

Introduction

BENEFITS ADMINISTRATORS AND OTHERS CHOSEN BY YOUR EMPLOYER WHO MAY ASSIST WITH INSURANCE ENROLLMENT, CHANGES, RETIREMENT OR TERMINATION AND RELATED ACTIVITIES ARE NOT AGENTS OF THE EMPLOYEE INSURANCE PROGRAM AND ARE NOT AUTHORIZED TO BIND THE EMPLOYEE INSURANCE PROGRAM.

THIS GUIDE CONTAINS AN ABBREVIATED DESCRIPTION OF INSURANCE BENEFITS OFFERED BY OR THROUGH THE EMPLOYEE INSURANCE PROGRAM. THE *PLAN OF BENEFITS* DOCUMENTS AND BENEFITS CONTRACTS CONTAIN COMPLETE DESCRIPTIONS OF THE HEALTH AND DENTAL PLANS AND ALL OTHER INSURANCE BENEFITS. THEIR TERMS AND CONDITIONS GOVERN ALL BENEFITS OFFERED BY OR THROUGH THE EMPLOYEE INSURANCE PROGRAM. IF YOU WOULD LIKE TO REVIEW THESE DOCUMENTS, CONTACT YOUR BENEFITS ADMINISTRATOR OR THE EMPLOYEE INSURANCE PROGRAM.

THE LANGUAGE USED IN THIS DOCUMENT DOES NOT CREATE AN EMPLOYMENT CONTRACT BETWEEN THE EMPLOYEE AND THE AGENCY. THIS DOCUMENT DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS. THE AGENCY RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS DOCUMENT, IN WHOLE OR IN PART. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE TERMS OF THIS PARAGRAPH CREATE ANY CONTRACT OF EMPLOYMENT.

Introduction

We know that your benefits are important to you and to your family. We also know that you lead busy lives and often don't have a chance to read about your insurance until there is a need to use it. For that reason, we continually try to make the *Insurance Benefits Guide* (IBG) easier to understand and use.

“What’s New for 2011?” highlights major changes in insurance benefits offered through the Employee Insurance Program (EIP). There also are some changes in this book.

- A checklist for employees who are newly eligible for coverage through the Employee Insurance Program has been added to the General Information chapter.
- The Medicare Part D letter, which is mailed yearly to subscribers covered by Medicare, has been removed. If you need a copy, please call EIP at 803-734-0678 (Greater Columbia area) or 888-260-9430 (toll-free outside the Columbia area.)
- The Initial COBRA Notice has been added to the Appendix.

As always, this guide includes explanations of benefits, premiums and contact information and gives an overview of the health plans and other benefits offered through EIP.

Terms that may be unfamiliar to you are italicized and defined in the text. However, if you have questions, ask your benefits administrator; the third-party claims processor, such as BlueCross BlueShield of South Carolina or FBMC; or EIP. Turn to the index for help in finding information about specific topics, including definitions of terms.

Every year benefits EIP offers change. To avoid mistakes, please recycle your 2010 *Insurance Benefits Guide* and use this one.

Remember, only information concerning those benefits for which you are eligible and in which you are enrolled applies to you. The word “you,” as used in this book, means anyone insured through EIP, you and/or those you cover.

We encourage you to review each chapter that applies to you and to discuss your benefits with your family. Charts are included to help you compare plans. Pay close attention to copayments, deductibles, preauthorization requirements and services that may be limited or not covered.

- **For a more detailed explanation of your benefits:** Check the appropriate chapter in the IBG. If you still have questions, call your benefits administrator or EIP.
- **For information about processing and payment of claims:** Contact the third-party claims processor listed on the IBG’s inside cover.

To make the best use of your insurance, please remember:

- **You are responsible for understanding your benefits. Ask questions if you do not understand them.**
- **Coverage and changes are not automatic.**
- **You may make changes in your coverage within 31 days of a qualifying event, such as birth, adoption, marriage or loss of other coverage. To do so, contact your benefits administrator.**
- **Whether you are enrolled in the State Health Plan or an HMO, some services are not covered or must be approved before you receive them. Check exclusions and preauthorization requirements now so you will be familiar with them when you need services.**

Notices to Enrollees

State Health Plan's Grandfathered Status Allows Premiums to Remain Stable

When 2011 plan provisions were approved in August 2010, the full impact of the Patient Protection and Affordable Care Act (the Affordable Care Act) on group health plans had not been determined. EIP believes the plans it offers are “grandfathered health plans” under the Affordable Care Act. As grandfathered plans, EIP will be able to avoid an increase in State Health Plan premiums and minimize the increase in HMO premiums while it assesses the future financial impact of the act. As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when the law was enacted. Being a grandfathered health plan means that the plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at 803-734-0678 (Greater Columbia area) and 888-260-9430 (toll-free outside the Columbia area).

You may also contact the U.S. Department of Health and Human Services at www.healthcare.gov.

HIPAA Exemption Regarding Tobacco User Premium

Under a Federal law known as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, as amended, group health plans must generally comply with the requirements listed below. However, the law also permits state and local governmental employers that sponsor health plans to elect to exempt a plan from these requirements for any part of the plan that is “self-funded” by the employer, rather than provided through a health insurance policy. The State of South Carolina, through the Employee Insurance Program of the South Carolina Budget and Control Board, has elected to exempt the Group Health Benefits Plan of the Employees of the State of South Carolina, the Public School Districts, and Participating Entities from Requirement Number Three (3) only:

1. Limitations on pre-existing condition exclusion periods
2. Special enrollment periods
3. **Prohibitions against discriminating against individual participants and beneficiaries based on health status. (This exemption is for the sole purpose of setting a premium rate differential for tobacco users.)**
4. Standards relating to benefits for mothers and newborns
5. Parity in the application of certain limits to mental health benefits
6. Required coverage for reconstructive surgery following mastectomies.

The exemption from these Federal requirements will be in effect for the 2011 Plan Year beginning January 1, 2011, and ending December 31, 2011. The election may be renewed for subsequent plan years.

HIPAA also requires the Plan to provide covered employees and dependents with a “certificate of creditable coverage” when they cease to be covered under the Plan. There is no exemption from this requirement. The certificate provides evidence that you were covered under this Plan, because if you can establish your prior coverage, you may be entitled to certain rights to reduce or eliminate a pre-existing condition exclusion if you join another employer’s health plan, or if you wish to purchase an individual health insurance policy. Please contact your benefits administrator for further information regarding creditable coverage.

What's New for 2011?

Eligibility

- A child age 19-25 no longer needs to be certified as a full-time student or as an incapacitated child to be covered under his parent's health, dental or vision insurance. The child may no longer be covered if he becomes eligible for group health insurance sponsored by an employer, either as an employee or as the spouse of an employee.
For details, see page 10.

All Health Plans

- A subscriber who uses tobacco products and has single coverage must now pay a \$40 monthly surcharge on his health insurance premiums. If he covers any family members and anyone uses tobacco, he must pay a \$60 monthly surcharge.
For details, see page 38.
- The lifetime maximum, the maximum amount a health plan will pay for each person for all benefits, has been abolished for all health plans, including the health maintenance organizations.
- Rules excluding pre-existing conditions no longer apply to subscribers and covered spouses or children who are age 18 and younger.

State Health Plan

- Preauthorization will no longer be required for medically necessary mental health and substance abuse office visits **except** those involving Dialectic Behavior Therapy (DBT), Applied Behavior Analysis Therapy (ABA) and Psychological/Neuropsychological testing.
For details, see page 69.
- As part of the Wellness Incentive Program, subscribers and their covered spouse and/or children who meet certain criteria may be eligible for a copayment waiver for some generic drugs that treat diabetes, cardiovascular disease and congestive heart failure.
For details, see page 51.

Confidentiality Policies

The South Carolina Budget and Control Board Employee Insurance Program (EIP) is committed to protecting the privacy of your health information. EIP strives continually to ensure its compliance with the Health Insurance Portability and Accountability Act (HIPAA), which mandates security and privacy of health information by setting standards for access and distribution of that information.

EIP provides a Notice of Privacy Practices directly to all persons covered under the state insurance program. This brochure outlines the situations in which EIP uses and discloses health information. It also outlines your rights with regard to the information and disclosure. A copy of EIP's Notice of Privacy Practices is on page 235 and on the EIP Web site, www.eip.sc.gov. In addition, the Web site contains links to forms mentioned in the Notice of Privacy Practices.

If you would like for someone, such as your spouse or your parents, to have access to your protected health information – or if they would like for you to have access to theirs – you, as a subscriber or a covered dependent, must complete an Authorized Representative Form. The form is on EIP's Web site under "Forms." Go to "Other Forms" and select "HIPAA Information" and then "Authorized Representative Form."

If you have any questions about HIPAA, please contact:

Privacy Officer
South Carolina Budget and Control Board
1201 Main Street, Suite 300
Columbia, SC 29201
Phone: 803-734-0678
Fax: 803-737-0825
E-mail: privacyofficer@eip.sc.gov

Fraud Prevention Hot Line

803-832-8877

or

800-411-8893

1201 Main St., Suite 715
Box 27, Columbia, SC 29201

If you would like to report a fraud related to a specific program offered through the Employee Insurance Program, you may also call the program's customer service number.

