

Iowa Bankers Benefit Plan (IBBP) Changes Effective January 1, 2010

Prescription Drugs:

In an attempt to manage our prescription drug expenses that increased over 11 % from last year and to incent members to use generic prescriptions, the IBBP has added a prescription drug deductible.

Beginning January 1, 2010, members will pay a \$100 prescription drug deductible for single coverage and a \$200 prescription drug deductible for employee/child, employee/spouse and family coverage. Any combination of family members can meet the \$200 deductible, however, one family member will not have to meet any more than the single deductible.

The deductible applies toward the Tier 2 (\$25 co-pay), Tier 3 (\$40 co-pay) and Tier 4 Specialty Drug (\$85 co-pay). Generic prescriptions are not subject to the deductible. We are aware that there are some prescriptions that do not have a generic available; they will still be subject to the \$100 deductible.

REMEMBER: A member could have additional liability if they purchase a brand name drug when a generic drug is available. In that case the member will pay the difference between the brand name drug cost and the generic cost in addition to the deductible and co-pay.

This provision does not apply to the \$2000 HDHP/HSA qualified plan.

Example #1:

A member goes to pharmacy and purchases a generic drug. The member will be responsible for the generic copayment level of \$10. The deductible is waived for all generic drugs.

Example #2:

A member goes to pharmacy and purchases a Tier 2 brand name drug (\$25 co-pay). The charge is \$160 and the Wellmark discounted allowance is \$120 for that drug. The member will be responsible for the \$100 deductible and then the appropriate copayment will be applied. In this situation the member will have \$100 deductible + \$20 copayment (not \$25 because the allowance is only \$120).

The next time the member goes to pick up this same prescription the deductible is now met so they would pay the \$25 copayment.

Example #3:

A member goes to the pharmacy and purchases a specialty drug that costs \$1,000 with an allowance of \$785. Specialty drugs are subject to the deductible as well so the deductible would first apply and then the member would be responsible for the \$85 copayment. Member responsibility would be \$100 deductible + \$85 copayment = \$185.

The next time the member goes to pick up this same prescription the deductible is now met so they would pay the \$85 specialty copayment.

Domenici and Wellstone Mental Health Parity and Addiction Equity Act:

Effective January 1, 2010 this Federal Act removes any limitations such as separate deductibles, co-pays, coinsurance and out-of-pocket limits for mental health and addiction services. These services will now be payable the same as other major medical expenses covered under the IBBP.

Michelle's Law

Effective January 1, 2010, this Federal Law is designed to protect full time students who develop a serious illness while at school and can no longer continue their full time student status due to their illness.

A dependent child must be unmarried and must be one of the following:

Under age 25.

A full-time student under age 25 enrolled in an accredited educational institution.

Fulltime student status continues during:

- Regularly scheduled school vacations; and
- Medically necessary leaves of absence for up to one year from the first day of leave or until coverage would have otherwise ended.

Totally and permanently disabled, physically or mentally. The disability must have existed before the child turned age 25, or while the child was a full-time student. In addition, the child must have had creditable coverage without a break of 63 days or more since turning age 25 or since becoming a fulltime student.

The 2010 summary plan descriptions will be updated with these new provisions.