

MEDIA RELEASE

FOR IMMEDIATE RELEASE
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PEIA FINANCE BOARD APPROVES FY2011 PLAN FOR ACTIVE AND RETIRED EMPLOYEES

CHARLESTON, W.Va – The Public Employees Insurance Agency (PEIA) Finance Board approved today the fiscal year 2011 (FY2011) plan for medical and prescription benefits for active and retired employees covered by PEIA, which will go into effect July 1, 2010.

Due to escalating health care costs throughout the nation, one of the changes approved was a 4 percent premium increase for all active and retired employees.

Additionally, changes affecting the benefit structure were approved, including increases to the *family* out-of-pocket maximum to one and half times the *single* maximum, which is common in other health care plans. The proposed plan which was discussed during the public hearings included an increase out-of-pocket *family* maximum of two times the *single* maximum; however, due to an additional \$3.5 million proposed increase in FY2011 Executive Budget by Gov. Joe Manchin III, to be approved by the State Legislature, this benefit change was reduced. An additional \$27 million is being used from the PEIA reserve fund to address the FY2011 plan.

PEIA expanded the lifetime maximum benefit from \$1 million to \$1.5 million per member, due to the increasing costs of medical services to ensure that members could receive necessary services.

Other changes approved relating to active PEIA members included moving Plan B to an IRS High Deductible Plan which offers a voluntary Health Savings Account for active employees and the

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transition to Express Scripts High Performance Formulary with several drugs moving to different tiers. This prescription change is expected to save money while continuing to provide generous prescription benefits.

With regard to the active PEIA members, the finance board did not approve a proposed increase of \$25 in the annual deductible for participants in Plan A or the creation of a West Virginia Only plan (Plan C).

For retired employees, the new plan includes an increase of \$25 in their medical deductible and the implementation of the Express Scripts High Performance Formulary.

The finance board passed two of three proposed program options for FY2012, including an incentive for members to have a living will addressing their end of life care wishes and a wellness program incentive that ensures members are aware of their modifiable risk factors, including blood pressure and cholesterol. A proposal to assess \$50 per month for policyholders whose spouses have medical coverage available through their employers, but elect to take coverage through PEIA instead, did not pass.

The finance board and PEIA staff were represented at six statewide public hearings throughout the month of November to gain feedback on the proposed finance plan for FY 2011 in advance of this meeting to vote on the proposed plan.