

CALCULATING YOUR MEDICAL PLAN CONTRIBUTIONS

To figure out what you must pay for medical plan coverage in 2010, just follow these steps:

- Step 1.** See Step 1 below to find the City's **contribution formula** for your medical plan premiums (i.e., Fixed Premium, Fixed Contribution, etc.). The type of formula for your contributions is shown on the Retiree Information section of your selection form. Under that formula you will find the exact dollar amount or percentage the City will pay toward your coverage.
- Step 2.** Decide what plan you want to select and whether you want to cover any eligible dependents.
- Step 3.** Look on pages 4 and 5 of this worksheet to find the **cost of the plan** you selected. Fill that amount in on the "Cost of Plan" space in Step 1 B, C or D; whichever applies to you. **If you retire under E, see page 2 for the percentage contribution instructions.**

STEP 1. Contribution Formula

<i>If you Retired:</i>	<i>The City's Formula For Your Contribution Is:</i>
Prior to 1988	<p>A. Fixed Premium – You pay \$15 for Single or Two Party coverage or \$45 for Family coverage. The City pays the remainder.</p>
1988 – 1993	<p>B. Fixed Contribution – See your selection form for the amount the City will contribute for benefits. Subtract that number from the cost of the plan. See pages 4 and 5 for the cost of the plan.</p> $\frac{\text{Cost of Plan}}{\text{City Contribution}} = \text{Your Monthly Cost}$
As a Sworn Police Officer or Sergeant, retired on or after July 1, 1985 and prior to February 1, 1994	<p>C. Police Benefit – Multiply the cost of the plan times the percentage that you must pay (see the Retiree Information section of your selection form). See pages 4 and 5 for the cost of the plan.</p> $\frac{\text{Cost of Plan}}{\text{Percentage You Pay}} = \text{Your Monthly Cost}$
As an I.B.E.W. Bargaining Unit Employee, retired since February 1, 1984 until September 30, 2005	<p>D. I.B.E.W. Benefit – Multiply the cost of the plan times 5%. If you are enrolled in Medicare Parts A and B, the City pays 100%. See pages 4 and 5 for the cost of the plan.</p> $\frac{\text{Cost of Plan}}{5\%} = \text{Your Monthly Cost}^*$ <p>*Note-for IBEW workers who retire on or after 10/1/05, please contact the IBEW Trust for your cost.</p>

If You Retired: The City's Formula For Your Contribution Is:

All others* who retired in 1988 or later (See your selection form)

E. Percentage Contribution – Multiply the maximum City Contribution (see page 6 of this worksheet) times the percentage the City will pay (see the Retiree Information section of your selection form). Then, subtract the result from the total cost of the plan you elected (see pages 4 and 5 of this worksheet).

$$\text{Step 1} \quad \frac{\text{Maximum City Contribution}}{\text{Maximum City Contribution}} \times \frac{\text{Percentage City Pays}}{\text{Percentage City Pays}} = \frac{\text{City Pays}}{\text{City Pays}}$$

$$\text{Step 2} \quad \frac{\text{Total Cost of Plan}}{\text{Total Cost of Plan}} - \frac{\text{Amount City Pays}}{\text{Amount City Pays}} = \frac{\text{Your Monthly Cost}}{\text{Your Monthly Cost}}$$

EXAMPLE: Let's assume you enroll in the Aetna HMO as a Pre-65 Retiree without Medicare, Two Party coverage and the City pays 85%.

$$\text{Step 1} \quad \frac{\$868.83}{\text{Maximum City Contribution}} \times \frac{85\%}{\text{Percentage City Pays}} = \frac{\$738.51}{\text{City Pays}}$$

$$\text{Step 2} \quad \frac{\$940.43}{\text{Total Cost of Plan}} - \frac{\$738.51}{\text{Amount City Pays}} = \frac{\$201.92}{\text{Your Monthly Cost}}$$

* There are a few exceptions. Call Human Resources for more information.

Retirees under Formulas A, C and D can enroll in a Medicare Advantage – Prescription Drug Plan (MA-PD) at **no cost** provided they are enrolled in Medicare Parts A and B. The City will pay 100% of the cost for the retiree, spouse and any dependent children.

STEP 2. Decide what plan you want to select and whether you want to cover any eligible dependents.

Review the options available to you carefully. Medicare-enrolled retirees have the following medical plan options, some of which include premium costs paid for 100% by the City:

The Aetna Medicare^(SM) Open Plan, formerly known as the Aetna Private Fee for Service plan, is available in all states.

The Aetna Medicare^(SM) HMO Plan, formerly known as the Aetna Golden Medicare HMO, and Kaiser Senior Advantage plans are available in many areas outside California. One or both may be an available option to you if you reside in one of the following states:

Arizona	Florida	Maine	New York	Pennsylvania	Washington
Colorado	Georgia	Maryland	Ohio	Tennessee	Washington D.C.
Connecticut	Hawaii	Nevada	Oklahoma	Texas	
Delaware	Illinois	New Jersey	Oregon	Virginia	

In addition, if only one member of your family qualifies for Medicare, you may also be able to split enrollment between plans. For example, one retiree can be in the OAMC (PPO) plan and the spouse can be in a Medicare HMO, or vice versa.

For Medicare retirees with two or more dependents, please call Human Resources for more information.

Kaiser Double Coverage Plan

Starting in 2009, Medicare will no longer allow you and/or your spouse to be covered under a Kaiser Senior Advantage plan through both the City and another plan sponsor (such as your spouse's former employer). For those members who elected their spouses' plan to be primary, the City is offering a plan designed specifically for Kaiser retirees with double coverage. Applicable rates are included on page 5.

Kaiser Senior Advantage Plan

Please note that if you enroll in the Kaiser Senior Advantage Plan, Kaiser requires you to assign your Medicare benefits. If you do not, the City is charged \$9,800 per year for retirees who are enrolled in Medicare A and/or B and \$13,000 per year for retiree who are not enrolled in Medicare.

Although the City pays a significant part of medical plan premiums, added costs like this lead to increased retiree premiums. By taking steps to control costs, such as assigning your Medicare benefits, you're helping to keep costs low and allowing the City to preserve the quality benefits available to all City retirees.

STEP 3. MONTHLY MEDICAL PLAN COSTS – 2010

This year, the City is implementing a new prescription drug formulary for Medicare-enrolled retirees in the Aetna plans. Monthly premium rates for the plans will now be different if you are enrolled in Medicare.

Monthly Premium Rates for Retirees not enrolled in Medicare

Aetna Plans - retirees not enrolled in Medicare

	HMO California	OAMC All States	High Option OAMC All States
Single	\$469.25	\$861.64	\$625.54
Two-Party	\$940.43	\$1,723.27	\$1,251.08
Family	\$1,330.13	\$2,438.43	\$1,770.27

Kaiser Plans - pre-65 retirees only

	CA	CO (Denver)	OR/WA	HI
Single	\$356.77	\$745.95	\$656.73	\$555.72
Two-Party	\$713.54	\$1,491.89	\$1,313.45	\$1,111.43
Family	\$1,009.65	\$2,155.77	\$1,970.18	\$1,667.15

Monthly Premium Rates for Retirees enrolled in Medicare

Aetna Medicare^(SM) HMO Plans - retirees enrolled in Medicare A & B

	CA	AZ	CO	FL - Duval, Nassau, Saint Johns Counties
Single	\$206.20	\$279.13	\$312.50	\$364.24
Two-Party	\$412.40	\$558.26	\$625.00	\$728.48

	FL - Charlotte, Collier, Hernando, Hillsborough, Lee, Manatee, Sarasota, Pasco, Pinellas, Polk Counties	GA	NV
Single	\$352.53	\$324.75	\$279.56
Two-Party	\$705.06	\$649.50	\$559.12

	OH	PA	TX
Single	\$366.93	\$308.26	\$285.35
Two-Party	\$733.86	\$616.52	\$570.70

Aetna Medicare^(SM) Open Plan - retirees enrolled in Medicare A & B

	All States
Single	\$367.02
Two-Party	\$734.04

Kaiser Senior Advantage Plans - retirees enrolled in Medicare A & B

	CA	OR/WA	CO (Denver)	HI
Single	\$206.64	\$233.92	\$208.09	\$249.50
Two-Party (Both Medicare)	\$413.28	\$467.84	\$416.18	\$499.00
Two-Party (One Medicare)	\$563.41	\$890.65	\$954.04	\$805.22
Family (One Medicare)	\$859.52	\$1,547.37	\$1,617.92	\$1,360.94
Family (Two Medicare)	\$709.39	\$1,124.57	\$1,080.06	\$1,054.72

Kaiser Unassigned - retirees who have not assigned or enrolled in Medicare

	California
Retiree without Medicare A nor B	\$1,127.94
Retiree with Medicare A & B, not assigned to Kaiser	\$814.93
Retiree with Medicare A only, but no B	\$814.93
Retiree with Medicare B only, assigned to Kaiser	\$514.64

Kaiser Double Coverage Plan

	Northern California	Southern California
Single	\$153.37	\$153.37
Two-Party	\$306.74	\$306.74

PacifiCare Secure Horizons HMO Plan - retirees enrolled in Medicare A & B

	CA
Single	\$202.51
Two-Party (Both Medicare)	\$405.02
Two-Party (One Medicare)	\$858.59

Aetna Plans - retirees enrolled in Medicare A & B

	HMO California	OAMC All States	High Option OAMC All States
Single	\$510.80	\$714.94	\$503.90
Two-Party	\$1,023.00	\$1,429.87	\$1,007.80
Family	\$1,476.13	\$2,052.24	\$1,455.02

**MAXIMUM CITY CONTRIBUTION - For use with Formula E -
Percentage Contribution (See pages 4 and 5 for Cost of Plan)**

Maximum City Contribution for Retirees Not Enrolled in Medicare

Aetna Plans - Retirees Not Enrolled in Medicare

	HMO California	OAMC All States	High Option OAMC All States
Single	\$431.29	\$500.70	\$499.66
Retiree + Spouse	\$868.83	\$994.39	\$994.16
Family	\$1,220.63	\$1,393.00	\$1,394.31

Kaiser Plans - pre-65 retirees only

	CA	CO (Denver)	OR/WA	HI
Single	\$332.45	\$332.45	\$332.45	\$332.45
Retiree + Spouse	\$664.86	\$664.86	\$664.86	\$664.86
Family	\$940.75	\$940.75	\$940.75	\$940.75

Maximum City Contribution for Retirees Enrolled in Medicare

Aetna Medicare^(SM) HMO Plan - retirees enrolled in Medicare A & B

	All Applicable States
Single	\$431.29
Retiree + Spouse	\$868.83

Aetna Medicare^(SM) Open Plan - retirees enrolled in Medicare A & B

	All States
Single	\$367.02
Retiree + Spouse	\$734.04

Kaiser Senior Advantage Plans - retirees enrolled in Medicare A & B

	CA	CO (Denver)	OR/WA	HI
Single	\$332.45	\$332.45	\$332.45	\$332.45
Retiree + Spouse	\$664.86	\$664.86	\$664.86	\$664.86

Kaiser Double Coverage Plan

	Northern California	Southern California
Single	\$153.37	\$153.37
Retiree + Spouse	\$306.74	\$306.74

PacifiCare Secure Horizons HMO Plan - retirees enrolled in Medicare A & B

	CA
Single	\$431.29
Retiree + Spouse	\$868.83

Aetna Plans - retirees enrolled in Medicare A & B

	HMO California	OAMC All States	High Option OAMC All States
Single	\$431.29	\$500.70	\$499.66
Retiree + Spouse	\$868.83	\$994.39	\$994.16
Family	\$1,220.63	\$1,393.00	\$1,394.31

CALCULATING YOUR DENTAL PLAN CONTRIBUTIONS

Dental Plan Eligibility

You are eligible for dental coverage if you enroll in a medical plan for 2010, were enrolled in a City dental plan for 2009 and:

- You retired on or after January 1, 1988
- You were a Police bargaining unit employee and retired on or after July 1, 1985.

I.B.E.W. bargaining unit employees ARE NOT ELIGIBLE for dental coverage.

The cost sharing for the dental plans are based upon your medical contribution formula. In other words, the same percentage or fixed rate calculation used for your medical plan premium will apply to your dental plan premium.

Dental Plan State Availability

The Delta Dental PPO plan is available in all states.

The DeltaCare USA DHMO plan is available in almost all states. The following are states where the DeltaCare USA DHMO plan is **NOT** available:

Massachusetts	Nebraska	North Dakota
Minnesota	North Carolina	Virginia

Eligible retirees who live in one of these 6 states and who wish to enroll for dental coverage in 2010 should enroll in the Delta Dental PPO plan

Monthly Dental Plan Costs – 2010

COST OF PLAN – For use with Formulas B and C (Fixed Contribution and Police Benefit)

	<u>Delta Dental PPO Plan</u>	<u>DeltaCare USA DHMO Plan</u>
Single	\$54.75	\$14.82
Two-Party	\$93.09	\$24.50
Family	\$142.36	\$36.22

COST OF PLAN – City Contribution/Fixed Contribution (B)

	<u>Retired in 1989 or 1990</u>	<u>Retired in 1991-1993</u>
Single	\$11.00	\$13.23
Two-Party	\$17.10	\$20.58
Family	\$24.66	\$29.66

Police Benefit (C) – See the Retirement Information section of your selection form for the percentage you pay.

COST OF PLAN – For use with Formula E (Percentage Contribution)

	<u>Cost of Plan</u>	<u>Maximum City Contribution</u>		<u>Cost of Plan</u>	<u>Maximum City Contribution</u>
DeltaCare USA DHMO			Delta Dental PPO Option		
Single	\$14.82	\$24.99	Single	\$54.75	\$24.99
Two-Party	\$24.50	\$38.89	Two Party	\$93.09	\$38.89
Family	\$36.22	\$56.03	Family	\$142.36	\$56.03