

YOUR BENEFITS GUIDE – MEDICAL PLAN OPTIONS



2010 Electric Boat Medical Plan Options Anthem Blue Cross Blue Shield of Connecticut Anthem Retiree Medical Plan F

The Anthem Blue Cross/Blue Shield Retiree Medical Plan F is identical in benefits to a “Plan F” under the Federal standardized Medicare supplement plans. Because this is a group plan available only to eligible Electric Boat retirees and spouses, it is referred to as a “Retiree Medical Plan”.

This is not an HMO or a Medicare Advantage Plan. You can visit all of your physicians without needing a referral. A doctor does not have to choose to participate with Anthem Blue Cross/Blue Shield. If a doctor accepts Medicare assignment, you will not have any out-of-pocket expenses or co-payments for Medicare covered services. All hospitals accept Medicare assignment except for Veteran’s Hospitals. Under this program, your providers will bill Medicare; Medicare will pay their portion of the claim and transmit the remainder of the claim to Anthem Blue Cross/Blue Shield. Anthem Blue Cross/Blue Shield will pay any deductibles or coinsurance that applies.

As the secondary payer, Anthem pays the balance of any Medicare approved amount to your provider. In this process, while some providers may actually bill Anthem, most simply bill Medicare, await the payment from Medicare and then wait for the balance to come along from Anthem. Providers should not be collecting any copayments or fees from you along the way unless it is for a service that is not covered by Medicare. The Electric Boat Retiree Medical Plan F also covers the 15% excess charge providers that do not accept Medicare assignment are allowed to charge their Medicare patients. With that said, you will not experience any out of pocket costs for any Medicare covered service. All Medicare covered charges will be paid in full by Medicare and the Electric Boat Retiree Medical Plan F.

If you travel or spend time away from home, your coverage will be the same wherever you go within the U.S. When you visit a doctor or hospital, you will show your Medicare card and your Anthem Blue Cross/Blue Shield Medical Plan ID card.

In general, all claims are processed electronically so the system is virtually paperless.

Anthem SmartValue Private Fee for Service Plans

Through Anthem BCBS of CT, we have three additional medical plans available to retirees and spouses living anywhere in the U.S. The *Anthem SmartValue Private Fee for Service Plans are Medicare Advantage Plans and they were added to the Electric Boat Retiree Medical Plan Options in 2007*. As these plans are Medicare Advantage Plans, they function differently than the “Retiree Medical Plan F” but offer a very high level of benefits at a lower premium cost to you.

In a nutshell, Medicare Advantage Plans, like the Anthem SmartValue Plans, are made possible due to a financial arrangement between Medicare and the insurance companies that have contracted to provide Medicare benefits. Medicare subsidizes a huge portion of the anticipated expense for the insurance company to provide benefits that are equal to or better than those under traditional Medicare. The Anthem SmartValue Plans are known as “Private Fee for Service” plans.

Unlike the Retiree Medical Plan F where Anthem coverage is secondary to Medicare, under all of these Private Fee for Service Plans, Anthem is the sole payer of all covered benefits on behalf of Medicare. In exchange for a monthly subsidy from Medicare, Anthem agrees to cover all of the Medicare benefits and to remit the exact same amount of money to your providers that they would receive from Medicare in their agreed upon fee schedule for services. As a member of the Anthem SmartValue Private Fee for Service plan, you will only show your provider your Anthem ID card since Anthem will be the sole payer of your medical claims.

The Anthem SmartValue plan does not have a provider network. Instead, you can seek care from any licensed health care professional who accepts Anthem SmartValue terms and conditions. Because there is no set provider network, health care professionals and hospitals may opt in or out of accepting Anthem SmartValue members at their discretion, so whenever you seek services, you should first confirm the provider accepts Anthem SmartValue plan terms and conditions, except in the case of emergencies. Providers can find the terms and conditions on the Anthem website at Anthem.com.

There is no burden on the provider to deal with any administrative or managed care element other than one thing – they bill Anthem instead of Medicare. That’s it. In states other than Connecticut, the providers bill their local BCBS affiliate. We have had great success with these plans and we believe that part of that has to do with the fact that a high percentage of providers in this country bill their local BCBS affiliate every day for so many of their Medicare and non-Medicare patients that it does not require any additional administrative burden on their offices. Under this arrangement, a prospective benefit for the providers is that they will receive their entire payment at once since Anthem will be paying both what Medicare traditionally paid in addition to what balance Anthem would pay under the Retiree Medical Plan F.

There are three plan options available and we refer to them as the High Option, Base Option and Low Option. These plans work exactly the same from an administrative standpoint; however, they do differ in premium and copayments. The High Option, for example, has the highest monthly premium of the three plans; however, all covered services are paid at 100%. The Base Option is lower in monthly premium but there are small copays for most services and the Low Option is even lower in monthly premium and copays are slightly higher than those in the Base plan.

The Anthem SmartValue Private Fee for Service plans also offer value added benefits, such as:

- Annual routine physical exams
- Annual routine eye exams, including the refraction
- A nurse line available 24 hours a day, seven days a week
- Prevention education
- Disease management programs
- Special Offers @ Anthem – discount programs for vision wear, hearing aids, weight loss programs, alternative wellness products, vitamins, smoking cessation products and much more!
- Healthy Lifestyles on-line health and fitness program
- Silver Sneakers – free membership to participating centers in your area

The comparison chart on the following pages illustrates the premium cost and benefit differences between the four (4) Anthem Blue Cross Blue Shield options being offered in 2010.