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## ARIZONA DEPARTMENT OF ADMINISTRATION

Benefit Services Division

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**To: State Retirees Eligible for Benefits**  
**From: Benefit Services Division**  
**Date: September 18, 2017**  
**RE: Important Rate Changes for 2018 Benefits**

The Benefits Services Division's goal is to provide cost effective comprehensive benefits to all State employees, retirees, and their families. There are important changes being made this year which will impact everyone who elects State benefits.

While the State has worked hard to insulate members from skyrocketing healthcare costs that have been felt throughout the public and private sectors, out of necessity there will be a change to premiums and copays. The benefit packages offered by the State of Arizona continue to be among the most competitive and attractive in both the public and private sectors.

**PLEASE NOTE:** Due to these changes, **YOU MUST ACTIVELY ENROLL THIS YEAR** if you want to participate in the plan.

- During Open Enrollment from October 30 – November 17 at 5 p.m. Arizona time, you must visit [yes.az.gov](http://yes.az.gov) and choose the coverage you want.
- **IF YOU DO NOT ACTIVELY ENROLL, you will be dropped from your current coverages as of January 1, 2018 and you will no longer be eligible for ADOA coverage.**

### What is changing:

- **Premiums are increasing:** For the first time since 2011, there will be an increase in premiums. The charts on pages 2 and 3 detail the premium changes for 2018.
- **Copays are increasing:** No copay changes have occurred since 2009. Increased copays for medical visits and prescriptions are needed due to higher costs. The charts on page 3 detail the copay changes for 2018. These costs can be managed by using generic drugs, visiting a primary care physician first instead of a specialist, and using urgent care instead of the emergency room when appropriate.
- **Routine preventive care at no cost to you:** As indicated below, the plan changes also include providing preventive care with no copay. This includes routine wellness exams, a wide range of screening tests, immunizations and preventive care medications.
- **Why are the increases necessary?** Rising healthcare costs have been a reality for the past decade. The state is self-insured, which means that employees, retirees and the State pay into the plan to cover the claims. This year, we have reached the point where we must ask our employees and retirees to share more of the costs to meet the plan's expenses.

**The good news:**

- **Dental:** Delta Dental will remain as our PPO dental provider at the same rates and same coverage. Our pre-paid dental plan is moving to Cigna with reduced rates.

**What is staying the same:**

- **Medical coverage and carriers:** The State is proud to offer retirees an excellent benefits package with a variety of medical carriers and plans to choose from. All medical carriers and coverage plans are staying the same.
- **Vision:** The coverage for this benefit will still be the same.
- **Hearing aids:** The coverage for this benefit will still be the same.
- **Health insurance subsidy:** There is no impact to subsidies from the Arizona State Retirement System (ASRS) or the Public Safety Personnel Retirement System (PSRPS).

**Next steps:**

- **Visit our website, [www.benefitoptions.az.gov](http://www.benefitoptions.az.gov)** to read the Frequently Asked Questions (FAQs), find important dates for open enrollment and see the premium and copay increases.
- **Watch for the 2018 Benefits Enrollment Guide**, which will be mailed to all retirees the week of October 9 to help you decide what plan is best for your family.
- **New premiums take effect January 1:** Billing for the new premiums will begin in January 2018.

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**Questions?**

- Please contact a Benefit Options representative by phone 602-542-5008, toll-free 1-800-304-3687, by email [benefitsissues@azdoa.gov](mailto:benefitsissues@azdoa.gov) or visit our website [www.benefitoptions.az.gov](http://www.benefitoptions.az.gov).

<b>Premium Changes for 2018 – <u>Without Medicare</u></b>			
<b>Plan Type</b>	<b>Tier</b>	<b>2017 Monthly Premium</b>	<b>2018 Monthly Premium</b>
<b>Exclusive Provider Organization (EPO)</b> <i>Aetna, BCBSAZ, Cigna, UnitedHealthcare</i>	Retiree Only	\$593.00	\$652.30
	Retiree + One	\$1,387.00	\$1,525.70
	Family	\$1,869.00	\$2,055.90
<b>Preferred Provider Organization (PPO)</b> <i>Aetna, BCBSAZ, UnitedHealthcare</i>	Retiree Only	\$825.00	\$907.50
	Retiree + One	\$2,009.00	\$2,209.90
	Family	\$2,197.00	\$2,416.70

Premium Changes for 2018 – <u>With</u> Medicare			
Plan Type	Tier	2017 Monthly Premium	2018 Monthly Premium
<b>Exclusive Provider Organization (EPO)</b> <i>Aetna, BCBSAZ, Cigna, UnitedHealthcare</i>	Retiree Only	\$442.00	\$486.20
	Retiree + 1 (Both Medicare)	\$878.00	\$965.80
	Retiree + 1 (One Medicare)	\$1,024.00	\$1,126.40
	Family (Two Medicare)	\$1,166.00	\$1,282.60
<b>Preferred Provider Organization (PPO)</b> <i>Aetna, BCBSAZ, UnitedHealthcare</i>	Retiree Only	\$789.00	\$867.90
	Retiree + 1 (Both Medicare)	\$1,576.00	\$1,733.60
	Retiree + 1 (One Medicare)	\$1,740.00	\$1,914.00
	Family (Two Medicare)	\$1,980.00	\$2,178.00

Copay Changes for 2018 – All Plans ( <u>With</u> and <u>Without</u> Medicare)		
SERVICES	2017	2018
Routine Preventive Health Care	\$15	\$0
<b>Office Visit</b>		
Primary Care Physician (PCP)	\$15	\$20
Mental Health Provider	\$15	\$20
OB/GYN	\$10	\$20
Specialists (all other)	\$30	\$40
*Chiropractor	\$15	\$40
*Therapist: Occupational, Physical, Respiratory, Speech	\$15	\$40
Emergency Room	\$125	\$200
Urgent Care	\$40	\$75
Radiology (CAT, MRI, PET)	\$0	\$100
Outpatient Surgery Copay	\$50	\$100
**Inpatient Hospital Admission	\$150	\$250
<i>*This provider is now included in the specialist category. **Not applicable for maternity.</i>		

Pharmacy Copay Changes for 2018 – All Plans ( <u>With</u> and <u>Without</u> Medicare)						
Amount	Generic		Preferred Brand Name		Non-Preferred Brand Name	
	2017	2018	2017	2018	2017	2018
Retail 30 Days	\$10	\$15	\$20	\$40	\$40	\$60
Retail 90 Days	\$25	\$37.50	\$50	\$100	\$100	\$150
Mail Order 90 Days	\$20	\$30	\$40	\$80	\$80	\$120