

# TRUSTLINE



CALIFORNIA'S  
VALUED TRUST  
Healthcare Benefits for the Education Community

CALIFORNIA'S VALUED TRUST

2ND QUARTER 2010



**BETTER LIVING.  
MORE CREDIT.**

## Introducing the new CVT Wellness PPO Plan.

Available as early as this October, 2010 we are excited to introduce the all-new Wellness PPO Plan designed not only to keep your healthcare costs as low as possible, but keep you in better health as well.

This plan is very innovative and specifically targets health initiatives. It's about addressing and promoting good health as a way of life by building in benefits and credits which can be used towards out-of-pocket expenses for members who take a more active, positive stance on their own health.

This new plan looks like many other plans. But unlike others, it pays you back for staying healthy. We encourage you to see pages 6 and 7 for more information on this bargained benefit and plan details.

**This new plan is now available for your district and/or unit to choose to offer as a possible fifth PPO option.** For more information about selecting this as your plan please contact Member Services at **800.288.9870** or talk to your chapter president about how this may be included in your unit's plan offerings.

For more than 25 years, California's Valued Trust has focused on providing you the best and most responsive member service. In continuing tradition, the Trustline is our primary communication vehicle used to provide required notices and insights into issues that impact your healthcare benefits, rates, as well as new services and options with CVT. It's our hope that every member will engage our member services team with any questions or feedback regarding any of CVT's healthcare offerings.



## 2010-2011 PLAN YEAR

CVT has recently released the 2010-2011 renewal rates to member districts. Despite extraordinary efforts by the CVT Board and leadership staff to keep rates as low as possible, rates will be increasing over last year. There are a number of factors that go into the rate release setting, including increased claims, provider costs, utilization and federal mandates among others. Several key components of the increase are:

- Almost 3% of premium increase this year is attributable to legislated mandates including **Health Care Reform** legislation—especially the expansion of coverage of dependents to age 26, and **Mental Health Parity** regulations
- **Claims** during this plan year were paid out at a rate of 2% higher than revenue

Understanding that some are mandates and trends, CVT is focusing on what it can immediately do to help contain costs. The Trust is proactive in its attempt to address this issue. Below are a few examples, along with new changes to the plan offerings:

- **Administrative fees.** CVT is among the most efficient in the state with an average of 1.03% administrative cost over the last four years
- **New Wellness PPO Plan.** Introduction of a new Wellness PPO Plan designed to keep costs as low as possible and improve the member's health as well
- **Revaluated pharmacy costs.** An evaluation of CVS Caremark, our pharmacy benefit provider, resulted in an estimated savings of \$7.9 million in total plan cost over the next two years



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DAVID B. VAUGHN, Ed.D - EXECUTIVE DIRECTOR

Rates are out for the coming 2010-11 Plan Year. It is always helpful to provide some explanation on the rates and the process used to determine the renewal. My article in this Trustline is intended to offer some insight for understanding the dynamics of the rate setting methodology.

CVT has had the good fortune of delivering low rates or no rate increases for a number of years now. This result has been achieved with the cooperation and support of members taking advantage of the many programs instituted by the Trust, such as Accordant Disease Management for chronic and rare diseases, the Fit for Life Wellness program. Improved contracts with Anthem Blue Cross, Kaiser Permanente, CVS Caremark, One Call Medical and others have been beneficial in curbing costs.

Even with escalating healthcare costs, rates have been good for many years. Today, the times are changed with the convergence of negative economic conditions, an enormous state deficit, continuing fiscal problems facing school districts and employees, rising healthcare costs, healthcare reform legislation and an unusually high claims experience for the preceding twelve months that are used to project future rates.

In a recent communication on releasing rates for the next plan year to districts and labor leaders there were some statistics specific to CVT that help illustrate the reasons for increased rates. These statistics bear repeating for the full membership as examples of the issues that confront the rate setting process.

In a trying economic environment it is common for members to utilize medical services to a much greater degree because of the uncertainty of job security with layoffs, school closures, furloughs and just the stress of the unknown. Claims for this plan year were actually 2% higher than revenue which is unsustainable without making changes. This fact does represent the stability of the Trust

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## HDHP DEDUCTIBLE REQUIREMENTS

In order to remain in compliance with the requirements set by the IRS, CVT will be adjusting the HDHP Plan, beginning October 1, 2010. Currently, the HDHP Plan 1 deductible for an individual is \$1,150. This deductible will increase to \$1,200. All other limits (HDHP-1 family deductible, HDHP-2 single and family deductibles, and maximum out-of-pockets) meet the requirements and will not be changed for the 2010-11 Plan Year. Below is a chart showing the CVT limits for Plan Year 2010-11.

HSA/HDHP Limits	CY 2009	CY 2010
<b>HDHP Minimum Annual Deductible</b>		
Single	\$1,150	\$1,200
Family	\$3,000	\$3,000
<b>HDHP Maximum Out-of-Pocket</b>		
Single	\$3,000	\$3,000
Family	\$7,100	\$7,100

Because the HDHP plans meet Standard IRS Guidelines, there is no 4th quarter deductible carryover available as in our standard PPO plans. Please do not hesitate to contact our office with any questions you may have regarding this change.

## 2010-2011 PLAN YEAR cont. from page 1

- **Replaced EAP.** We replaced our current employee assistance program MHN with ValueOptions for further cost savings
- **Changed life insurance provider.** CVT brought in Met Life as the new life insurance and experienced additional savings
- **Increase in office visit co-pay for all PPO plans.** A \$10 office visit co-pay will be added to Plan 1 and existing co-pays for Plans 2-7 will increase by \$10. This change to Plan 1 saves an average of \$275 in annual premium to the composite rate average.
- **Kaiser plan offerings** have been increased from two to four choices per unit.
- **PacifiCare HMO Plans** will no longer be offered by CVT. (Members currently enrolled in a PacifiCare plan will receive notification from CVT.)



We want you to know that the CVT Board takes very seriously its role and responsibility in rate setting utilizing the best available information on healthcare trends and the most recent claim experience of Trust members. Coupled with the strategic initiatives listed above, and helping members to become wiser consumers, CVT continues to strive to be the best healthcare advocate for you and your district. We encourage you to contact your member services representative with any questions you may have. Additional information is also available by visiting [www.cvtrust.org/resources/webinars](http://www.cvtrust.org/resources/webinars) to view the related Webinar and learn more from the leadership staff at CVT.



## ANTHEM CARE COMPARISON

Anthem Blue Cross is committed to providing you with tools for making informed, effective health care choices. Anthem Care Comparison is an innovative comparison tool that discloses real price ranges for common services at specified area facilities, including the facility, professional and ancillary services. The Anthem Care Comparison online tool provides helpful information about both elective and planned procedures as well as the total estimated cost associated with the episode of care. The tool also includes extensive quality data on over 160 inpatient procedures.

**Visit:** [www.anthem.com/ca/home.html](http://www.anthem.com/ca/home.html). Enter the tool from two entry points on the Overview page or the Anthem 360° Health® page. If you don't have access to a computer, you can call your local customer service rep by using the number on the back of your insurance ID card, and we can look up the information for you.

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## 2010 REGIONAL MEETING RECAP

We'd like to thank all those who visited with CVT management during the regional meeting series during the months of March and April. It was another encouraging year with more than 90 districts being represented throughout the meetings. We were excited to visit Redding, Susanville, Fresno, Angels Camp, Folsom, Stockton, Santa Rosa and Palmdale.

The goal of the series was to get in front of our members and share new programs, changes and updates. This year, a few highlights includ-

ed the rate renewal process, national reform affecting CVT membership and changes coming to member benefit plans.

As a direct result, our mission was to present a platform for our members to share their stories, comments and suggestions that often become a part of the overall CVT program. It was great to see all those who turned out and participated. We have also posted the general presentation on our web site under the resources section for any who may wish to see it.

## "FIT FOR LIFE" AND WINDSOR UNIFIED TEAM UP



Team names from left to right: Paul Brunetta, Eileen Peterson, Tierney O'Brien, Anthony Pulliam

On May 23, many of our members from the Windsor Unified School District participated in the 1st Annual Windsor Green Half Marathon and 10K in beautiful Sonoma County. Two of CVT employees, Tierney O'Brien and Anthony Pulliam, were excited to participate on "Team Fit for Life" and show support for overall employee wellness. A portion of the race entry fee benefited the Windsor Unified School District health and wellness program. CVT is currently working with Windsor Unified on a pilot program funded by Kaiser where over 60% of the district's employees are participating in biometric screenings, health assessments and worksite wellness classes.





## NEW EMPLOYEE ASSISTANCE PROGRAM PROVIDER FOR OCTOBER 1, 2010

We are pleased to announce that effective October 1, 2010, CVT's Employee Assistance Program (EAP), also known as Member Assistance Program (MAP), will be administered by ValueOptions. ValueOptions provides EAP services for over 22 million members, including participants in the California's Valued Trust.

The Board of Trustees periodically reviews the networks used by the Trust to ensure that the best possible networks are available to participants. ValueOptions was selected as the new network for EAP/MAP because it has one of the largest number of providers statewide and nationwide and the lowest administrative fees. This change will give you a wider selection of providers and exceptional service while saving the Trust money.



Benefits and coverage, as well as authorization for care, will be similar to current coverage by MHN. For care through September 30, 2010, you must continue to utilize the current network provided by MHN. Beginning on or after October 1, 2010, if you require the services of a provider through your EAP/MAP, you must call ValueOptions. Additional information on how to access your new provider will be sent directly to those CVT members who receive this benefit.

## 2010-11 SELF-PAID RETIREE HEALTH PLAN OPTIONS

A health plan selection form will be mailed in August to self-paid retirees for those retirees wishing to make changes or terminate any or all of their benefits. For a smooth transition into the new plan year CVT must receive your selection form by September 10, 2010. All changes will be effective October 1, 2010.

It's important to remember that your deposit must always equal one month's total premium and that it is adjusted annually to correspond with the current rates. All rate changes and deposit adjustments will be reflected on your October, 2010 billing.

If you have any questions, please call Member Services at **800.288.9870**.

## NEW ACCOUNT MANAGER FOR SOUTHERN REGION



CVT is pleased to announce Eric Fiedler as the new Account Manager for the Southern Region. Eric has taken the position of Vivian Vega who retired earlier this year. His experience in daily account operations and administrative functions make him uniquely positioned to serve our member districts and continue elevating the level of service. Eric will be responsible for establishing and maintaining new and existing relationships with union representatives and the staff and management of school districts.



## COVERAGE AND SPECIAL ENROLLMENT PERIOD FOR ADULT CHILDREN

The new health care reform law, the Affordable Care Act, contains a provision requiring group health plans that provide dependent coverage to continue to make coverage available for an adult child until the child turns 26 years of age.

Beginning September 1 and throughout the month of September, CVT members with adult children will be able to re-enroll them in coverage that can continue until the end of the month a child turns 26 years of age. Coverage would become effective October 1, 2010.

If you wish to re-enroll your child, please contact your business office in September to complete an enrollment form. For additional information on coverage, please contact CVT Member Services at **800.288.9870**.

## SEPTEMBER IS OPEN ENROLLMENT

Need to make a change to your coverage? September is CVT's Annual Open Enrollment period for an October 1 effective date for any changes to your coverage. By submitting your changes to your district in a timely manner you avoid any potential claim problems for you and your enrolled dependents.

Please see your district and submit a CVT enrollment form if you would like to:

- Choose a different medical plan among those offered by your district or bargaining unit.
- Add or terminate an eligible dependent to or from your medical, dental and/or vision coverage.

Members making a new medical plan choice will receive a new ID card which can take up to 31 days to receive.



## NEW DISTRICTS ON BOARD

CVT is proud to welcome the following new districts/unit(s) joining CVT and those adding additional lines of coverage.

**Helendale School District** – Certificated, Classified, Management/Confidential & Trustees

**Cascade Union Elementary School District** – Certificated

**Baker Valley Unified** – Certificated, Classified, Management/Confidential, & Trustees

**Needles Unified** – Certificated, Classified, & Management/Confidential

It's a pleasure to provide you with premium healthcare coverage and innovative programs to enhance your lives.





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## BETTER LIVING. HEALTHY REWARDS. INTRODUCING THE NEW CVT WELLNESS PPO PLAN.

We are excited to introduce the all-new Wellness PPO Plan designed not only to keep your healthcare costs as low as possible, but keep you in better health as well. This pioneering plan is being offered as a bargained benefit that specifically targets health initiatives, including prevention. It's about addressing and promoting good health as a way of life by building in rewards and credits which can be used towards out-of-pocket expenses for members who take a more active, positive stance on their own health.

**This new plan looks like many other plans. But unlike others, it pays you back for taking an active role in your health. Here are some of the highlights of the new plan:**

- **Deductible:** \$500 Individual/\$1,000 Family
- **Co-insurance:** 90/10
- **Out of Pocket Maximum per person:** \$500 plus deductible
- **Office visit co-pay:** \$20 Primary Care Physician and \$40 Specialist
- **Preventive care paid at 100% in-network:** For all eligible adults and children
- **Assigned Pharmacy Plan C:** Retail: \$7/\$25/\$40 (30 days supply) and Mail: \$15/\$60/\$90 (90 day supply)

You may be eligible for reduced pharmacy co-pays for

being actively enrolled and participating in an approved AccordantCare Disease Management program. Reduced co-pays apply to select prescriptions for COPD, Diabetes, Asthma, Heart Failure and Coronary Artery Disease for members engaged in the corresponding disease management programs.

**In addition, you can access other great services as needed at no extra cost to you.**

- **24/7 Nurseline** offers members access to trained registered nurses anytime day or night
- **Healthy Lifestyles Program and One-on-One Telephone Coaching** to help members earn rewards and set goals on: Tobacco Cessation, Stress Management, Weight Management, Diet and Exercise. Healthy Lifestyles also includes benefits such as discounts on massage therapy, gym memberships, chiropractors and much more.
- **Future Moms Maternity Management Program** provides individualized support to expectant moms to achieve healthier pregnancies and deliveries
- **AccordantCare Disease Management Program** for members with chronic or rare diseases to discuss their health with a caring and supportive health expert
- **AudioHealth Library** where members can choose from a library of audio recordings containing the latest health information

- \$200 credited to your MyIncentive Account by CVT for member and spouse/domestic partner upon enrollment
- Create an online account at [www.anthem.com/ca/cvt](http://www.anthem.com/ca/cvt)

## GET STARTED

## EARN MORE CREDITS

- Online Health Assessment - \$100
- Healthy Lifestyles Telephonic Coaching Programs - \$100
- Future Moms Maternity Management Program - \$100

- 24/7 Nurseline Access
- Healthy Lifestyles online program
- Staying Healthy Reminders
- Audio Health Library (English & Spanish)
- AccordantCare Disease Management prescription co-pay reduction incentive

## SPECIAL BENEFITS + REWARDS

## USE CREDITS

- For out-of-pocket expenses (deductible & coinsurance) for member, spouse/partner & dependents
- Reimbursement check mailed once member receives EOB for services (min. \$25)
- Credits roll over year to year (max. \$1,000 per person)
- Applied to Wellness PPO Plan only

### Better living. More credit.

By enrolling in the new Wellness PPO Plan, you and your enrolled spouse/domestic partner will each receive an initial \$200 of credit from CVT just for signing up. Additional credits can be earned as you put the plan into practice. Each of you may earn up to \$400 per year to be used toward out-of-pocket deductible and coinsurance expenditures, including those of your enrolled dependent children.

- **You and your enrolled spouse/domestic partner will be able to earn credits by completing key tasks such as:**
  - > Completion of the online Health Assessment: \$100
  - > Enrollment in one of the five Healthy Lifestyles Telephonic Coaching Programs: \$50
  - > Completion of one of five Healthy Lifestyles Telephonic Programs: \$50
  - > Enrollment in Future Moms Maternity Management Program: \$50
  - > Completion of Future Moms Maternity Management Program: \$50
  - > You can also reduce pharmacy co-payments for certain prescriptions ONLY when enrolled and engaged with a nurse in an approved Accordant Disease Management Program (COPD, Diabetes, Asthma, Heart Failure and Coronary Artery Disease). Co-payments reduced to Retail: \$0/\$7/\$25 and Mail: \$0/\$15/\$60.

### Am I eligible?

Yes. If you are a current CVT member and your district/unit has chosen to offer this plan, both you and your spouse/domestic partner are eligible to enroll.

- Option available as a plan selection to all participating district groups effective 10/1/10 (Anthem Blue Cross only)
- Retirees under age 65 if not enrolled for Medicare coverage
- If spouse is covered by Medicare, employee is not eligible unless coverage is employee only

### We are in this with you.

At CVT, we want you to be an active participant in your own healthcare plan. The more you get involved in developing and maintaining a healthy lifestyle...the more it can directly impact your healthcare costs. We want to help our members with their preventive and health initiatives and we think they should be rewarded for it.

This new plan is now available for your district and/or unit to choose to offer as a possible fifth PPO option. For more information about selecting this as your plan please contact Member Services at **800.288.9870** or talk to your chapter president about how this may be included in your unit's plan offerings.

## DR. VAUGHN'S CORNER cont. from page 2

and validates the board rating policies that require adequate funds to pay claims, cover IBNR (Incurred but not reported claims) and cover expenses in any given year without further charge to members and not imposing on a district any "run-out" liability should a group leave CVT.

This year has seen the passage of Healthcare Reform and with it there have been some mandates that expand coverage to eligible dependents up to age 26 and there is Mental Health Parity. These two alone amounted to about 3% added to the premium.

Over the past year there have been significant increases in Emergency Room care, specialty drug utilization and a dramatic number of large claims (those exceeding \$250,000) that have had an impact on the rates for the plan year. The PMPM (per member per month) cost for claims rose 9% and reflects the trend in utilization.

Putting it altogether, the aforementioned are just some of the challenges the board had to contend with in setting rates. Rest assured the rates reflect a thorough examination of every aspect of the process and are the very best renewal rates that are consistent with established policies that protect the integrity of the Trust.

CVT has maintained a pattern of constant administrative costs with an average of 1.03% of total Trust expenditures being spent on administration. California's Valued Trust remains a strong presence in the healthcare market and continues to fulfill the mission of "Ensuring our Participants the highest quality benefits and services through labor-management trust and cooperation."



**CALIFORNIA'S  
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Healthcare Benefits for the Education Community

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