



October 2016

Dear Retiree and/or Eligible Dependents:

As a member of the non-Medicare eligible Penn State retiree medical program, **Highmark PPO Savings plan with the Health Savings Account (HSA)**, we are pleased to announce that you will **remain** in the PPO Savings plan until you are Medicare eligible, unless you choose to switch to the PPO Blue plan.

If you want to switch to the PPO Blue plan for 2017, please complete the enclosed Retiree Request for Change Form. PPO Blue plan details are available on the Employee Benefits website at www.ohr.psu.edu/retiree. **To stay in the PPO Savings plan, NO ACTION IS NEEDED.**

For 2017, please note that several changes are being made to both the health plan and the contribution amount, as follows:

❖ **No changes to *covered medical services***

❖ **2017 Annual Deductible:**

- Individual: \$1600
- Family (Individual + 1 or more): \$3,200
- ALL services subject to deductible: office visits, emergency room services, lab work, x-rays, surgery, inpatient admissions, durable medical equipment, and prescriptions

After Deductible is met:

Medical Coinsurance:

- 10% paid by employee
- 90% paid by Penn State

Prescription Retail & Mail Order Coinsurance:

- Generic: 10%
- Formulary Brand: 20%
- Non-Formulary Brand: 40%

Specialty Prescription Coinsurance:

- Formulary: 20% coinsurance or \$65 minimum
- Non-Formulary: 40% coinsurance or \$100 minimum

Medical & Prescription Coinsurance Out-of-Pocket Maximum:

- **\$1,975 Individual** Coverage Only
(Potential Financial Exposure = \$3,575 including deductible)
- **\$3,950 Family** Coverage
(Potential Financial Exposure = \$7,150 including deductible)

If medical and prescription coinsurance out-of-pocket maximum is met, medical claims are paid at 100% for the rest of the calendar year

Employee Benefits Division, James M. Elliott Building, University Park, PA 16802
Service Center: (814) 865-1473, Fax: (814) 865-6820

Penn State is committed to affirmative action, equal opportunity, and the diversity of its workforce.

All questions regarding plan changes and claims should be directed to Highmark Blue Shield at 800-914-4384.

Health Savings Account with Bank of America

- ❖ 2017 ANNUAL HSA Maximum contributions:
 - **\$3,400 for Individual**
 - **\$6,750 for Family**
- ❖ Catch-up contribution of \$1,000 for age 55 and older
- ❖ All contributions must be made via the Highmark website or directly to Bank of America
- ❖ Log on to the Highmark website at www.highmarkblueshield.com
- ❖ *Upon becoming Medicare-eligible, you will move to the Medicare plan offered by the University at that time; you will no longer be able to contribute to the HSA at that time, but will be able to use the monies in the HSA for future medical expenses*
- ❖ Please consult your tax advisor to receive tax-free benefit on your contributions via line-item deduction

All questions regarding using your HSA should be directed to Highmark Blue Shield at 800-914-4384.

The PPO Savings 2017 contribution rates are listed below:

PPO Savings 2017 Premium Contributions	
Coverage Tier	Monthly Contribution
Individual	\$127.18
Two-Person	\$254.37
Parent/Child/Children	\$190.77
Family	\$317.96

Lifetime Benefit Solutions (LBS) will continue to bill you on a quarterly basis in 2017. Information about your coverage, premium due dates and copies of letters can be securely accessed through the LBS Member Portal. Please refer to the Welcome Letter for your registration information.

If you have any questions regarding registration or your premium, please contact Lifetime Benefit Solutions Customer Service Department at 1-800-828-0078, Monday through Thursday from 8:00 AM to 5:00 PM and Friday from 9:00 AM to 5:00 PM EST.

Sincerely,

Employee Benefits Division

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