

GLOSSARY

Centers of Excellence: For certain complex medical and surgical procedures, both current insurance companies have a list of medical centers where the positive outcomes and results from such surgeries exceed the outcomes of other medical centers. These outcome results are provided to each physician who is recommending surgery for a patient and they are informed that a member has the option to agree to have the service performed at one of these centers. It is not a program that must be followed. It is an option for the member. The covered expenses are the same no matter where the surgery is performed.

Health Care Cost Containment Committee or HCCCC: A Joint labor-Management Committee established in 1982 under the SEBAC agreement. The Committee has six Union representatives selected to reflect the diverse mixture of SEBAC unions and an equal number of management representatives. The HCCCC has jurisdiction over the administration and operation of the state employee health plan. Disputes are resolved by a neutral arbitrator. The Committee is staffed by the Office of the State Comptroller and the Comptroller is responsible to procure health care coverage consistent with the terms and conditions of the state employee health plan as set forth in the SEBAC agreement. The HCCCC meets the first Monday of every month.

Maintenance Drugs: Maintenance drugs are prescriptions commonly used to treat conditions that are considered chronic or long-term. These conditions usually require regular, daily use of medicines. Examples of maintenance drugs are those used to treat high blood pressure, heart disease, asthma and diabetes. The typical supply is for 90 days.

Medical Homes: A Medical Home describes a physician's practice that is integrated and coordinated with all aspects of a member's health care. These physician offices are usually open during the evenings and for some limited hours on the weekend. In a medical home, your primary care physician is linked electronically to any specialist you may be referred to or to a lab or facility that performs a test ordered by your physician, such as a blood test. Also, a practice that is a medical home is linked to the hospital system and receives notice of your admission and discharge from such a facility. The goal of a medical home practice is to give your physician up to date and accurate medical information so that your treatment can be more effective and based on as much information as possible. An example of a practice that is operating on a medical home basis are those physicians associated with ProHealth Physicians.

Prescription Formulary: Typically, prescription drugs are categorized as either Generic, or Preferred Brand, or Non-preferred Brand. Typically, these are divided into three tiers of member co-pays. Active employees currently have a three Tier program of \$5-\$10-\$25 which will change to \$5-\$20-\$35 for non-maintenance drugs and remain at \$5-\$10-\$25 for maintenance drugs. Employees and their dependents who enroll in the Health Enhancement Program will pay \$0-\$5-\$12.50 for maintenance drugs associated with the

five chronic conditions covered by the Program. Diabetes medication will continue to be provided at no cost to all members of the State Plan.

Self-Insured: The State Employee Health Plan has for most of its history (except for most years under the Rowland administration) as a self-insured plan -- meaning that like most large employers, the ultimate responsibility for paying medical claims is by the employer, and insurance companies simply administer the claims on a set fee per covered member basis. Insurance carriers under self-insured plans do not make extra money by raising or lowering premiums, or by granting or denying claims. They make their money automatically from the set fee per member per month schedule

State Employee Bargaining Agent Coalition or “SEBAC”: SEBAC is the shorthand way to refer to the statutorily mandated coalition created in 1986 by Public Act 86-411 which required that collective bargaining by unionized state employees with respect to pensions and health care be done on a coalition basis with the State.

State Employee Health Plan: The State Plan consists of the schedule of benefits and co-pays, co-insurances, deductibles and premium cost-sharing percentages that apply to the state employees, active and retired. It also refers to access standards that must be met as to hospitals and other providers such as primary care physicians and specialists if an insurer is to be considered qualified to submit a bid to administer the claims for the state employee health plan. The Plan is currently maintained on a self-insured basis by the State of Connecticut as part of the SEBAC agreement to do so.

The State Plan benefits of the State Plan remain unchanged in this proposed agreement except for the institution of a \$35 co-pay for an emergency room visit that does not result in admission to the hospital and except for a change in the charge for non-maintenance prescription drugs from the current \$5-\$10-\$25 to \$5-\$20-\$35 for those drugs. Employees will continue to select coverage as an individual or on a two person basis or on a family basis (3 or more). There is also a coverage available known as Family Less Employed Spouse or FLES which represents coverage where both spouses are state employees.

Plan Administrators: Those companies who bid on the state employee health plan when it is put out to bid which is typically done by the HCCCC every 2-3 years. Current administrators are Anthem and United Health Care who are paid a fee to administer the benefits and to process the claims of the medical plan. The pharmacy benefits are administered and processed by CVS/Caremark. Thus, the medical plan and the pharmacy plan is a self-funded arrangement. The dental benefits are administered by United Healthcare for the Basic and Enhanced Plan offerings and by CIGNA for the dental health maintenance plan.(Dental HMO)

Point of Service (POS); Preferred Plan(POS); Point of Enrollment (POE); Point of Enrollment Gatekeeper POE-G: Since 1997, active and retired state employees can choose between a Point of Service Plan, a Point of Enrollment Plan or a Point of Enrollment with a Gatekeeper feature. A Point of Service Plan (POS) allows members to

use in-network providers but also to go out of network but you pay more for out of network services. In a Point of Enrollment plan (POE) you must use in-network providers except in the case of emergencies. In a Point of Enrollment Gatekeeper Plan, you must receive prior approval from your primary physician for referrals to specialists within the network. The Preferred Plan is also a Point of Service Plan but is closed to new enrollees since July 1, 2009. All the Plans cover the same services and supplies. The difference is essentially whether you can go out of network. Both Anthem and United offer POS plans, POE Plans and POE Gatekeeper Plans. All of these plans will continue to be offered and are not effected by this proposed agreement.

Health Enhancement Program: This new program is based upon the assumption that when you get people the most accurate information about their health status and potential treatments, most people will make choices that will enhance their overall health and save money for both health plan participants and the plan. Employees will continue to choose any plan offered by any plan carrier, but will also be given the opportunity to elect to participate, along with any covered enrollees, in the Health Enhancement Program which will be an additional component of which plan the employee selects. Participation in the Health Enhancement Program is voluntary. Participation in the Program will result in lower annual employee premiums (a savings of \$1,200 per year) and lower prescription co-pays for certain maintenance drugs and no co-pays for office visits associated with certain conditions such as diabetes and asthma. The employees in the program will also not be subject to an annual deductible of \$350.

Office of Labor Relations (OLR): The State Agency that is part of the Office of Policy and Management (OPM) and is responsible for negotiating the collective bargaining contracts for bargaining units in the Executive Branch of government. Excludes the Judicial Branch, the Division of Criminal Justice and the Higher Education units.

Section 415 of the Internal Revenue Code: The provision of federal law that among other things limits the amount of annual pension a retiree may receive under retirement plans such as those in effect for state employees. The current limit is \$245,000 per year.

Mandatory Mail Order for Maintenance Drugs: The process by which maintenance drugs will be dispensed. The process will be that the maintenance drugs and the refills will now be delivered to the member by mail. Members who wish to pick up their mail order maintenance drugs may elect to do so at any CVS pharmacy. Otherwise, these prescriptions will be dispensed through the mail.