60% covered
Outpatient	90% covered, up to 30 days/yr max	60% covered, up to 30 days/yr max	\$20 per visit, up to 30 visits/yr max	60% covered
<b>Substance Abuse</b>				
Inpatient	\$250 copay, 90% covered, up to 15 days/yr max	\$250 copay, 60% covered, up to 15 days/yr max	90% covered	60% covered
Outpatient	90% covered, up to 30 visits/yr max	60% covered, up to 30 visits/yr max	\$20 per visit, up to 30 visits/yr max	60% covered
<b>Prescription Drug</b>				
<i>Retail</i>				
Generic	\$5 copay	Reduced benefits	\$5 copay	Reduced benefits
Brand	\$15 copay	Reduced benefits	\$15 copay	Reduced benefits
Non-formulary	\$30 copay	Reduced benefits	\$30 copay	Reduced benefits
<i>Mail Order (90 day supply)</i>				
Generic	\$10 copay	Not Covered	\$10 copay	Not Covered
Brand	\$25 copay	Not Covered	\$25 copay	Not Covered
Non-formulary	\$45 copay	Not Covered	\$45 copay	Not Covered

Color Indicator: Green=Better, Yellow=Worse



# The City of Pasadena

## PERSChoice PLAN DESIGN COMPARISON

Coverage	PERSChoice		Proposed	
	In Network	Out of Network	In Network	Out of Network
Deductible	\$500/member \$1,000/ family		\$500/member \$1,000/ family	
Out-of-Pocket Maximum	\$3,000/member \$6,000/ family	N/A	\$3,000/member \$6,000/ family	\$10,000/member \$20,000/ family
Lifetime Maximum	\$2,000,000		Unlimited	
Inpatient Hospital/Surgery	80% covered	60% covered	80% covered	60% covered
Emergency Room	\$50 deductible <sup>1</sup> , 80% covered		\$50 deductible <sup>1</sup> , 80% covered	
Ambulance	80% covered		80% covered	
Outpatient Office Visit	\$20 copay	60% covered	\$20 copay	60% covered
Lab/X-ray	80% covered	60% covered	\$20 copay	60% covered
Preventive Care	100% covered	60% covered	100% covered	60% covered
OB/GYN	100% covered	60% covered	100% covered	60% covered
Physical Therapy	80% covered, \$5,000 lifetime max	60% covered, \$5,000 lifetime max	80% covered	60% covered
Speech Therapy	80% covered, \$5,000 lifetime max	60% covered, \$5,000 lifetime max	80% covered	60% covered
Audiological exam	80% covered	60% covered	80% covered	60% covered
Chiropractic Care	80% covered, up to 15 visits/yr max combined	60% covered, up to 15 visits/yr max combined	80% covered, up to 15 visits/yr max combined	60% covered, up to 15 visits/yr max combined
Acupuncture	Not covered	Not covered	\$20/visit for Counseling, 80% Abortion	Not covered
Infertility	Not covered	Not covered		
Home Health Care	80% covered, up to \$6,000/yr max	60% covered, up to \$6,000/yr max	80% covered, up to 100 visits/year max	80% covered, up to 100 visits/year max
Skilled Nursing Facility Care	First 10 days: 80% covered Up to 90 days: 70% covered	First 10 days: 60% covered Up to 90 days: 60% covered	80% covered, up to 100 days/yr max	60% covered, up to 100 days/yr max

<sup>1</sup> Waived if admitted

# The City of Pasadena

## PERSChoice PLAN DESIGN COMPARISON

Coverage	PERSChoice		Proposed	
	Blue Cross of CA	Blue Cross of CA	Blue Shield of CA (Low Option PPO)	Blue Shield of CA (Low Option PPO)
	In Network	Out of Network	In Network	Out of Network
Durable Medical Equipment	80% covered	60% covered	80% covered	60% covered
Hospice Care	80% covered lifetime max \$10,000	80% covered lifetime max \$10,000	80% covered	60% covered
Outpatient Surgery	80% covered	60% covered	80% covered	60% covered
<b>Mental Health</b>				
Inpatient	80% covered, up to 20 days/yr max	60% covered, up to 20 days/yr max	80% covered	60% covered
Outpatient	80% covered, up to 24 days/yr max	80% covered, up to 24 days/yr max	\$20 per visit, up to 30 visits/yr max	60% covered
<b>Substance Abuse</b>				
Inpatient	80% covered	60% covered	80% covered	60% covered
Outpatient	20 days max/year & w/ \$12,000 lifetime max 80% covered up to 24 days/yr max & w/ \$12,000 lifetime max	20 days max/year & w/ \$12,000 lifetime max 60% covered up to 24 days/yr max w/ \$12,000 lifetime max	\$20 per visit, up to 30 visits/yr max	60% covered
<b>Prescription Drug</b>				
<i>Retail</i>				
Generic	\$5 copay	Reduced benefits	\$5 copay	Reduced benefits
Brand	\$15 copay	Reduced benefits	\$15 copay	Reduced benefits
Non-formulary	\$30 copay	Reduced benefits	\$30 copay	Reduced benefits
<i>Mail Order (90 day supply)</i>				
Generic	\$10 copay	Not Covered	\$10 copay	Not Covered
Brand	\$25 copay	Not Covered	\$25 copay	Not Covered
Non-formulary	\$45 copay	Not Covered	\$45 copay	Not Covered

Color Indicator: Green=Better, Yellow=Worse

# The City of Pasadena

## HMO PLAN DESIGN COMPARISON

Coverage	Current (Effective 1/1/03 - 12/31/03)		Proposed
	CalPERS	Blue Shield of CA	Blue Shield of CA Access+HMO Plus Plan 10 Premier
Deductible	None	None	None
Out-of-Pocket Maximum	\$1,500/ individual \$3,000/ family	None	\$1,000/ individual \$2,000/ family
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Inpatient			
Hospital/Surgery	100%	100%	100%
Emergency Room	\$25 copay <sup>1</sup>	\$25 copay <sup>1</sup>	\$25 copay <sup>1</sup>
Ambulance	100%	100%	100%
Outpatient			
Office Visit	\$10 copay	\$10 copay	\$10 copay
Lab/X-ray	100%	100%	100%
Preventive Care	\$10 copay	\$10 copay	\$10 copay
OB/GYN	\$10 copay	\$10 copay	\$10 copay
Physical Therapy	\$10 copay	\$10 copay	\$10 copay
Speech Therapy	\$10 copay	\$10 copay	\$10 copay
Audiological exam	\$10 copay	\$10 copay	\$10 copay
Hearing Aid	\$1,000 max/36 mo	\$1,000 max/36 mo	\$1,000 max/36 mo
Chiropractic Care	Not Covered	Not Covered	Not covered
Acupuncture	Not Covered	Not Covered	Not covered
Infertility	50% of allowed charges	50% of allowed charges	50% of cost
Home Health Care	100%	100%	100% up to 100 visits/yr
Skilled Nursing Facility Care	100%	100%	100%
Durable Medical Equipment	up to 100 days/yr max	up to 100 days/yr max	up to 100 days/yr max
Hospice Care	100%	100%	100%
Outpatient Surgery	100%	100%	100%

<sup>1</sup> Waived if admitted

<sup>2</sup> Up to 100-day supply through Kaiser pharmacies or mail order program

Color Indicator: Green=Better, Yellow=Worse

Blue Shield-1



# The City of Pasadena

## HMO PLAN DESIGN COMPARISON

Coverage	Current (Effective 1/1/03 - 12/31/03) CalPERS	Proposed Blue Shield of CA
<b>Mental Health</b>		
Inpatient	100%, up to 30 days/yr max	100%, unlimited max
Outpatient		
- Severe	\$10 copay	\$10 copay
- Other	\$20 copay, up to 20 visits/yr max	\$10 copay, up to 30 days/yr max
<b>Substance Abuse</b>		
Inpatient (Detox Only)	100%	100%
Outpatient	\$10 copay, up to 20 visits/yr max	\$10 copay, up to 30 visits/yr max
<b>Prescription Drug</b>		
<i>Retail</i>		
Generic	\$5 copay	\$5 copay
Brand	\$15 copay	\$15 copay
Non-formulary	\$30 copay	\$30 copay
<i>Mail Order (90 day supply)</i>		
Generic	\$10 copay	\$10 copay
Brand	\$25 copay	\$25 copay
Non-formulary	\$45 copay	\$45 copay

<sup>1</sup> Waived if admitted

<sup>2</sup> Up to 100-day supply through Kaiser pharmacies or mail order program

**Color Indicator: Green=Better, Yellow=Worse**

# The City of Pasadena

## HMO PLAN DESIGN COMPARISON

Coverage	Current (Effective 1/1/03 - 12/31/03) CalPERS - Kaiser Permanente	Proposed Kaiser Permanente
Deductible	None	None
Out-of-Pocket Maximum	Unknown	Unknown
Lifetime Maximum	Unlimited	Unlimited
Inpatient		
Hospital/Surgery	100%	100%
Emergency Room	\$35 copay <sup>1</sup>	\$35 copay <sup>1</sup>
Ambulance	100%	100%
Outpatient		
Office Visit	\$10 copay	\$10 copay
Lab/X-ray	100%	100%
Preventive Care	\$10 copay	\$10 copay
OB/GYN	\$10 copay	\$10 copay
Physical Therapy	\$10 copay	\$10 copay
Speech Therapy	\$10 copay	\$10 copay
Audiological exam	\$10 copay	\$10 copay
Hearing Aid	\$1,000 max/36 mo	\$1,000 max/36 mo
Chiropractic Care	\$10 copay; up to 20 visits/calendar year	\$10 copay; up to 20 visits/calendar year
Acupuncture	Not Covered	Not Covered
Infertility	50% of allowed charges	50% of allowed charges
Home Health Care	100%	100%
Skilled Nursing Facility Care	100%	100%
Durable Medical Equipment	up to 100 days/yr max	up to 100 days/yr max
Hospice Care	100%	100%
Outpatient Surgery	100%	100%

<sup>1</sup> Waived if admitted

Color Indicator: Green=Better, Yellow=Worse, Blue=Waiting For Confirmation, Pink=Carrier Still Working on Benefit

# The City of Pasadena

## HMO PLAN DESIGN COMPARISON

Coverage	Current (Effective 1/1/03 - 12/31/03) CalPERS - Kaiser Permanente	Proposed Kaiser Permanente
<b>Mental Health</b>		
Inpatient	100%, up to 30 days/yr max	100%, up to 30 days/yr max
Outpatient		
- Severe	\$10 copay	\$10 copay
- Other	\$20 copay, up to 20 visits/yr max	\$20 copay, up to 20 visits/yr max
<b>Substance Abuse</b>		
Inpatient (Detox Only)	100%	100%
Outpatient	\$10 copay, up to 20 visits/yr max	\$10 copay, up to 20 visits/yr max
<b>Prescription Drug</b>		
<i>Retail</i>		
Generic	\$5 copay <sup>2</sup>	\$5 copay <sup>2</sup>
Brand	\$15 copay <sup>2</sup>	\$15 copay <sup>2</sup>
Non-formulary	N/A	N/A
<i>Mail Order (90 day supply)</i>		
Generic	\$5 copay <sup>2</sup>	\$5 copay <sup>2</sup>
Brand	\$15 copay <sup>2</sup>	\$15 copay <sup>2</sup>
Non-formulary	N/A	N/A

<sup>2</sup> Up to 100-day supply through Kaiser pharmacies or mail order program

**Color Indicator: Green=Better, Yellow=Worse, Blue=Waiting For Confirmation, Pink=Carrier Still Working on Benefit**



# The City of Pasadena

## Medicare COB - High Option PPO PLAN DESIGN COMPARISON

Coverage	PERSCare		Proposed	
	Blue Cross of CA In Network	Blue Cross of CA Out of Network	Blue Shield of CA (High Option PPO) In Network	Blue Shield of CA (High Option PPO) Out of Network
Deductible	Plan Pays Part A & B		Plan Pays Part A & B	\$500/member \$1,000 family
Out-of-Pocket Maximum	Unknown		\$2,000/member \$4,000/ family	\$10,000/member \$20,000/ family
Lifetime Maximum	Unlimited		Unlimited	
Inpatient Hospital/Surgery	No charge *♦		No charge	60% covered#
Emergency Room	No charge *		No charge	
Ambulance	No charge *		No charge	
Outpatient Office Visit	No charge *		No charge	60% covered#
Lab/X-ray	No charge *		No charge	60% covered
Preventive Care	No charge *		No charge	60% covered
OB/GYN	No charge *		No charge	60% covered
Physical Therapy	No charge **		No charge	60% covered
Speech Therapy	No charge **		No charge	60% covered
Audiological exam	up to \$5,000 lifetime maximum		20% of BSC allowed charges	60% covered#
Hearing Aids	20% **		20% of BSC allowed charges	60% covered up to \$1,000 max every 24 months
Chiropractic Care	No charge *		No charge	60% covered
Acupuncture	20% * up to 20 visits per calendar year		No charge	60% covered
Infertility	No charge *		No charge	Not covered
Home Health Care	No charge *		No charge	90% with pre-authorization

\* If benefits are payable by Medicare and a member asks a provider who accepts Medicare assignment, covered services will be paid.

♦ This is a benefit beyond Medicare.

\*\* Plan pays 80% of the carrier's Allowable Amount for hearing aid services, subject to a maximum payment of \$2,000 per member once every 24 months.

# Copayments and charges for services not included in the calculation of the member's calendar-year copayment maximum continue to be the member's responsibility after the calendar-year copayment maximum is reached.

Color Indicator: Green=Better, Yellow=Worse

Blue Shield-1

# The City of Pasadena

## Medicare COB - High Option PPO PLAN DESIGN COMPARISON

Coverage	PERSCare		Proposed	
	Blue Cross of CA In Network	Blue Cross of CA Out of Network	Blue Shield of CA (High Option PPO) In Network	Blue Shield of CA (High Option PPO) Out of Network
Skilled Nursing Facility Care	No charge ** for first 100 days 20% for the next 265 days		No charge for first 100 days 20% for the next 265 days	60% covered
Durable Medical Equipment	No charge *		No charge	60% covered. Orthoses only up to \$2,000/year max
Hospice Care	No charge *		No charge	90% with pre-authorization
Outpatient Surgery	No charge *		No charge	60% covered#
<b>Mental Health</b>				
Inpatient	No charge **		No charge	60% covered
Outpatient	Access charge ** (Medicare pays 50% of the most services)		No charge	60% covered#
<b>Substance Abuse</b>				
Inpatient	Not covered		No charge	60% covered
Outpatient	Not covered		No charge	60% covered
<b>Vision Benefit</b>				
	<b>One Eye Exam:</b> every 12 months up to \$35 allowance <b>One lense (each):</b> every 12 months up to \$20 single/\$35 bifocal/\$45 trifocal/\$50 lenticular/\$100 contact lenses <b>One set of Frame:</b> every 24 months up to \$30 allowance (Any amount excess of the allowance)		Not covered unless Vision Rider is purchased	Not covered

\* If benefits are payable by Medicare and a member asks a provider who accepts Medicare assignment, covered services will be paid.

♦ This is a benefit beyond Medicare.

\*\* Plan pays 80% of the carrier's Allowable Amount for hearing aid services, subject to a maximum payment of \$2,000 per member once every 24 months.

# Copayments and charges for services not included in the calculation of the member's calendar-year copayment maximum continue to be the member's responsibility after the calendar-year copayment maximum is reached.

**Color Indicator: Green=Better, Yellow=Worse**

# The City of Pasadena

## Medicare COB - High Option PPO PLAN DESIGN COMPARISON

Coverage	PERSCare		Proposed	
	Blue Cross of CA In Network	Blue Cross of CA Out of Network	Blue Shield of CA (High Option PPO) In Network	Blue Shield of CA (High Option PPO) Out of Network
<b>Prescription Drug (Medicare COB)</b>				
<i>Retail</i>				
Generic	\$5 copay		\$5 copay	Reduced Benefits
Brand	\$15 copay		\$15 copay	Reduced Benefits
Non-formulary	\$30 copay		\$30 copay	Reduced Benefits
<i>Mail Order (90 day supply)</i>				
Generic	\$10 copay		\$10 copay	Not Covered
Brand	\$25 copay		\$25 copay	Not Covered
Non-formulary	\$45 copay		\$45 copay	Not Covered
<b>Benefits Beyond Medicare</b>				
Hearing Aids	Yes**		Yes**	Yes**
Vision Care	Yes		Yes	Yes
Skill Nursing	Yes		Yes	Yes
Acupuncture	Yes		Yes	Yes
Physical Therapy	Yes		Yes	Yes
Speech Therapy	Yes		Yes	Yes
Occupational Therapy	Yes		Yes	Yes
Mental Health Services	Yes		Yes	Yes

\* If benefits are payable by Medicare and a member asks a provider who accepts Medicare assignment, covered services will be paid.

♦ This is a benefit beyond Medicare.

\*\* Plan pays 80% of the carrier's Allowable Amount for hearing aid services, subject to a maximum payment of \$2,000 per member once every 24 months.

# Copayments and charges for services not included in the calculation of the member's calendar-year copayment maximum continue to be the member's responsibility after the calendar-year copayment maximum is reached.

**Color Indicator: Green=Better, Yellow=Worse**



# The City of Pasadena

## Medicare COB - Low Option PPO PLAN DESIGN COMPARISON

Coverage	PERSChoice		Proposed	
	Blue Cross of CA In Network	Blue Cross of CA Out of Network	Blue Shield of CA (Low Option PPO) In Network	Blue Shield of CA (Low Option PPO) Out of Network
Deductible	Plan Pays Part A & B		Plan Pays Part A & B	\$500/member \$1,000 family
Out-of-Pocket Maximum	Unknown		\$3,000/member \$6,000/ family	\$10,000/member \$20,000/ family
Lifetime Maximum	\$2,000,000		Unlimited	
Inpatient Hospital/Surgery	No charge *		No charge	60% covered #
Emergency Room	No charge *		No charge	
Ambulance	No charge *		No charge	
Outpatient Office Visit	No charge *		No charge	60% covered#
Lab/X-ray	No charge *		No charge	60% covered
Preventive Care	No charge *		No charge	60% covered
OB/GYN	No charge *		No charge	60% covered
Physical Therapy	No charge *		No charge	60% covered
Speech Therapy	No charge *		No charge	60% covered
Audiological exam	up to \$5,000 lifetime maximum 20% *		20% of BSC allowed charges	60% covered#
Hearing Aids	20% **		20% of BSC allowed charges	60% covered up to \$1,000 max every 24 months
Chiropractic Care	No charge *		No charge	60% covered
Acupuncture	Not covered		No charge	60% covered
Infertility	No charge *		No charge	Not covered
Home Health Care	No charge *		No charge	90% with pre-authorization

\* If benefits are payable by Medicare and a member asks a provider who accepts Medicare assignment, covered services will be paid.

\*\* Plan pays 80% of the carrier's Allowable Amount for hearing aid services, subject to a maximum payment of \$1,000 per member once every 36 months.

# Copayments and charges for services not included in the calculation of the member's calendar-year copayment maximum continue to be the member's responsibility after the calendar-year copayment maximum is reached.

**Color Indicator: Green=Better, Yellow=Worse**

# The City of Pasadena

## Medicare COB - Low Option PPO PLAN DESIGN COMPARISON

Coverage	PERSChoice		Proposed	
	Blue Cross of CA In Network	Blue Cross of CA Out of Network	Blue Shield of CA (Low Option PPO) In Network	Blue Shield of CA (Low Option PPO) Out of Network
Skilled Nursing Facility Care	No charge * for first 100 days		No charge for first 100 days	60% covered
Durable Medical Equipment Hospice Care	No charge * No charge *		No charge No charge	60% covered, Orthoses only up to \$2,000/year max 90% with pre-authorization
Outpatient Surgery	No charge *		No charge	60% covered#
Mental Health Inpatient Outpatient	No charge * Access charge * (Medicare pays 50% of the most services)		No charge No charge	60% covered 60% covered#
Substance Abuse Inpatient Outpatient	Not covered Not covered		No charge No charge	60% covered 60% covered
Vision Benefit	One Eye Exam: every 12 months up to \$35 allowance One lense (each): every 12 months up to \$20 single/\$35 bifocal/\$45 trifocal/\$50 lenticular/\$100 contact lenses One set of Frame: every 24 months up to \$30 allowance (Any amount excess of the allowance)		Not covered unless Vision Rider is purchased	Not covered
Prescription Drug (Medicare COB)				
Retail				
Generic	\$5 copay	\$5 copay	\$5 copay	\$5 copay + 25% of allowable amount
Brand	\$15 copay	\$15 copay	\$15 copay	\$15 copay + 25% of allowable amount
Non-formulary	\$30 copay	\$30 copay	\$30 copay	\$30 copay + 25% of allowable amount
Mail Order (90 day supply)				
Generic	\$5 copay	\$5 copay	\$10 copay	Not Covered
Brand	\$25 copay	\$25 copay	\$25 copay	Not Covered
Non-formulary	\$45 copay	\$45 copay	\$45 copay	Not Covered

\* If benefits are payable by Medicare and a member asks a provider who accepts Medicare assignment, covered services will be paid.

# Copayments and charges for services not included in the calculation of the member's calendar-year copayment maximum continue to be the member's responsibility after the calendar-year copayment maximum is reached.

Color Indicator: Green=Better, Yellow=Worse

Blue Shield-2

**The City of Pasadena**

**Medicare COB - Low Option PPO PLAN DESIGN COMPARISON**

Coverage	PERSChoice		Proposed	
	Blue Cross of CA In Network	Blue Cross of CA Out of Network	Blue Shield of CA (Low Option PPO) In Network	Blue Shield of CA (Low Option PPO) Out of Network
<b>Benefits Beyond Medicare</b>				
Hearing Aids	Yes**		Yes**	Yes**
Vision Care	Yes*		Yes*	Yes*
Skill Nursing	No		Yes*	Yes*
Acupuncture	No		Yes*	Yes*
Physical Therapy	No		Yes*	Yes*
Speech Therapy	No		Yes*	Yes*
Occupational Therapy	No		Yes*	Yes*
Mental Health Services	No		Yes*	Yes*

\* If benefits are payable by Medicare and a member asks a provider who accepts Medicare assignment, covered services will be paid.

\*\* Plan pays 80% of the carrier's Allowable Amount for hearing aid services, subject to a maximum payment of \$1,000 per member once every 36 months.

# Copayments and charges for services not included in the calculation of the member's calendar-year copayment maximum continue to be the member's responsibility after the calendar-year copayment maximum is reached.

**Color Indicator: Green=Better, Yellow=Worse**