



For Distribution to F/T Active covered  
Employees and to Retirees with full dental coverage

## PSC-CUNY Welfare Fund Benefits News

We are pleased to announce in this Newsletter the benefit enhancements designed for the Welfare Fund dental program and major medical coverage. The Trustees and staff of the Fund have made great efforts to assure the most cost-effective use of the new funding provided through the 2002-2007 PSC-CUNY contract. Throughout the summer, benefit options have been developed through meetings with Trustee committees on each benefit, calling upon the resources of old and new carriers as well as our staff and professional benefit consultants. The benefit enhancements announced below have been reviewed by our Advisory Council and approved by the Board of Trustees.

### ***Dental Benefit Improvements***

#### **Current Plan**

It is no secret that our current dental plan is under-funded and, as a result, members have been dissatisfied. However, those who use Guardian participating dentists save an average of 35% off the normal fees charged. When combined with reimbursement, this can account for an average of 55% off of the normal fee charged by a Guardian dentist. For members who don't use participating dentists, there is no discount and the difference is dramatic: on average only 18% of the fee charged by non-participating dentists is met by the Guardian reimbursement schedule. Ultimately, the Welfare Fund sets the schedule of reimbursements and pays those reimbursements to members. Slightly more than half (52%) of dental procedures submitted on bills are now rendered by participating dentists.

#### **New Plan**

**Effective January 1, 2007**, our program will permit a choice between two coverages:

1) The current Guardian Dental Preferred Provider Organization (PPO) will continue to make available those area dentists who are on the Guardian panel, and will offer a better program to all PPO participants. Members who have not taken the "buy-up" rider will see higher reimbursements. Members who now have the "buy-up" rider will see reimbursement similar to their current levels but without paying the premium and without the annual limit.

Members who stay with the Guardian **PPO** option will continue to have the choice of using a non-Guardian panel dentist and receive reimbursements from the Welfare Fund, administered by Guardian. These reimbursements will also be at the same level as above.

2) A dental Health Maintenance Organization (HMO) sponsored by Delta Dental. By electing this option, members and their families will eliminate charges for many preventive services and see lower out-of-pocket payments.

Both options will have **no premium or rider charge** to our members.

With both options, there will be out-of-pocket payments to providers for services.

**MEMBERS WILL CHOOSE ONE OF THESE TWO OPTIONS.**

**1) PPO** This option recognizes the on-going value of the Guardian panel that can reduce costs to members by offering significant discounts. The program:

- Continues the **Guardian dental panel** to limit member out-of-pocket payments.
- **Reimburses** dental bills at a much **higher level** than under the current “core” plan

**80%** of standard Guardian dentist allowances for **preventive** services  
**50%** of standard Guardian dentist allowances for **basic** dental services  
**25%** of standard Guardian dentist allowances for **major** dental services

Note : These reimbursement rates are similar to those under the current “buy-up” rider, but without the \$1,500 annual cap.

- **Eliminates** the “**buy-up**” rider, thereby saving \$250 to \$500 per year for the 3,70 members who now buy it.
- Adds **Orthodontia** coverage for children only and reimburses members at **25%** of standard Guardian dentist allowances

**OR**

**2) Delta Dental HMO** This option allows members to enroll in a managed care program that provides excellent dentists and a defined schedule of co-pays by procedure. Specialist referrals are through primary care dentists. There are no claim forms, no deductibles and no lifetime maximum. Out-of-pocket costs are clearly defined according to a schedule of co-payments. Also, both adult and adolescent orthodontia care are covered in this plan. There will be no co-payment for preventive services. Basic crowns will cost about \$200 and complete orthodontia services will run about \$2,000.

The Delta Dental HMO program selected by the Trustees is highly regarded and is offered by a number of other union benefit funds. While member costs are greatly limited under this option, the *number* of participating dentists is also more limited than the PPO.

**The Choice is Yours**

With either the PPO or the HMO option, members will see substantial reductions in out-of-pocket cost. Even those who elect to stay with their own non-participating dentists will see real improvements under the PPO. There will be no more buy-up rider, reimbursement levels will increase for basic and major procedures and an excellent dental HMO benefit will be a very attractive option.

Those who make no choice will remain in the (enhanced) PPO option.

You are **NOT** being asked to make a decision now! More information will be sent to you as noted further in this Newsletter. The Plan Office will forward details when available.

## *Major Medical Benefits Improvements for GHI members*

[Applies only to F/T active members and non-Medicare Retirees ]

Nearly three-quarters of our membership has GHI-CBP / Blue Cross for basic health insurance. These members also have a secondary level of major medical coverage through the Welfare Fund that addresses use of GHI non-participating physicians. The insurance plan is currently administered by CIGNA and provides 50% coverage between the GHI schedule and a CIGNA schedule, after a deductible has been met.

Our members experience with CIGNA is sometimes described as convoluted and exasperating. The Trustees are changing the benefit by making it a little richer and hopefully much simpler. The following changes will take place:

- the present carrier, **CIGNA, will be replaced by GHI**, the carrier which provides basic coverage for those who are eligible for the benefit,
- the **schedule** - used to determine the difference on which payment is determined - **will be upgraded** and
- the **Fund's co-payment** on that difference, after the deductible, will be **increased from 50% to 60%**.

## *GHI High Option Rider*

All eligible members are ***encouraged*** to take out a **GHI High Option Rider**.

The GHI High Option Rider reduces the cost of using out-of-network doctors for GHI participants. The cost is a very modest \$2.54 per paycheck for an individual and \$6.43 for a family. Under-65 retirees have a proportionately higher amount taken out of their monthly pension check.

Importantly, the Welfare Fund Major Medical benefit charges a different deductible to those with the Rider than to those without the Rider. With the High Option Rider, an eligible participant has to reach a deductible level of \$1,000/individual (*to a maximum of \$2,000/family*) before the major medical benefits starts to pay. Without the High Option Rider, the deductible is \$4,000 (*to a maximum of \$8,000/family*).

## *Flexible Spending Accounts*

All Fund members are encouraged to examine the tax-reduction benefits of HCFSAs – Health Care **Flexible Savings Accounts** available through CUNY. This program can be used to apply pre-tax dollars to offset out-of-pocket health care expenses (e.g. drug and dental co-payments with Welfare Fund benefits and medical/hospital expenses with the basic insurance coverage.) For more information, visit

[http://www.nyc.gov/html/olr/html/flex\\_spending/flex\\_spending.shtml](http://www.nyc.gov/html/olr/html/flex_spending/flex_spending.shtml).

## ***The City-wide Open Enrollment Period***

Decisions about Flexible Spending Accounts and the GHI High Option Rider have to be made during the open enrollment period which ends on **November 17, 2006.**

## ***What's Next ?***

### **More Information**

More information will be made available, particularly on the Delta Dental HMO, within the next few weeks. We want to get the word out quickly now so that Fund members can examine the Delta HMO option. We also want you to make the best decisions regarding your basic coverage. Expect benefit descriptions, schedules, enrollment process, rules and limitations and lists of participating dentists.

More information is available from several sources in addition to the Welfare Fund:

- Campus personnel (benefit) officers
- The carriers (and their websites) directly

The Welfare Fund is setting up a website independent of the PSC-CUNY website. It is expected to be available by November 10<sup>th</sup> and will have copies of correspondence, newsletters, forms and valuable links. In the meantime, some information will be available on the Welfare Fund link of the PSC website, [www.PSC-CUNY.org](http://www.PSC-CUNY.org).

### **In the Next Newsletter**

We will have more details on the programs, as well as examples of payment levels with the two dental programs. More detail will be provided about the Delta Dental HMO, particularly identifying dentists. The next issue will be mailed on November 12<sup>th</sup> and will include the Enrollment Form for Delta Dental.

### **Enrollment in the new Delta Dental HMO**

We are scheduling the Delta Dental enrollment from Nov. 20, 2006 though Dec.12, 2006. Forms received on time will allow enrollment as of Jan.1, 2007. More information and the forms will be available shortly.