



State of Tennessee Group Insurance Program

Department of Finance and Administration • Benefits Administration • 26th Floor Tennessee Tower
312 Rosa L. Parks Avenue • Nashville, TN 37243 • Phone 615-741-3590 or 1-800-253-9981

Enclosed is your new member identification card, which you should begin using effective January 1, 2009, to access your health care benefits. **You will note that the pharmacy copays listed on your card differ from information provided to you during annual transfer. This is not an error and this notice is being provided to clear up any possible confusion.**

The Insurance Committees (State, Local Education and Local Government) approve your health plan benefits, eligibility criteria and premiums, and manage plan costs. Benefits Administration then carries out the day-to-day plan management.

In July 2008, all three Insurance Committees set premiums for the 2009 plan year. The Committees adopted a combination of minor plan benefit changes coupled with a slight premium increase for the State and Local Government Plans. With the downturn in the economy, the State's revenue has grown significantly worse with each passing week. In an effort to preserve jobs and manage the budget, the Insurance Committees recently made additional changes to plan benefits for calendar year 2009. Effective January 1, 2009, the following premium amounts will be implemented:

State Plan — premiums for 2009 will remain the same as in 2008 (reduced from 4% previously communicated)

Local Education Plan — premiums for 2009 will remain the same as in 2008 (no change)

Local Government Plan — premiums (except PPO Limited) will increase 4% over 2008 rates (as communicated previously)

Further, the following pharmacy copayments will apply for those enrolled in the PPO, POS and HMO options effective January 1:

30–34 day supply at retail pharmacies

Tier 1 (generic drugs): \$5 copayment

Tier 2 (preferred brand name drugs): \$25 copayment

Tier 3 (non-preferred brand name drugs): **\$75 copayment (change)**

90–102 day supply by mail order or at participating “mail at retail” pharmacies

Tier 1 (generic drugs): **\$10 copayment (change)**

Tier 2 (preferred brand name drugs): **\$50 copayment (change)**

Tier 3 (non-preferred brand name drugs): **\$100 copayment (change)**

As these changes have been made since the printing and distribution of your health plan member handbook this fall, Benefits Administration will allow for members in the HMO or POS options to transfer to the PPO option if they find that the plan of benefits in that option better suits their needs. If you choose to do so, you must complete and turn in an enrollment/change application, available from your agency's Insurance Benefits Coordinator, **NO LATER THAN JANUARY 15, 2009**, for an effective date of March 1, 2009.

For actively employed central state government employees: due to the pharmacy adjustments, you may want to consider joining or increasing your Flexible Benefits deduction for 2009. Because of this late development, you will be permitted to begin or change your 2009 Flexible Benefits medical reimbursement deduction to take advantage of tax savings for out-of-pocket expenses. The deadline for submitting an election form is December 31, 2008. You can access an enrollment form or read more about the Flexible Benefits program at www.tn.gov/treasury/flex/.

If you are a Local Education or Local Government Plan participant or an employee of UT or the Board of Regents, please inquire with your employer regarding your ability to make a change to your 2009 healthcare flexible spending account — if available and you are interested in such a change.