

Healthwise

A PERS Health Insurance Program Newsletter



SPRING 2008

2008 premium increase concerns

The PERS Health Insurance Program staff and PERS Retiree Insurance Program Manager, Zue Matchett, have received a number of questions from members regarding the 2008 premium rate increases. The PERS staff would like to help you better understand how premium rates are developed and address some of these concerns.

Rating insurance

Medical insurance is pooled and individuals share in the “risk” to the plan. This is no different than your car, homeowner’s or other types of insurance coverage. In the instance of car or homeowner’s insurance, you may go years without incurring a claim, but premiums increase over time to pay for individuals who have filed claims for accidents or fires. Because of advances in medicine and the ease of patient access to care, medical premiums tend to see higher increases than other types of insurance.

Why did PERS health insurance premiums increase in 2008?

PERS rates are developed using a number of factors, including

medical trends, technological and prescription drug advances, reimbursement for coverage from Medicare, and paid claims. See “why increases happen” on Page 2 for more information on each of these items.

Common questions

I’m a single retiree and my PERS ODS Medicare supplemental plan went up \$27.12 a month over last year, but my PERS benefit did not increase that much. Why?

The majority of our Medicare-eligible PERS retirees are receiving the Retiree Health Insurance Account (RHIA) subsidy. PERS contributes \$60 toward the cost of the retiree’s portion of the medical premium. The retiree’s monthly medical premium for 2008 with the RHIA subsidy factored in is \$143.39, which is a \$27.12 increase from the 2007 premium (\$116.27) per month. But in 2003, the premium cost for this plan was \$114.55, which means that the overall increase in premium from 2003 to 2008 has been just \$28.84 per month.

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I'm a single retiree and my PERS ODS Medicare Advantage PPO plan increased \$43.48 a month over last year. Why such a big increase?

PERS implemented the ODS Advantage plan beginning in 2006. As the plan has matured, more members have enrolled, using more services, which in turn has increased the cost of the plan.

Why weren't we notified of this increase? I didn't know

anything about it until I received my January retirement check.

Retirees receive PERS insurance information automatically upon their enrollment. Every fall, PERS insurance staff travel throughout the state providing informational meetings regarding PERS insurance plans. Members are strongly encouraged to attend.

Before these meetings, in late August and early

September, PERS mails to plan members a packet marked "Important Information Enclosed" that contains the member handbook for the upcoming year. This notes plan changes, provides benefit line-item comparisons and also provides all Medicare and non-Medicare premium rates. The packet also includes a letter highlighting changes and provides a schedule of dates, times and locations of upcoming meetings.

Why increases happen

Technology and prescription drug advances: Americans enjoy some of the most high-tech advances in medicine today, which are often costly. Magnetic Resonance Imaging (MRI) and hip and other joint replacement surgery are just two examples. Advances in the development of prescription drugs to treat conditions such as Multiple Sclerosis and cancer are also expensive.

Medicare Reimbursement: Medicare pays the Medicare Advantage plans, such as Kaiser, Providence and the ODS Advantage PPO, a certain amount per month to administer Medicare benefits. These plans pay claims on your behalf, and handle customer service and other aspects of administering your benefit. The increases in reimbursement from Medicare to the Medicare Advantage plans have remained flat, while the cost and number of claims paid for PERS members have increased, particularly in prescription drug coverage. When insurance plans pay more in medical claims, the premium has to increase to meet the increased cost.

Utilization of coverage: The average age of PERS enrollees is 74. PERS insures an older population, which means there is not the same balance with plans that have a younger population to absorb some of the risk. Utilization costs increase as a result of the demographics, as a greater portion of members are accessing services. PERS non-Medicare plans provide benefits for early retirees. The non-Medicare group is small and the population enrolled share a greater healthcare need (often due to disability and illness) than the general population. The claims for this group tend to be very high and expensive.

Prescription allergy medication now available over the counter

Article courtesy of The ODS Companies

Zyrtec®, a commonly prescribed allergy medication, will soon undergo a dramatic change in how it is made available to the American public. Until recently, this medication was only offered as a brand-name prescription drug. However, beginning in early 2008, Zyrtec became available over the counter (OTC), providing members with expanded access to this product without a prescription.

Zyrtec is classified as a non-sedating antihistamine and is approved for temporary symptom relief of hay fever or other respiratory allergies in adults and children (2 years of age and older). The over-the-counter medication, marketed as OTC Zyrtec, is the same strength as the

current prescription product. Once existing supplies of the prescription product are depleted, prescription Zyrtec will no longer be available. OTC Zyrtec will be produced in tablet, syrup, and chewable tablet formulations.

The switch to over-the-counter status provides members with convenient, safe, and cost-effective access to this medication. OTC Zyrtec will be available without a prescription in most pharmacies and retail stores beginning in early 2008. The over-the-counter product contains the same active ingredient as its prescription counterpart and shares the same safety and side effect profile. Although this medication will no longer be covered by most

prescription benefits, access to OTC Zyrtec will provide a significant cost savings to members currently using this medication. Members are anticipated to pay about 70 percent less for OTC Zyrtec, which provides a greater cost savings than most prescription drug benefits.

OTC Zyrtec may cause drowsiness in some people at recommended doses. Other common side effects include fatigue and dry mouth. Please speak with your physician or pharmacist to discuss questions you may have about OTC Zyrtec.

For more information, visit <http://www.fda.gov/bbs/topics/NEWS/2007/NEW01750.html>.

Medication information for PERS ODS Prescription Drug Plan Members (PDP)

For a complete list of brand and generic medications covered under your current PERS prescription drug benefit, please visit ODS online at www.odscompanies.com/members, log on to myODS and consult the PERS Prescription Drug Plan List of Covered Drugs.

Tips for headache management

Article courtesy of Kaiser Permanente

A number of factors can trigger a headache. More than 80 percent of headaches are tension headaches, caused by physical or emotional tension or stress, according to Mary Lockhart, manager, Kaiser Permanente Health Education Services department. Other common headache triggers include skipped meals, irregular sleep, excess caffeine, alcohol, missed medication, or strong scents — like paint fumes or colognes.

There are several things you can do to reduce or eliminate headaches. Some of the techniques detailed here may help.

Ice pack or ice massage

Rub the muscles at the base of your skull with an ice cube until they become numb — it usually takes five to six minutes.

Freezing water in a paper cup and tearing down the side of the cup to expose the ice also works well, or you can place an ice pack at the base of your skull.

Suboccipital massage

Place both hands on the

back of the head. Use your fingers to push against the base of your skull, feeling for the most tender spot. When you find a tender spot, rub it deeply using firm pressure in a small back-and-forth motion. Work all along the base of the skull on both sides. You may want to work one side at a time. The massage should be done for about five minutes on each side of the skull, whenever a headache begins.

Chin tuck

Stand or sit tall, looking straight ahead. Slowly tuck your chin as you glide your head backward. Be sure you keep looking straight forward. As you glide your head backward, you will feel a tightening at the base of your skull. You may also feel the onset of the headaches you experience, but it should slowly subside as you continue. Hold this position for 10 seconds, and relax.

Sleeping or rest posture

Place a rolled-up towel inside a pillowcase along the lower edge of the

pillow. When you lie on the pillow, the towel roll should support the curve of your neck. When side sleeping, push the pillow up between your shoulder and head so your head is in a neutral position. You don't want your head tilted to one side, causing a prolonged strain on the muscles and joints of your neck.

Fist traction

Make a fist with your hand. Rest your chin against the thumb and index finger. Gently flex your head down so your chin presses into your fist. Hold for five to 10 seconds. You may feel a pulling at the base of the head as your chin pushes into your fist. You may even feel a mild headache. Perform five repetitions before checking to see if the headache has gone away. If you still have a headache, repeat the process one more time before trying another self-treatment technique.

Making the most of your prescription drug plan: a fresh look at non-branded “generic” drugs

Article courtesy of The ODS Companies

The PERS Prescription Drug Plan provides valuable coverage for medications prescribed by your doctor. While members enjoy a 60 percent benefit for all covered medications, additional savings can be gained by using non-branded (generic) medications. Non-branded medications offer a safe, effective, low-cost alternative to their brand-name counterparts.

While these drugs may look a little different, the Food and Drug Administration requires generic drugs to have the same quality, strength, purity, and stability as brand-name drugs. Since generics use the same active ingredients

and are shown to work the same way in the body, they have the same benefits and risks as their brand-name counterparts.

In some situations, members may be required to pay the difference between the brand medication and the generic equivalent. Members who request brand alternatives, when generic equivalents are available, are required to pay the difference in cost between the brand and generic medications in addition to the standard 40 percent co-payment.

Perhaps the greatest advantage of non-branded medications is the savings

they provide. By using non-branded medications, PERS members can save up to 75 percent when compared to the brand alternative.

Members can purchase up to a **90-day supply** of generic medication for one co-payment of 40 percent, with a maximum out-of-pocket cost of \$150 per prescription.

Many widely used medications are now available as a generic product. Speak with your physician or pharmacist to find out if a non-branded alternative is available for you.

Is Vytorin® better than generic alternatives?

Article courtesy of The ODS Companies

Many in the scientific community are asking themselves, “Is Vytorin® any better than generic Zocor®?” Vytorin is a commonly prescribed cholesterol drug that combines Zetia® and Zocor into a single tablet.

Recently, Vytorin® received a large amount of media attention focused on the results of a two-year clinical study, showing that Vytorin reduced plaque formation less effectively than generic Zocor (simvastatin). Patients

taking prescription cholesterol-lowering medications should continue taking these medications until instructed otherwise by their cardiologist or primary care physician.

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