

TRUSTLINE



CALIFORNIA'S
VALUED TRUST
Healthcare Benefits for the Education Community

CALIFORNIA'S VALUED TRUST

SUMMER 2009



CVT wants to thank everyone within the Trust for the commitment, passion and support we have received over the past quarter century. It's our member districts and our participants that have made this Trust what it is today.

25TH ANNIVERSARY FUN FACTS

As CVT celebrates its 25th anniversary, we thought it would be fun to look back 25 years and see the top stories in 1984. It's amazing to see how everything evolves!

- Chrysler introduced America to the Minivan.
- The Cosby Show debuted on NBC.
- Dell sold its first computers out of a college dorm room.
- Footloose was in the Top 10 albums and Top 10 movies.

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For 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.



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 if you would like to:

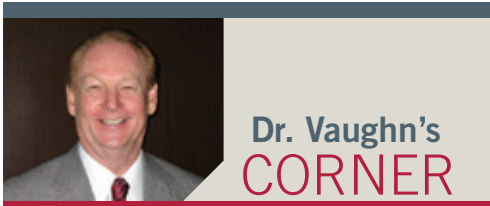
- Choose a different medical plan among those offered by your district or bargaining unit.
- Add or terminate an eligible dependent to or from your medical, dental, and/or vision coverage.

MEMBERS MAKING A NEW MEDICAL PLAN CHOICE WILL RECEIVE A NEW ID CARD WHICH CAN TAKE UP TO 31 DAYS TO RECEIVE.

2009-10 SELF-PAID RETIREE HEALTH PLAN OPTIONS

A health plan selection form will be mailed in August to self-paid retirees for those 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, 2009. All changes will be effective October 1, 2009.

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 2009 billing. If you have any questions, please call **800-288-9870**.



DAVID B. VAUGHN - EXECUTIVE DIRECTOR

California's Valued Trust once again is moving in a direction in pharmacy benefit management that is more consistent with the insurance industry. Of note are innovations in the management of specialty drugs, greater oversight of certain drug categories and a strong emphasis on using generic prescriptions.

It is through such efforts and changes that CVT has managed to stay competitive without sacrificing quality and service. Articles throughout this TrustLine present the latest pharmaceutical information on our PPO products, Anthem Blue Cross and InterPlan. Details and descriptive information are provided to illustrate cost-effective approaches that will keep rates down again for the 2009-2010 Plan Year.



CVT's utilization of generic drugs is well below the industry average of nearly 70%. The generic dispensing rate for the most recent reporting period is 58% for CVT. The substitution of generic drugs for brand and preferred drugs is very effective in containing costs for all Trust participants. Even with the newly Board-adopted changes in pharmacy plan design, generic copay cost remains the same as last year.

The new pharmacy plans, DAW (Dispense As Written) and Plan A (a two-tier program with the \$5/\$22 retail and \$10/\$44 mail order) reduced the 2009-2010 PPO rate increase by 1.4%. This applies to all members.

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, 2009. Currently, the HDHP Plan 1 deductible for an individual is \$1,100. This deductible will increase to \$1,150. 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 2009-2010 Plan Year. Below is a chart showing the CVT limits for Plan Year 2009-2010.

HSA/HDHP Limits	CY 2008	CY 2009
HDHP Minimum Annual Deductible		
Single	\$1,100	\$1,150
Family	\$3,000	\$3,000
HDHP Maximum Out-of-Pocket		
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 in our standard PPO plans. Please do not hesitate to contact our office with any questions you may have regarding this change.



The CVT Board used all means available to minimize the rate increase. Especially in these difficult times, the Board is very sensitive to the members and their families as everyone contends with the economic crisis. CVT has been successful in the past few years introducing successful educational programs on subjects such as health screening, disease management, and wellness in an effort to mitigate rising healthcare costs. And for the past two years, there were no rate increases to the PPO products.

CVT rates are driven primarily by two factors: the trend of healthcare inflation and

the claims of the Trust's participants and their dependents. Because CVT is a nonprofit, the Board and staff are keenly aware of the need to be responsible stewards of financial resources. The fiduciary role of the CVT Board and administration is taken seriously and every avenue is explored to give members the best rates and service in healthcare.

Hopefully the economic issues facing our state and nation will improve in the near future. Healthcare remains a topic of interest and legislative remedies could emerge soon. CVT will continue to meet the needs of members and strive to manage healthcare for the benefit of all participants.

BE INFORMED BE INVOLVED

KNOW YOUR HEALTHCARE CHOICES

PART 1
OF CVT'S SERIES



CVT's new "Be Informed. Be Involved" series includes tips and information designed to help CVT members be better informed and be more actively involved in their own healthcare. This includes recognizing and insisting upon getting quality, cost effective care and understanding "evidence-based care." Evidence based healthcare emphasizes such values as using medical evidence and quality standards to make decisions, reducing the underuse, misuse, and overuse of healthcare resources.

PART 1 OF THIS SERIES LOOKS AT WHAT INDIVIDUALS CAN DO TO IMPROVE THEIR OWN CARE.



Because there are big variations in quality of care, it's clear that getting good quality care doesn't happen automatically. Below are 3 tips on how you can help make sure that you and your family get good quality care:

- 1. Be informed and involved.** To help make sure you get good quality care, you need to find and use information about quality of care. You also need to play an active part in all the decisions that affect your health. Learn more: The website of the federal Agency for Healthcare Research and Quality has many helpful resources including "Guide to healthcare quality: how to know it when you see it" www.ahrq.gov/consumer/guidetoq/index.html#Contents.
- 2. Get the care that is known to work best for your condition.** To help make sure you get the care that works best for your condition, you can ask questions when you see your doctor or other health provider. Ask for information about your treatment choices and ask whether any research has been done to find out which treatments work best. You can also look for more

information on your own. **Learn more:** Look for these resources on www.cvtrust.org/resources/beinformedbeinvolved: "How do we know which types of healthcare work best?" and "Tips for getting care that works best for your condition."

- 3. Get the right amount of care (not too little, not too much).** Getting the "right amount" of care means that you are able to get as much care as you need, but only as much as you need. Getting the right amount of care is important for your health and important for making wise use of money spent on healthcare. Getting less care than you need is not good for your health. More care is not necessarily better care.

What really counts is whether you are able to get as much as you need of the right kind of care. The right kind of care is the care that works best, based on results from medical research. To help make sure you are getting as much as you need of the right kind of care, ask questions when tests and treatment are recommended for you. You can also look for information on your own.

Learn more: For tips on how and why to ask questions of your doctor or other healthcare providers, visit this website run by the federal Agency for Healthcare Research and Quality: "Questions are the answer" www.ahrq.gov/questionsaretheanswer/. It includes a checklist of questions to ask in different situations. You can customize and print your own list of questions to take with you to a medical visit. Look for this tip sheet on www.cvtrust.org/resources/beinformedbeinvolved: "Tips for getting the right amount of care (as much care as you need, but no unnecessary care)."

These materials were adapted from the *Communication Toolkit: Using information to get high quality care*. The American Institutes for Research developed the Toolkit materials with funding from the California HealthCare Foundation. The National Business Group on Health maintains and hosts the Toolkit website.

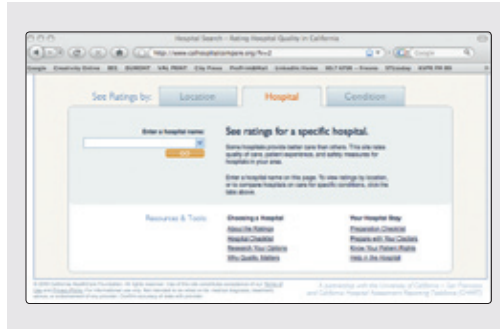
FOR TIP SHEETS +
RESOURCES VISIT:
www.cvtrust.org

The CVT Web site www.cvtrust.org/resources/beinformedbeinvolved has many tip sheets and resources to help you put quality first and to make wise use of money spent on healthcare. These and many more are included on the CVT Web site:

- "To get better care, be informed and involved."
- "Summary of tips for getting good quality healthcare before, during and after a healthcare appointment."
- "Information about health quality: what it is and where to find it."

CALHOSPITALCOMPARE.ORG

CalHospitalCompare.org is a free, consumer-friendly tool that displays ratings for quality of care, patient safety, and patient experience on hospitals across California in an easy-to-navigate Web site. CalHospitalCompare.org helps consumers make better informed choices about their care by learning how well hospitals provide care for specific conditions and procedures, such as heart attack, heart failure, heart bypass surgery, pneumonia and childbirth. To learn more about a hospital near you, visit www.CalHospitalCompare.org.



**CALIFORNIA'S
VALUED TRUST**

Healthcare Benefits for the Education Community

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Keep an eye out for the next edition of the **“Fit for Life”
HealthLine newsletter** being released in September!

For more wellness information, visit www.cvtrust.org/fitforlife



Trust | Innovation | Service



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CALIFORNIA'S VALUED TRUST

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AN EXAMPLE OF GENERIC SUBSTITUTION:

Prozac (Brand) can cost \$185.00 retail compared to Fluoxetine (Generic) that costs \$24.00 retail. Having the Fluoxetine filled in place of the Prozac can save \$161.00 for that one prescription. If participants decide to choose the brand name, under the new pharmacy plan, they will pay the cost difference between the brand and generic (in this case \$161) + the copay of \$5 for a total of \$166 in this example. If a generic is chosen in this case, participants will only pay \$5.

RIISING COSTS IMPACT CVT DRUG PLANS

As rising healthcare costs continue to drive up health insurance premiums, employers are faced with the difficulty of providing a comprehensive employee benefit package for a reasonable cost. To ultimately serve the Trust and its members, a comprehensive review of the CVT CVS/Caremark prescription plan coverage was completed this Spring in hopes of finding the optimum balance of copays, generic drug usage and plan adjustments.

We encourage all CVT subscribers to ask if applicable generic drugs are available for the popular brand name drug currently being prescribed. Collectively, we can all make a difference and have a positive influence on drug premium rates.

New CVT Prescription Plan Changes

Please note CVT has four pharmacy plans with various copays to choose from. Each district and/or bargaining unit is encouraged to review the plans to determine the best program for its district or unit.

NEW PLAN A FOR PLAN YEAR 2009-2010

- **Generic:** Copay is **RETAIL: \$5** (30-day supply) / **MAIL ORDER: \$10** (90-day supply for maintenance drugs).
- **Brand Drugs:** Copay is **RETAIL: \$22** (30-day supply) / **MAIL ORDER: \$44** (90 day supply for maintenance drugs.)

New Plan A described above will **REPLACE ALL** current Plan A groups effective October 1, 2009. There will no longer be the two grandfathered pharmacy plans of \$0/\$0 and \$5/\$8 retail co-pay plans. We will automatically roll the affected grandfathered member groups into the new Plan A.

GENERIC SUBSTITUTION CHANGE WILL APPLY TO ALL PHARMACY PLANS FOR PLAN YEAR 2009-2010.

- **Generic Substitution:** For any brand drug with a generic equivalent available, the generic will be dispensed regardless of what a physician writes. We still encourage all participants to ask if a generic is available. (Physician may not offer it first.) The physician can specify "Dispense as Written" (DAW) or plan participants can choose a brand drug BUT they will always pay the generic copay plus the cost difference between the brand and generic when a brand name drug is selected and a generic equivalent is available.
- ◀◀◀ See adjacent example.

We encourage you to email pharmacyquestions@cvtrust.org with any questions you may have. Our member services team is also available at **(800) 288-9870**.