

**State Health Benefit Plan**  
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Bryce L Meeks  
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Columbus, GA 31909



October 1, 2009

Dear Bryce L Meeks,

This letter provides an overview of your 2010 benefit options and some information that will help you determine the most cost effective option for your personal health care needs.

Georgia's unprecedented fiscal challenges require some benefit changes and premium increases in 2010. These changes are necessary due to the shortfalls in state revenue that are normally used to fund the benefits program and keep pace with rising health care costs. SHBP's long-term strategy remains focused on consumerism and improved health outcomes. We have been able to preserve the features of the benefit program that highlight the importance of wellness and taking care of your health.

SHBP wants to be sure you have enough information to select the health plan option appropriate for you and your family, taking into account the necessary plan design changes and premium increases. We asked Thomson Reuters again this year to provide you with a summary of your historic healthcare cost and service experience to help you make informed decisions.

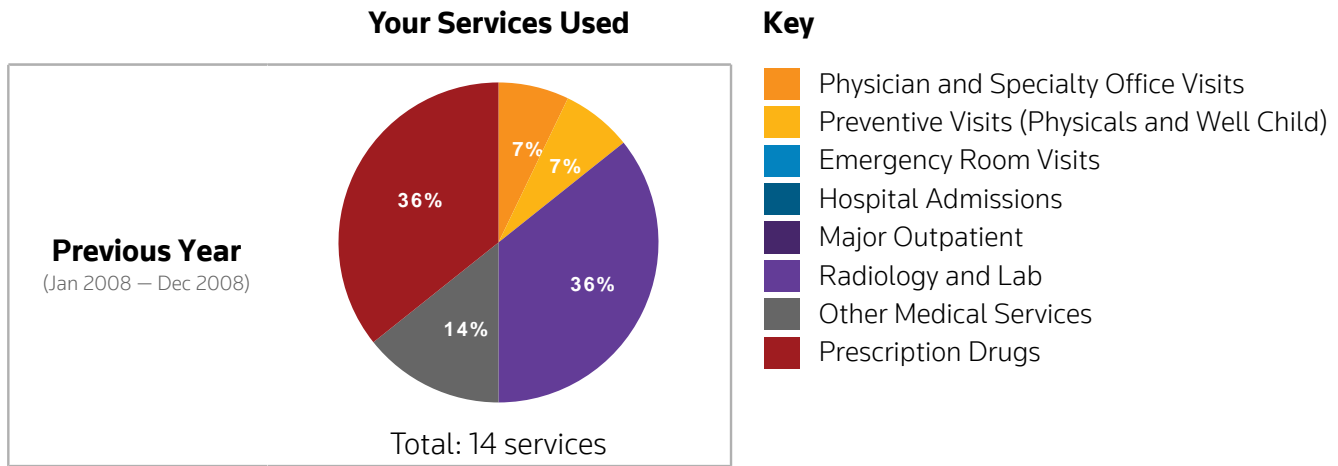
This letter shows you and your family's actual healthcare utilization in 2008. It then applies your utilization to the 2010 plan options, taking into account the 2010 plan designs and 2010 premiums. This helps you to determine what your total out-of-pocket costs would be under each option in 2010, if your claims were similar to what they were in 2008.

Because Thomson Reuters is managing this information, the SHBP does not have access to your personal information. We conform to all privacy and confidentiality standards; your information is kept strictly confidential.

Thank you for considering this important information as you make your Open Enrollment choice. If you need more details about your plan options, refer to your 2010 Decision Guide. If you have questions please call the numbers listed on the inside cover of the Decision Guide.

# YOUR 2008 HEALTH CARE SERVICES

The pie chart below shows the types of health care services you and your family used in 2008, paid through July 2009. This information is used below to provide out-of-pocket cost comparisons of your 2010 plan options.



\* Based on claims in 2008, reported and paid through July 2009.

## 2010 OPTIONS – ESTIMATED COSTS

The following table compares your estimated costs for each plan option. This calculation is based on your historical claims data from 2008 (paid through July 2009). Use this comparison to help select your coverage for next year if you think your use of healthcare services will be similar.

Health plan option	*Annual premiums from your paycheck	**Your estimated claims expenses	***Your estimated total cost
<b>HRA</b>	\$2,359	\$2,206	<b>\$4,565</b>
<b>HDHP</b>	\$2,179	\$3,137	<b>\$5,316</b>
<b>HMO</b>	\$2,945	\$3,218	<b>\$6,163</b>
<b>Open Access****</b>	\$3,469	\$3,787	<b>\$7,256</b>

\* Your annual premiums are estimated for the persons covered under your 2008 plan. You should review the new premium rates for your plan options if the number of covered people will change next year. Premiums may differ for some school systems.

\*\* Your estimated expenses are out-of-pocket estimates based on your 2008 healthcare services and costs (after all HRA credits are applied).

\*\*\* HRA credit includes an additional \$125/\$250 credit for annual physical and completed health assessment.

\*\*\*\* Open Access plans in place of the PPO.

**Your projected lowest cost option for 2010 coverage is: HRA**

# 2010 PLAN CHANGES

The table below summarizes the benefit plan changes for 2010:

HRA plans	<ul style="list-style-type: none"><li>• Deductible and Out-of-Pocket (OOP) maximum increased</li><li>• Coinsurance percentage that you pay increased</li><li>• Brand drugs have higher coinsurance than generic drugs</li><li>• No change to the \$500 that SHBP puts into each employee's HRA account (up to \$1,500 total including family members). Employees and spouses can continue to earn additional \$125 (\$250 total) HRA "credit" by getting an annual health screening and completing an online Health Assessment</li><li>• No change in ability to obtain certain medications at no cost for members enrolled in the Diabetes, Cardiac and Asthma Disease Management programs, if member complies with program guidelines</li></ul>
HDHP	<ul style="list-style-type: none"><li>• Deductible and OOP maximum increased per Federal requirements</li></ul>
HMO and Open Access plans	<ul style="list-style-type: none"><li>• Deductibles and OOP maximums increased</li><li>• Coinsurance percentage that you pay increased</li><li>• Office visit, emergency room and Rx co-pays increased</li><li>• Cigna's Open Access Plus and United Healthcare's Choice Plus Open Access plans in place of the PPO</li></ul>

## SAVING MORE ON OUT-OF-POCKET COSTS

If your employer offers a Flexible Spending Account (FSA), sometimes referred to as a Health Care Spending Account (HCSA), you may want to consider electing one. An FSA may work particularly well if your lowest cost option is the HDHP since there is a large up front deductible to meet.

With an FSA, you determine how much money you would like deposited each year and your contributions may be spread out throughout the year as pre-tax payroll deductions. However, if you have a large medical expense early in the year, you can cover the claims with the entire amount you elected for your FSA. The money does not have to already be in your FSA account.

**Example:** Based on your prior health history, you know that you will meet your deductible under the HDHP. This means that you will have to pay \$1,200 out of your own pocket before the health plan will start reimbursing you for claims.

If you elect to set aside the \$1,200 in an FSA account, then your paycheck will be reduced by \$100 per month (\$1,200 /12) and the \$100 will be placed in your FSA account each month.

However, if you have a \$600 claim in February, yet you only have \$200 in your FSA account based on two months of payroll deductions, the entire \$600 claim would be covered by your FSA account, and you would "pay it back" through your future \$100 payroll deductions. This allows you to manage your claims expenses in a more predictable manner, in addition to the tax savings resulting from the pre-tax deductions.

**There are some limitations to FSAs, such as "use it or lose it" so it is very important to read your employer's FSA materials prior to making any elections.**

### Disclaimer

The historic and medical health care claims information contained in these pages is provided to you as part of the administration of your employer's group health plan. The information described in these pages is accurate, to the best of our knowledge, at the time of publication. However, the information comes from third parties that are not affiliated with Thomson Reuters and over whom Thomson Reuters has no control. Regardless of the source of information provided in this document, Thomson Reuters is not liable to you for any damages of any kind resulting from your access to or your use of the information provided. Plan comparison information is provided only as a guide to assist you in evaluating your benefit plan options and is based on your historic claims. These estimates and comparisons are intended for your general use only and is not a substitute for professional advice from financial or medical professionals. If you have further questions about your use of this information, contact your employer.

# HIGHLIGHTS OF YOUR STATE HEALTH BENEFIT PLAN 2010 ACTIVE EMPLOYEE BENEFITS

In-Network Benefits – you pay:		Health Reimbursement Arrangement (HRA)		HDHP	Open Access plans	HMO
<b>HRA Credits:</b> SHBP adds dollar credits to “your account” each year. Your medical and pharmacy claims are paid out of this account first, prior to your deductible. Your account is not charged for Preventive care visits. These are paid at 100%, outside of your HRA account	EE	\$500 (plus an additional \$125 if employee gets annual physical and completes Health Assessment)		No HRA credits (but employee may set up Health Savings Account (HSA))	No HRA credits	No HRA credits
	ES	\$1,000 (plus an additional \$250 if employee and spouse get annual physical and complete Health Assessment)				
	EC	\$1,000 (plus an additional \$125 if employee gets annual physical and completes Health Assessment)				
	EF	\$1,500 (plus an additional \$250 if employee and spouse get annual physical and complete Health Assessment)				
<b>Deductible</b>		Plan deductible	Actual deductible (after HRA credits)			
	EE	\$1,100	\$600	\$1,200	\$600	\$600
	ES	\$1,900	\$900	\$2,400	\$1,200	\$900
	EC	\$1,900	\$900	\$2,400	\$1,200	\$900
	EF	\$2,750	\$1,250	\$2,400	\$1,800	\$1,200
<b>Preventive Care:</b> For visits/services in accordance with national guidelines		0%, no deductible		0%, no deductible	\$35	\$35
<b>Physician Office</b>		15%		10%	\$35	\$35
<b>Hospital Inpatient</b>		15%		10%	20% + \$250	20%
<b>Hospital Outpatient</b>		15%		10%	20%	20%
<b>ER Room</b>		15%		10%	20% + \$150	\$150
<b>Urgent Care</b>		15%		10%	20% + \$45	\$35
<b>Skilled Nursing Facility</b>		15%; 120 days		10%; 120 days	20%; 120 days	20%; 120 days
<b>Outpatient Rehab</b>		15%; 40 visits		10%; 40 visits	20% + \$20; 40 visits	\$25; 40 visits
<b>Mental &amp; Nervous Inpatient</b>		15%		10%	20% + \$250	20%
<b>Mental &amp; Nervous Outpatient</b>		15%		10%	\$35	\$35
<b>Pharmacy</b>		15% generics; 25% brand		20%; \$10 min, \$100 max 3X min/max for a 90 day supply	\$15/40/100 3 copays for a 90 day supply	\$15/40/75 3 copays for a 90 day supply
<b>Out of Pocket (OOP) Maximum:</b> After you have reached your OOP maximum, SHBP pays 100% of all services, other than the continued copays required under the PPO/OAP and HMO plans. The OOP maximum is the MOST you can pay in claims expenses during a plan year.		Plan OOP Maximum	Actual OOP Maximum (after HRA credits)			
	EE	\$2,500	\$2,000	\$1,800	\$2,000 + copays	\$2,000 + copays
	ES	\$4,100	\$3,100	\$3,100	\$3,000 + copays	\$3,000 + copays
	EC	\$4,100	\$3,100	\$3,100	\$3,000 + copays	\$3,000 + copays
	EF	\$5,700	\$4,200	\$3,100	\$4,000 + copays	\$4,000 + copays

Note: Changes are indicated in bold/blue

EE = Employee, ES = Employee + Spouse, EC = Employee + Child, EF = Family