

**Commonwealth of Kentucky
Personnel Cabinet
Department for Employee Insurance**

**Kentucky Employees Health Plan
Handbook for Plan Year 2006**

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WHAT'S NEW OR CHANGING?

Effective January 1, 2006

- The Kentucky Employees Health Plan (hereinafter referred to as the “Plan”) will be going self-insured beginning January 1, 2006. We are very excited about expanding this opportunity statewide. Many of you may not be aware that regions one and two have been self-insured since January 1, 2005, as a pilot project. What does self-insurance mean? Simply put, this means that instead of the Commonwealth paying the health insurance carriers to assume the risk of our claims, the Commonwealth will be assuming that risk. To accomplish this, the Commonwealth will pay an administrative fee to a Third Party Administrator (TPA) to process our health insurance claims and have access to its provider network. The Commonwealth will establish the rates using the administrative fee, claims cost and trends. This should help control the amount of the increases in our health care costs.
- Humana Insurance Company and its Affiliates (Humana) will be the TPA available statewide to all participants in the Plan. Express Scripts, Inc. will be the Pharmacy Benefit Administrator (PBA) statewide. This means that all participants in the Plan will have the same prescription drug formulary. You may access Humana and Express Scripts, Inc. both at the same dedicated phone number **(beginning October 3, 2005)** at 1-877-KYSPIRIT (1-877-597-7474).
- The Open Enrollment timeframe of **October 17, 2005, through October 28, 2005**, is the same for active employees, retirees and COBRA participants.
- Plan Year 2006 will **not** be a total re-enrollment. **This means that unless you wish to make changes to your current coverage, you will not have to enroll via the web or complete an application.**

If you are a state employee, you may enroll via the web or by completing Section VI of the application. If you are a Board of Education employee, a Health Department employee or a quasi group employee, you must contact your Insurance Coordinator for details regarding the FSA enrollment process and deadlines.

- **If you wish to enroll in a Flexible Spending Account (FSA), you must enroll during the Open Enrollment period. Federal regulations require that employees that wish to enroll in a FSA must do so every year.**
- The Commonwealth will contribute \$234 each month into a Health Care Flexible Spending Account from January 1, 2006 through June 30 2006, and \$200 each month from July 1, 2006 through December 31, 2006.
- **The 1st tier (generic) prescription benefit copayment amount for the Commonwealth Premier and Commonwealth Enhanced Plans will be reduced from \$10 to \$5 for retail and reduced from \$20 to \$10 for mail order.**

- Congress made changes to the definition of "dependent" for tax purposes, which may affect the eligibility of your dependents for your group health insurance coverage. Congress divided dependent into a "Qualifying Child" and a "Qualifying Relative".

For purposes of our health insurance Plan, a "Qualifying Child" is your child, stepchild, adopted child, foster child or grandchild, who lives with you for more than half of the taxable year, is less than 19 years of age at the end of the NEXT calendar year and will not provide over 1/2 of his/her support during the calendar year.

- A foster child must have been placed by an authorized agency or by judgment, decree or court order.
- Temporary absences, such as for school, are permitted.
- A child will remain eligible beyond the 19th birthday if he/she is a full-time student who will be less than 24 years of age at the end of the next calendar year.
- Age restrictions do not apply to a child that is permanently and totally disabled.

For purposes of our health insurance Plan, a "Qualifying Relative" is your child, stepchild, adopted child, foster child or grandchild, who lives with you for more than half of the taxable year, is less than 24 years of age at the end of the NEXT calendar year and for whom you provide over 1/2 of his/her support.

For purposes of our health insurance Plan, a child who does not live with the member, but for whom the member or his/her spouse has a legal obligation under a divorce decree, court order or administrative order to provide the health care expenses of the child remains eligible for coverage as a "Qualifying Child" or "Qualifying Relative", depending on the child's age.

- Dependent children that **attain age 24 during the 2006 Plan Year are not eligible** to be enrolled in the Plan for 2006.
- Due to the fact that Humana will be available to all participants and in every state where Humana networks are available, you will no longer have to select a county of coverage (home, work, or contiguous) to enroll.
- Even though we have two Administrators (Humana is the TPA and Express Scripts, Inc. is the PBA), you will only receive one identification card. For privacy reasons, your social security number will not be printed on the card.
- For Plan Year 2006 Open Enrollment, you will be able to enroll yourself on the internet, and immediately know that everything has been taken care of for next year. You can also change your personal information and add, change or delete your dependents. You'll even be able to print out your choices and, if you enter your email address, also receive an email which shows all of your elections for next year.

The Personnel Cabinet has taken extreme care to ensure that your personal information and your health insurance and flexible spending account choices are secure. Only you, your

Insurance Coordinator, and the Department for Employee Insurance will be able to see your information. We use 128-bit encryption technology and Secure Socket Layers (“SSL”) in all areas where your personal and account information is required.

Most participants will be able to enroll online with only very few limitations. You will have to complete the paper application if you are:

- A KRS or KTRS retiree,
- Paying by cross-reference with a KRS or KTRS retiree,
- A new employee who has not yet enrolled for 2005, or
- Switching the “primary” planholder on a cross-reference payment option.

Otherwise, your enrollment is in your hands – under your control!

- Contact Humana (**beginning October 3, 2005**) at 1-877-KYSPIRIT (1-877-597-7474) to request a copy of the provider directory, or you can view the directory online (**beginning October 3, 2005**) at kyhealthplan.humana.com.
- The application for Plan Year 2006 is the same for all active employees.
- If, as an active employee of a state agency, a Board of Education, a Health Department or a quasi group, you are not able to, or you decide not to enroll via the web, you may enroll by completing a health insurance application. The application has been included in this Handbook for your convenience. If needed, complete the application and submit the application to your Insurance Coordinator. Remember, you may always web enroll.

GENERAL INFORMATION

Disclaimer

The material contained in this Handbook is for informational purposes *only* and is not a contract. It is intended to highlight the benefits of and the eligibility requirements for the medical plans. Every effort has been made to ensure accuracy. If there is a difference between this information and the federal law, the federal law governs. Additionally, should there be a difference between any oral representation provided and the federal law, the federal law governs. It is your responsibility to read all materials provided in order to fully understand the provisions of the option selected.

Penalties for misrepresentation

If you or your dependents misrepresent information when applying for coverage, applying for a change in coverage or filing for benefits, the Department for Employee Insurance (DEI), or your Third Party Administrator (TPA), may take adverse action against you, including but not limited to, terminating coverage (for you and/or your dependents) and/or imposing liability for fraud or indemnification (requiring payment for benefits to which you and/or your dependents were not entitled).

In order to avoid enforcement of any penalties, you must notify the DEI immediately if a dependent is no longer eligible for coverage or if you have questions or reservations about the eligibility of a dependent.

MEMBER RESPONSIBILITIES

1. Read all information carefully!

It is your responsibility to know what benefits are covered, how they are covered and when they are covered. You should direct your questions to the Department for Employee Insurance, Humana and Express Scripts, Inc. Read your Summary Plan Description (SPD) and any other information you receive from DEI, Humana and Express Scripts, Inc. Before you have medical services performed, make sure they have been pre-certified, if applicable. Payment for non-covered services is your responsibility.

2. Plan your decisions wisely

Review the Benefits Grids on pages 14-17 to determine which option best suits your needs and/or the needs of your family.

Determine the amounts that will be deducted from your paycheck. After you have made your selections, you will not be allowed to change them unless you experience a Qualifying Event (refer to the Qualifying Event section on page 24) that would allow a change or you have a break in service (employment) greater than 63 days.

3. Enroll no later than October 28, 2005

Open Enrollment is October 17, 2005 through October 28, 2005. You must enroll by the end of Open Enrollment if you wish to make changes to your health insurance. Remember: If you

wish to enroll in a FSA you must enroll during Open Enrollment. If you are a state employee (Commonwealth Choice) you must enroll by October 28, 2005. If you are an employee of a Board of Education, a Health Department or a Quasi group, you must contact your Insurance Coordinator for FSA enrollment information.

4. Verify that your deductions are correct

Enrolling online will provide you with an immediate summary of your elections. It's your responsibility to review this summary which will include specific premium information. It is also your responsibility to review your first paycheck for your Plan Year 2006 deductions. For state employees, this is the December 15th paycheck for pay period ending November 30th. If it is not accurate, contact your agency's health Insurance Coordinator. If the amount deducted from your paycheck is not correct for the option and coverage level you selected during Open Enrollment, your agency's health Insurance Coordinator should contact the Department for Employee Insurance for the necessary corrections. However, if the deductions are consistent with your elections, no changes will be allowed.

5. Notify your agency's health Insurance Coordinator of any eligibility changes

You must notify your agency's health Insurance Coordinator if you experience life changing events that may impact eligibility for you or your dependent(s) such as, but not limited to:

- Birth of a child;
- Adoption of a child or placement for adoption;
- Marriage, divorce, legal separation, annulment;
- Death of spouse or dependent;
- Dependent child reaches the limiting age;
- An employment status change for you, your spouse, or your dependent(s) that affects eligibility under the plan;
- Dependent becomes covered by another group health plan.

6. Review your FSA Information

If you are a state employee, you are eligible for participation in the Commonwealth Choice Flexible Spending Account Program. Refer to the FSA section in this Handbook for additional information. If you are a Board of Education employee, a Health Department employee or a quasi group employee, you must contact your Insurance Coordinator for details. Retirees are not eligible to participate in the FSA program.

OPEN ENROLLMENT INFORMATION

1. Open Enrollment Dates

Open Enrollment will be October 17 – October 28, 2005. The deadline to Web Enroll (or sign your application and submit it to your agency's health Insurance Coordinator, if applicable) is October 28, 2005.

All records received by the Third Party Administrator from the Department for Employee Insurance on or before **December 2, 2005** will receive identification cards by January 1, 2006. Therefore, it is critical that you web enroll or submit your application to your Insurance Coordinator as early as possible. Enrollment records will be processed in the order they are received.

2. Is It Required That I Enroll for 2006?

No, you do not need to enroll for Plan Year 2006 **if your health insurance elections will remain the same**. However, if you wish to change your elections, or enroll in a FSA, you must enroll during the Open Enrollment period. Remember, you may enroll online, unless you are:

- KRS or KTRS retiree;
- Paying by cross-reference with a KRS or KTRS retiree;
- A new employee who has not yet enrolled for 2005; or
- Switching the “primary” planholder on a cross-reference payment option.

If you are one of the above, you will have to complete a paper application and submit it to your Insurance Coordinator.

3. Advantages of enrolling online

- Fast - you can finish enrollment in minutes!
- Easy - a set of questions will walk you through each step
- Flexible - you can change your elections anytime during Open Enrollment
- Private & Secure - your personal password will allow you access to the enrollment site. The privacy of your personal information is our goal
- Instant Confirmation –print out your enrollment information as soon as you complete the process- enter an email address and receive a confirmation message

4. Waiving Health Insurance Coverage

If you are enrolled in a health insurance plan or are waiving coverage for 2005 and wish to waive coverage for 2006, you can waive your coverage online, or you may complete a paper application and indicate that you are electing to waive your health insurance coverage by completing Sections I, II, and VII of the health insurance application. If you are a state employee, you may enroll online, or complete section VI of the application in order to enroll in the FSA (Commonwealth Choice) program. All others must contact their Insurance Coordinator for FSA enrollment information. Refer to page 21 of this Handbook for information on directing the State Employer Contribution into a Health Care Flexible Spending Account.

BENEFIT FAIRS

The time and location of 13 Benefit Fairs is listed below. You are strongly encouraged to participate in the Benefit Fair closest to you. Employees from the Department for Employee Insurance, Humana and Express Scripts, Inc. will be available at each of the following Benefit Fairs to answer any questions you may have.

Christian County
October 17, 2005
2:00 p.m.- 6:00 p.m.

Pennyrile Area Development District
300 Hammond Drive
Hopkinsville, KY

Daviess County
October 7, 2005
2:00 p.m.- 6:00 p.m.

Owensboro Community and Technical College
4800 New Hartford Road, US Hwy 231 Owensboro, KY
(Subway® Restaurant front dining area)

Fayette County
October 20, 2005
4:00 p.m.- 8:00 pm

Paul L. Dunbar High School Cafeteria
1600 Man 'O' War Blvd
Lexington KY

Franklin County
October 10, 2005
8:00 a.m.- 6:00 p.m.

Frankfort Convention Center
Mero Street
Frankfort, KY

Hardin County
October 12, 2005
2:00 p.m.- 6:00 p.m.

Central Hardin High School
Gymnasium, Hwy 62
Elizabethtown, KY

Jefferson County
October 11, 2005
8:00 a.m.- 6:00 p.m.

Kentucky Fair & Exposition Center
West Hall Meeting Rooms 1 & 2
Louisville, KY

Kenton County
October 13, 2005
2:00 p.m.- 6:00 p.m.

Northern KY Area Development District
22 Spiral Drive
Florence, KY

McCracken County
October 6, 2005
2:00 p.m.- 6:00 p.m.

Western KY Community & Technical College, Crouse Hall Atrium
4810 Alben Barkley Drive
Paducah, KY

Perry County
October 25, 2005
2:00 p.m.- 6:00 p.m.

Perry Co. Central High School
305 Park Avenue
Hazard, KY

Pike County
October 24, 2005
2:00 p.m.- 6:00 p.m.

Pike Central High School
100 Winners Circle Drive
Pikeville, KY

Pulaski County
October 18, 2005
2:00 p.m.- 6:00 p.m.

Somerset Community College,
808 Monticello Street Harold Rogers
Student Commons, Community Room 107
Somerset, KY

Rowan County
October 19, 2005
2:00 p.m.- 6:00 p.m.

Morehead State University
Main Lobby Academic Athletic Center
150 University Blvd
Morehead, KY

Warren County
October 10, 2005
2:00 p.m.- 6:00 p.m.

Bowling Green Technical School
Building F, 1845 Loop Drive
Bowling Green, KY

PLAN CODES

If you are electing health insurance coverage or waiving health insurance coverage, you must enter one of the following codes when enrolling online or when completing a paper application.

If electing coverage, enter 143

If waiving coverage, enter 999

FAMILY CROSS-REFERENCE PAYMENT OPTION

1. What is the Family Cross-Reference Payment Option?

This is a payment option available to two (2) legally married participating members in the Kentucky Employees Health Plan.

2. Am I Eligible to Elect the Family Cross-Reference Payment Option?

To be eligible to elect the cross-reference payment option, each of the following requirements must be met:

- the members must be legally married (husband and wife);
- the members must be eligible employees or retirees* of a group participating in the Kentucky Employees Health Plan;
- the members must elect the same coverage; and
- both members must sign the appropriate documentation during the enrollment process and file with their agency's Insurance Coordinators. If during Open Enrollment you enroll online, you will be required to enter both members' passwords via the web.

Failure to meet any one of the above requirements means that you are not eligible for the cross-reference payment option.

* Members of the Judicial and Legislators Retirement Plans are not eligible to elect the cross-reference payment option.

3. Ending the Cross-Reference Payment Option

Employees will not be eligible to continue the cross-reference payment option if one spouse terminates employment. The cross-reference payment option will terminate automatically and the remaining employee will be responsible for the payment of the family contribution. Although, the terminating employee is no longer eligible to receive an employer contribution, they are covered by a family plan and will not experience a loss of coverage.

4. Other Considerations

- If you or your spouse are both selecting a single plan during open enrollment, but planning on selecting the cross-reference payment option at a later date in the Plan Year due to a qualifying event such as a birth or an adoption, you must select the same coverage option

(e.g. Commonwealth Enhanced, Commonwealth Premier) during Open Enrollment to be permitted to elect the cross-reference payment option at the time of your qualifying event.

- Once you have decided which spouse will be the “primary” planholder on a cross-reference payment option, you cannot switch such “primary” planholder in the middle of the Plan Year.

CONTRIBUTION INFORMATION

Premium Conversion

When you were originally hired, you were set up to have your health insurance premiums paid on a pre-tax basis. If you do not wish to have premiums deducted on a pre-tax basis, you must contact your agency's health Insurance Coordinator or payroll officer to make a written request to have this changed.

Employee Contributions

Monthly Employee Contribution* – Non-Smoker

	Single	Parent Plus	Couple	Family	Family** Cross-Reference
Commonwealth Essential	Not offered	\$55.00	\$259.52	\$320.14	\$0
Commonwealth Enhanced	\$0.00	\$114.00	\$357.72	\$429.24	\$9.72*
Commonwealth Premier	\$18.20	\$170.38	\$398.66	\$474.74	\$33.08*

Monthly Employee Contribution* – Smoker

	Single	Parent Plus	Couple	Family	Family** Cross-Reference
Commonwealth Essential	Not offered	\$85.00	\$289.52	\$350.14	\$15.00*
Commonwealth Enhanced	\$15.00	\$144.00	\$387.72	\$459.24	\$24.72*
Commonwealth Premier	\$33.20	\$200.38	\$428.66	\$504.74	\$48.08*

* Contribution is per employee

** Refer to page 11 for additional information on this payment option.

Total Monthly Premiums

This chart is for reference only and does not reflect charges that will be deducted from your pay check.

	Single	Parent Plus	Couple	Family
Commonwealth Essential	Not Offered	\$614.11	\$921.16	\$1,023.51
Commonwealth Enhanced	\$488.96	\$733.44	\$1,100.16	\$1,222.40
Commonwealth Premier	\$503.66	\$755.48	\$1,133.23	\$1,259.14

Benefit Grids

Commonwealth Essential

Commonwealth Essential				
Covered Services	In-network		Out-of-Network	
	Annual Deductible	Single - \$750 Family - \$1,500	Single - \$1,500 Family - \$3,000	Single - \$1,500 Family - \$3,000
Out-of-pocket maximum (excludes prescription drug expenses and emergency room co-payments)	Single - \$3,500 Family - \$7,000	Single - \$7,000 Family - \$14,000	Single - \$7,000 Family - \$14,000	Single - \$7,000 Family - \$14,000
Lifetime maximum	Unlimited			
In-hospital care – provider services, inpatient care, semi-private room, transplant coverage (kidneys, cornea, bone marrow, heart, liver, lungs, heart and lung, and pancreas), or mental health and chemical dependency services	25%*		50%*	
Outpatient services – physician or mental health provider office visits, diagnostic and allergy testing, allergy serum and injections, diabetes education and therapy; injections, lab fees, X-rays; and mental health or chemical dependency services (members cost includes all services performed on the same day/same site).	25%*		50%*	
Diagnostic testing – laboratory tests, X-rays and other radiology or imaging services; and ultrasound and approved machine testing services performed for the purpose of diagnosing an illness or injury (members cost includes all services performed on the same day/same site).	25%*		50%*	
Ambulatory hospital and outpatient surgery services – outpatient surgery services, including biopsies, radiation therapy, renal dialysis, chemotherapy, and other outpatient services not listed under diagnostic testing performed in a hospital or other ambulatory center other than a physician’s office.	25%*		50%*	
Preventive care – annual gynecological exam, well child care, and routine physical early detection tests, subject to age and periodicity limits.	Plan pays 100% up to a maximum of \$200 per covered individual. Plan pays 100% of eligible immunizations.			
Emergency services				
Emergency room treatment (Emergency room co-pay waived if admitted).	\$50 co-pay plus 25%*		\$50 co-pay plus 50%*	
Emergency room physician charges	25%*		50%*	
Urgent care center treatment	25%*		50%*	
Ambulance services	25%*		50%*	
Maternity care – prenatal care, labor, delivery, postpartum care, and one ultrasound per pregnancy. Additional ultrasounds subject to prior plan approval.	25%*		50%*	
Prescription drugs – Retail (30 day supply)	25%			
	Min	Max		
1 st Tier	\$10	\$25		
2 nd Tier	\$20	\$50		
3 rd Tier	\$35	\$100		

Commonwealth Essential

Prescription drugs – Mail Order (90 day supply)	25%			
	Min	Max		
	1 st Tier	\$20		\$50
	2 nd Tier	\$40		\$100
	3 rd Tier	\$70		\$200
Audiometric services in conjunction with a disease, illness or injury	25%*	50%*		
Chiropractic services – limited to 26 visits per year, with no more than one visit per day	25%*	50%*		
Autism Service				
Rehabilitative and therapeutic care services	25%*	50%*		
Respite care for children ages two through 21 (\$500 maximum per month)	25%*	50%*		
Hospice care – subject to precertification by the plan	Covered the same as under the federal Medicare program			
Durable Medical Equipment	25%*	50%*		
Prosthetic devices	25%*	50%*		
Home health – limited to 60 visits per year	25%*	50%*		
Physical therapy – limited to 30 visits per year	25%*	50%*		
Occupational therapy – limited to 30 visits per year	25%*	50%*		
Cardiac rehabilitation therapy – limited to 30 visits per year	25%*	50%*		
Speech therapy – limited to 30 visits per year	25%*	50%*		
Skilled nursing facility services – limited to 30 days per year	25%*	50%*		
Hearing aids – individuals under 18 years of age, limited to one per ear every three years and a maximum benefit of \$1,400 per ear	25%*	50%*		

*Services subject to deductible

Commonwealth Enhanced and Commonwealth Premier Benefits Grid

Covered Services	Commonwealth Enhanced		Commonwealth Premier	
	In-network	Out-of-Network	In-network	Out-of-Network
Annual Deductible (excludes office visit co-pay, preventive care services, outpatient diagnostic testing, urgent care center, prescription drugs, chiropractic services and hospital emergency room services)	Single - \$250 Family - \$500	Single - \$500 Family - \$1,000	Single - \$250 Family - \$500	Single - \$500 Family - \$1,000
Out-of-pocket maximum (excludes prescription drug co-pays, office visits, hospital emergency room visits and urgent care services)	Single - \$1,250 Family - \$2,500	Single - \$2,500 Family - \$5,000	Single - \$1,000 Family - \$2,000	Single - \$2,000 Family - \$4,000
Lifetime maximum	Unlimited		Unlimited	
In-hospital care – provider services, inpatient care, semi-private room, transplant coverage (kidneys, cornea, bone marrow, heart, liver, lungs, heart and lung, and pancreas), and mental health and chemical dependency services	20%*	40%*	10%*	30%*
Outpatient services – physician or mental health provider office visits, diagnostic and allergy testing, allergy serum and injections, diabetes education and therapy, well child care, immunizations, injections, lab fees, x-rays; and mental health or chemical dependency services (members cost includes all services performed on the same day/same site).	\$10 co-pay	40%*	\$10 co-pay	30%*
Outpatient diagnostic testing – laboratory tests, x-rays and other radiology or imaging services; and ultrasound and approved machine testing services performed for the purpose of diagnosing an illness or injury (members cost includes all services performed on the same day/same site).	\$10 co-pay	40%*	\$10 co-pay	30%*
Ambulatory hospital and outpatient surgery services – outpatient surgery services, including biopsies, radiation therapy, renal dialysis, chemotherapy, and other outpatient services not listed under diagnostic testing performed in a hospital or other ambulatory center other than a physician’s office.	20%*	40%*	10%*	30%*
Preventive care – annual gynecological exam, routine physical and early detection tests, subject to age and periodicity limits.	\$10 co-pay per visit	40%*	\$10 co-pay per visit	30%*
	\$400 maximum benefit per covered individual per plan year		\$400 maximum benefit per covered individual per plan year	
Emergency services				
Emergency room treatment (Emergency room co-pay waived if admitted).	\$50 co-pay plus 20%	\$50 co-pay plus 40%	\$50 co-pay plus 10%	\$50 co-pay plus 30%*
Emergency room physician charges	20%	40%	10%	30%*
Urgent care center treatment	\$20 co-pay	40%*	\$20 co-pay	30%*
Ambulance services	20%*	20%*	10%*	30%*
Maternity care – prenatal care, labor, delivery, postpartum care, and one ultrasound per pregnancy. Additional ultrasounds subject to prior plan approval. Office visit co-pay is limited to the office visit in which pregnancy is diagnosed. Thereafter, no co-pay required.	\$10 co-pay in-hospital care co-insurance applies*	40%*	\$10 co-pay in-hospital care co-insurance applies*	30%*

Covered Services	Commonwealth Enhanced		Commonwealth Premier	
	In-network	Out-of-Network	In-network	Out-of-Network
Prescription drugs – Retail (30 day supply)				
1 st Tier	\$5	40%	\$5	30%
2 nd Tier	\$15**	40%	\$15**	30%
3 rd Tier	\$30**	40%	\$30**	30%
Prescription drugs – Mail Order (90 day supply)				
1 st Tier	\$10		\$10	
2 nd Tier	\$30		\$30	
3 rd Tier	\$60		\$60	
Audiometric services in conjunction with a disease, illness or injury	50%*	50%*	10%*	30%*
Chiropractic services – limited to 26 visits per year, with no more than one visit per day	\$10 co-pay	40%*	\$10 co-pay	30%*
Autism Service				
▪ Rehabilitative and therapeutic care services	\$10 co-pay	40%*	\$10 co-pay	30%*
▪ Respite care for children ages two through 21 (\$500 maximum per month)	50%*	50%*	10%*	30%*
Hospice care – subject to precertification by the plan	Covered the same as under the federal Medicare program		Covered the same as under the federal Medicare program	
Durable Medical Equipment	20%*	40%*	10%*	30%*
Prosthetic devices	20%*	40%*	10%*	30%*
Home health – limited to 60 visits per year	20%*	40%*	10%*	30%*
Physical therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Occupational therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Cardiac rehabilitation therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Speech therapy – limited to 30 visits per year	20%*	40%*	10%*	30%*
Skilled nursing facility services – limited to 30 days per year	20%*	40%*	10%*	30%*
Hearing aids – individuals under 18 years of age, limited to one per ear every three years and a maximum benefit of \$1,400 per ear	20%*	40%*	10%*	30%*

*subject to annual deductible

** After the 75th prescription has been filled, excluding mail order, the co-payment will reduce to \$10 2nd tier and \$20 3rd tier.

COMMONWEALTH ESSENTIAL

PRESCRIPTION DRUG BENEFIT

RETAIL

Benefits will be paid at a 25% *co-insurance* with the following minimum and maximum payments:

- 1st Tier - \$10 minimum/\$25 maximum
- 2nd Tier - \$20 minimum/\$50 maximum
- 3rd Tier - \$35 minimum/\$100 maximum

MAIL ORDER

Benefits will be paid at a 25% *co-insurance* with the following minimum and maximum payments:

- 1st Tier - \$20 minimum/\$50 maximum
- 2nd Tier - \$40 minimum/\$100 maximum
- 3rd Tier - \$70 minimum/\$200 maximum

SEE CHART BELOW FOR FURTHER CLARIFICATION.

Commonwealth Essential		
If the cost of your 1 st tier drug is:	For retail, you pay:	For Mail Order, you pay
Less than \$10.00	Cost of Drug	Cost of Drug
\$10.01 - \$40.00	\$10.00 minimum	\$20.00 minimum *
\$40.01 - \$100.00	25% of cost	3 month supply you pay 25% of cost for 2 month's supply
More than \$100.00	\$25.00 maximum	\$50.00 maximum *

If the cost of your 2 nd tier drug is:	For retail, you pay:	For Mail Order, you pay
Less than \$20.00	Cost of Drug	Cost of Drug
\$20.01 - \$80.00	\$20.00 minimum	\$40.00 minimum*
\$80.01 - \$200.00	25% of cost	3 month supply you pay 25% of cost for 2 month's supply
More than \$200.00	\$50.00 maximum	\$100.00 maximum*

If the cost of your 3 rd tier drug is:	For retail, you pay:	For Mail Order, you pay
Less than \$35.00	Cost of Drug	Cost of Drug
\$35.01 - \$140.00	\$35.00 minimum	\$70.00 minimum*
\$140.01 - \$400.00	25% of cost	3 month supply you pay 25% of cost for 2 month's supply
More than \$400.00	\$100.00 maximum	\$200.00 maximum*

*Two (2) month's cost for three (3) months of medication.

ELIGIBILITY AND ENROLLMENT

1. Eligible Participants

FULL-TIME EMPLOYEES

Regular full-time employees of the following agencies who contribute to one of the state-sponsored retirement systems are eligible to participate:

- State Agencies
- Boards of Education
- Health Departments
- Members of additional groups whose employers pay into a state-sponsored retirement system and have elected to participate in the Kentucky Employees Health Plan.

RETIREES

Retirees under age 65 who draw a monthly retirement check from any of the following retirement systems, are eligible to participate:

- Kentucky Judicial Retirement Plan
- Kentucky Legislators Retirement Plan
- Kentucky Retirement Systems (KRS)
- Kentucky Teachers' Retirement System (KTRS)
- Kentucky Community and Technical College System (KCTCS)

OTHER ELIGIBLE PARTICIPANTS

Eligible COBRA participants.

LIMITATIONS

Employees, retirees, COBRA participants and their dependents may only be covered under **one** state-sponsored plan.

2. Eligible Dependents

DEPENDENT

Congress made changes to the definition of "dependent" for tax purposes, which may affect the eligibility of your dependents for your group health insurance coverage. Congress divided dependent into a "Qualifying Child" and a "Qualifying Relative".

For purposes of our health insurance Plan, a "Qualifying Child" is your child, stepchild, adopted child, foster child or grandchild, who lives with you for more than half of the taxable year, is less than 19 years of age at the end of the NEXT calendar year and will not provide over ½ of his/her support during the calendar year.

- A foster child must have been placed by an authorized agency or by judgment, decree or court order.

- Temporary absences, such as for school, are permitted.
- A child will remain eligible beyond the 19th birthday if he/she is a full-time student who will be less than 24 years of age at the end of the next calendar year.
- Age restrictions do not apply to a child that is permanently and totally disabled.

For purposes of our health insurance Plan, a “Qualifying Relative” is your child, stepchild, adopted child, foster child or grandchild, who lives with you for more than half of the taxable year, is less than 24 years of age at the end of the NEXT calendar year and for whom you provide over ½ of his/her support.

For purposes of our health insurance Plan, a child who does not live with the member, but for whom the member or his/her spouse has a legal obligation under a divorce decree, court order or administrative order to provide the health care expenses of the child remains eligible for coverage as a “Qualifying Child” or “Qualifying Relative”, depending on the child's age.

Dependents may only be covered under one (1) state sponsored plan. The employee with custody shall have first option to cover the dependent children, unless both employees agree otherwise in writing. .

Permanently or totally disabled means the child is unable to work to support himself/herself due to a mental or physical disability that started before the age limit and is medically certified by a physician and that was covered under the Plan when the disability occurred. The TPA may require proof of such dependent’s disability no more than once a year. A total disability is defined as the condition that results when any medically determinable physical or mental condition prevents a dependent from engaging in substantial gainful activity and can be expected to result in death or to be of continuous or indefinite duration. The TPA must approve total disability.

3. Levels of Coverage

Single – Covers the employee/retiree only

Parent Plus – Covers a married or single employee/retiree and one or more children, but does not cover the spouse

Couple – Covers an employee/retiree and his/her legal spouse

Family – Covers an employee/retiree, his/her legal spouse and one or more children

4. Waiving Coverage

You have the option to waive (decline) coverage if you do not want the health insurance offered through the Kentucky Employees Health Plan.

If you are a *new* employee and wish to waive coverage, you must complete Sections I, II, and VII of the health insurance application and turn it in to your agency’s health Insurance Coordinator no later than thirty (30) days after your employment date, or the date specified by your employer (see “Effective Dates” for more details).

5. Directing the Employer Contribution Into a Health Care Flexible Spending Account

If you waive your health insurance provided by the Commonwealth, you may be eligible to receive the employer contribution to direct into a Health Care Flexible Spending Account. The employer monthly contribution provided by the Commonwealth will be \$234.00 from January 1, 2006 through June 30, 2006 and \$200.00 from July 1, 2006 through December 31, 2006.

- If you are a **state employee**, you are eligible for the Commonwealth Choice Health Care Flexible Spending Account. During Open Enrollment, you may enroll online. During the Plan Year, you may enroll by completing Section VI of the health insurance application.
- If you are an **employee of any other agency**, you may be eligible to direct the employer contribution to a Health Care Flexible Spending Account. Contact your agency's health Insurance Coordinator for more information.
- If you are a retiree, you are not eligible to participate in the FSA program.

**STATE EMPLOYEES REFER TO THE FSA SECTION OF THIS HANDBOOK
FOR MORE DETAILS**

EFFECTIVE DATES

1. New Employees

If you are an employee of a:

- State Agency;
- Board of Education; or
- Health Department

You have thirty (30) days from the date you are hired to:

- Enroll in a plan
- Enroll in a plan and enroll in a Health Care Flexible Spending Account. State employees must complete section VI of the health insurance application. All others must contact their Insurance Coordinator for more details about enrolling in a FSA.
- Waive (decline) coverage by completing Sections I, II and Section VII of the health insurance application and redirect the employer contribution into a FSA.

Applications are available on the Department for Employee Insurance Web site at <http://personnel.ky.gov/stemp/dei/default.htm>, or you may request an application from your agency's health Insurance Coordinator.

Coverage of a new employee will begin on the first day of the second calendar month following the employee's hire date. For example, if you are hired anytime during the month of January, your coverage will be effective March 1.

If you are an employee of a group other than those listed above, you may have different guidelines regarding your effective date of coverage. You may have a waiting period longer than the first day of the second calendar month. Contact your agency's health Insurance Coordinator for details. However, regardless of your company's regulations regarding effective dates of coverage, your health insurance application must be signed at least thirty (30) days prior to the coverage effective date.

2. Open Enrollment

All elections made during Open Enrollment will be effective January 1, 2006.

3. Qualifying Events

Refer to pages 24 for information regarding Qualifying Event effective dates.

TERMINATION DATES

1. Terminating Employment

The Plan is a pre-paid health insurance plan. Therefore, your health insurance will terminate on the last day of the second month following the date in which your employment terminates. For example, if you terminate employment effective March 15, your health insurance coverage will terminate April 30. If you terminate employment effective March 31, your coverage will terminate April 30.

2. Dependents Dropped During Open Enrollment

Any changes made during Open Enrollment that would terminate your plan or drop any dependents from your plan will be effective December 31, 2005. Dependents dropped during Open Enrollment are not eligible for COBRA, unless the removal is in approval of anticipation of a qualifying event (make sure your Insurance Coordinator knows that the change is related to a qualifying event instead of an Open Enrollment change).

3. Qualifying Events

Refer to pages 24 for information regarding Qualifying Event effective dates.

4. Termination for non-payment of premiums

The Plan has the right to terminate your coverage if premiums are not paid in full each month.

QUALIFYING EVENTS - (for Health Insurance only)

The Plan is provided through a Cafeteria Plan. This allows you to pay for your health insurance premiums with pre-tax monies, which is a savings for you. Cafeteria Plans are administered according to federal laws and regulations. Those regulations state that if your health insurance is offered through a Cafeteria Plan, you cannot change your Open Enrollment choices unless you experience an appropriate Qualifying Event. The Department for Employee Insurance cannot modify the regulations related to Qualifying Events.

If you experience a Qualifying Event during the Plan Year, you are allowed to make certain changes to your health insurance coverage. Those changes must be consistent with the Qualifying Event you experience and must be made within a limited time period.

EFFECTIVE DATES

To Add Dependents:

Some Qualifying Events (such as marriage, birth, adoption, loss of group coverage, etc.) allow you to add dependents to your current coverage. Coverage for dependents being added to a plan will be effective on the first day of the first month after the employee's signature on the application or Add Form. Keep in mind that this is a pre-paid health insurance Plan. Therefore if you experience a Qualifying Event that allows you to add dependents, you may be in arrears for payment of premiums. If this happens, you will be responsible for any premiums due.

Exceptions:

Birth – children added due to this Qualifying Event are effective on the date of birth, if application is completed within the specified timeframe.

Adoption/Placement for adoption – children added due to this Qualifying Event are effective on the date of adoption or placement for adoption, if application is completed within the specified timeframe.

To Drop Dependents:

Some Qualifying Events (such as divorce, dependent ineligibility, death, gaining other group coverage, Medicare eligibility, etc.) allow you to drop dependents from your current coverage.

Health coverage for dependents dropped from a plan ends on the last day of the month in which the employee signs the Drop Form.

Exceptions:

Loss of eligibility or dependent status such as divorce, a child's marriage, a child's establishment of a separate primary residence – dependents dropped due to these Qualifying Events are terminated effective on the last day of the month in which the event occurs.

DEADLINES

Employees have no later than thirty (30) days after the event occurs to sign the appropriate form requesting a change.

Exceptions:

Adding a newborn only – employee has 60 days*

Adoption/Placement for adoption – employee has 60 days*

**If the employee is requesting to add additional dependents (other than the newborn or the newly adopted/placed child), he/she will have 30 days (not 60) after the event to make the request and sign the application or Add Form.*

SPECIAL PROCESSING GUIDELINES

- The effective dates for Qualifying Events are based on the **date the event occurred**.
- In certain cases, the Department for Employee Insurance will accept a Notification Date. The notification date is the date the employee is notified by another source that an event affecting his/her eligibility for a different coverage has occurred. The Department for Employee Insurance will accept a notification date (in lieu of the event date) only in the following cases:
 - Eligibility for governmental programs (Medicare, Medicaid, Loss of KCHIP)
 - CHAMPVA
 - TRICARE
- Applications for changes due to a Qualifying Event cannot be signed before the event occurs. In certain cases, the Department for Employee Insurance will accept a pre-signed form. Pre-signing is the ability of an employee to sign a form prior to a Qualifying Event taking place. The Department for Employee Insurance will accept a pre-signed form only in the following cases:
 - Loss of Other Group Health Coverage*
 - Entitlement to Medicare*
 - Spouse/Retiree has a Different Open Enrollment Period - See below for details.

The effective dates of the indicated **Qualifying Events are determined following the same guidelines as indicated under “Effective Dates” on page 24 of this section. Therefore, pre-signing an application or form may result in double coverage or a gap in coverage.*

- Spouse/Retiree Has Different Open Enrollment Period: The following processing rules apply to this Qualifying Event:
 - The Qualifying Event date is the last day of the spouse/retiree’s Open Enrollment period.
 - The application or form can be signed prior to the event date.
 - The effective date of the selected coverage will be manually entered to correspond with the effective date of the spouse/retiree’s Open Enrollment elections.

SUPPORTING DOCUMENTATION

Divorce/Legal Separation

- If dropping spouse from plan: Filed decree signed by a judge and date-stamped “filed.”
- If enrolling because event caused loss of other coverage: Proof that you were covered under your spouse’s plan and no longer eligible (HIPAA certificate or letter from employer). Letter should identify date of insurance termination and persons who were covered by policy.

Note: The Department for Employee Insurance reserves the right to request a copy of the filed divorce decree as deemed necessary.

Adoption or Placement for Adoption

- Papers from the Cabinet for Health and Family Services;
- Signed and date-stamped “filed” papers from the court;
- Letter from the adoption agency on letterhead;
- Legal document from a U.S. Court; or
- Official document translated into English.

Judgment decree or Administrative Order relating to health coverage for your child

- A filed or dated court decree;
- Agency Administrative Order; or
- National Medical Support Notice.

Employee, spouse or dependent enrolled in Employer’s health plan becomes entitled to Medicare or Medicaid

- Initial eligibility letter from the Medicare/Medicaid Office

Note: The Department for Employee Insurance reserves the right to request a copy of the Medicare/Medicaid card as deemed necessary.

Loss of other group health insurance coverage that entitles employee or family member to be enrolled in accordance with HIPAA

- HIPAA certificate from prior carrier;
- Letter from employer/previous employer (letter should identify date of insurance termination and persons who were covered by policy); or
- Termination letter from government agency under which previous coverage was held.

GUIDELINES FOR ADDING CHILDREN (other than biological or adopted, such as grandchildren, stepchildren, foster children)

- Can be added to your coverage by selecting the Qualifying Event of Full Legal Guardianship, Administrative Order or Court Order on the Add Form.
- The effective date of coverage is the first day of the first month after the employee's signature on the Add Form.
- The deadline to add children under this Qualifying Event is no later than thirty (30) days from the Qualifying Event. The Qualifying Event date is the date that the Legal Guardianship, Court Order or Administrative Order is finalized.
- The Add Form cannot be signed before the Qualifying Event occurs.
- The supporting documentation required:
 - to add grandchildren is Legal Guardianship papers;
 - to add foster children is a Letter from the Cabinet for Health and Family Services;
 - to add stepchildren not residing in your household is a Court Order.

All children added to an employee's health insurance coverage must meet the dependent eligibility requirements as described on page 19.

The above described Qualifying Events are not the only events that allow you to add your eligible dependent children to your health insurance coverage. Other events such as marriage and loss of other group coverage also allow you to add eligible dependents to your plan.

Important Qualifying Event Facts

- The appropriate form must be completed and signed within the specified deadlines. Applications and forms signed after the appropriate deadlines will not be accepted.
- Supporting documentation must be submitted when required. The inability to obtain the required supporting documentation is not a reason for an extension.

A list of the permitted Qualifying Events and necessary forms are included on the Department for Employee Insurance Web site at <http://personnel.ky.gov/stemp/dei/default.htm>. You may also contact your agency's health Insurance Coordinator or the Department for Employee Insurance's Member Services Branch for additional information regarding Qualifying Events.

HOW DO I KNOW WHICH FORM TO USE?

You should use the health insurance application for the following events:

- Initial enrollment at hire date (New Employee)
- Open Enrollment (however, employees are strongly encouraged to enroll online for faster and more accurate results)
- If you are employed by a group that joins the Plan for the first time (New Group)
- If you, or your dependents, elect to continue coverage through COBRA;
- If you previously waived and now have experienced a qualifying event that allows you to enroll – you must enter the qualifying event date and a description of the qualifying event.

You should use the Add Form if:

- You are currently enrolled and you experience a Qualifying Event that allows you to add any dependents to your plan.

You should use the Drop Form if:

- You are currently enrolled and you experience a Qualifying Event that allows you to drop any dependents from your plan.

GRIEVANCES

Any employee who is dissatisfied with a decision regarding enrollment or disenrollment (Qualifying Events) in the Plan may file a grievance to the Plan Grievance Committee. The employee must file the grievance no later than thirty (30) calendar days from the event or notice of the decision being protested.

Grievances must be filed in writing to:

Personnel Cabinet
Department for Employee Insurance
Attention: Grievance Committee
200 Fair Oaks Lane, Suite 502
Frankfort, KY 40601

A grievance must include ALL of the following items:

- Name, Social Security Number and Agency where you are employed;
- A description of the issue(s) disputed by you;
- A statement of the resolution requested by you;
- All other relevant information; and
- ALL supporting documentation.

Any grievance that does not include all necessary information will be returned to you without review.

A written response will be mailed to you and your agency's health Insurance Coordinator stating the decision of the Committee.

The Committee will not review a second request unless additional relevant facts are provided.

FLEXIBLE SPENDING ACCOUNT PROGRAM FOR STATE EMPLOYEES ONLY

All others must contact their Agency's health Insurance Coordinator for more information about their FSA Program. Retirees are not eligible to participate in the FSA Program.

1. What is a Flexible Spending Account (FSA)?

A health care FSA is pre-tax money you set aside, through payroll deductions, to use for certain expenses not covered by your medical plan. You decide how much to contribute to your health care FSA. You may enroll in one or more Flexible Spending Accounts offered by the Commonwealth. You may contribute specified amounts from your salary toward a Health Care Flexible Spending Account and/or a Dependent Care Account. You can use Health Care FSA dollars to pay toward: out-of-pocket prescription cost associated with your health insurance plan; eligible medical expenses such as doctor's office visits, x-rays, and lab test; and some services not covered by your health insurance plan may even be covered under your Health Care FSA. You can use Dependent Care FSA dollars to pay toward: childcare similar services such as daycare or adult care.

Health Care FSA Eligible Expenses (partial listing)

- Acupuncture
- Ambulance service
- Birth control pills and devices
- Chiropractic care
- Contact lenses (corrective)
- Dental fees
- Diagnostic tests/health screening
- Doctor fees
- Drug addiction/alcoholism treatment
- Drugs
- Experimental medical treatment
- Eyeglasses
- Guide dogs
- Hearing aids and exams
- Injections and vaccinations
- In vitro fertilization
- Nursing services
- Optometrist fees
- Orthodontic treatment
- Prescription drugs to alleviate nicotine withdrawal symptoms
- Smoking cessation programs/treatments
- Surgery
- Transportation for medical care
- Weight-loss programs/meetings
- Wheelchairs
- X-rays

Dependent Care FSA Eligible Expenses (partial listing)

After school care
Baby-sitting fees
Day care services
In-home care
au pair services
Nursery
Preschool
Summer day camps

2. Will my employer contribute to a Flexible Spending Account?

Yes, if you elect to waive your health insurance coverage, the Commonwealth will contribute \$234 each month into a **Health Care Flexible Spending Account** from January 1, 2006 through June 30 2006, and \$200 each month from July 1, 2006 through December 31, 2006. (This employer contribution is not for **Dependent Care Flexible Spending Accounts**.) For state agency employees, the Flexible Spending Account application has been combined with the health insurance application.

3. Minimum and Maximum contribution amounts

The **minimum** combined contribution (employer/employee) is **\$5 per pay period** for either the **Health Care Flexible Spending Account** or the **Dependent Care Account**.

The **maximum** combined contribution (employer/employee) is **\$120 per pay period** from January 1, 2006 through June 30, 2006 for the **Health Care Flexible Spending Account**. The maximum yearly contribution for **Dependent Care Account** depends on your tax filing status as listed below:

If you are married and filing separately, your maximum annual deposit is \$2,500.

If you are single and head of household, your maximum annual deposit is \$5,000.

If you are married and filing jointly, your maximum annual deposit is \$5,000.

If either you or your spouse earns less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.

If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

4. Who is eligible to enroll?

Active state employees who are eligible for state-sponsored health insurance coverage.

5. Who are eligible dependents?

Eligible dependents include:

- your legal spouse;
- your qualifying child; and
- your qualifying relative.

6. Enrollment is not automatic.

During Open Enrollment, you may enroll in the FSA program by web enrollment, or by completing Section VI of the application. During the Plan Year, you may enroll by completing Section VI of the application.

If you are an **employee of any other agency**, you may be eligible to direct the employer contribution to a Health Care Flexible Spending Account. Contact your agency's health Insurance Coordinator for more information about the enrollment process.

7. When does coverage begin?

If you enroll during Open Enrollment: Your period of coverage is January 1 through December 31, 2006.

New Employees: If you are a new employee, your period of coverage begins on the first day of the second month following your date of hire. If you do not complete a form during this initial eligibility period, you must wait until the next annual Open Enrollment or until you experience a Qualifying Event that would allow you to enroll.

8. FSA Qualifying Events

The IRS requires that your enrollment in a FSA plan continues the entire Plan Year (January 1 through December 31); however, you may be able to change your current election and make a new election mid-year if you experience an eligible qualifying event. Some qualifying events that allow you to make a change in your health insurance may allow you to make a change in your Health Care FSA. **Contact your health Insurance Coordinator or the Department for Employee Insurance for specific requirements and limitations on qualifying events for the FSA program.**

9. How do you access your health care FSA funds?

It's easy and convenient to access your **health care** FSA funds. Once your coverage begins, you will receive the free Humana *Access* card in the mail. You can use this card for health care FSA—eligible expenses wherever Visa debit cards are accepted, such as participating pharmacies, doctor's offices, and hospitals. When you use the card at a pharmacy, eligible charges are automatically deducted from your FSA fund. You can even present your Humana *Access* card for payment at the time services are rendered at your doctor's office. If you receive a medical bill with a "patient Balance Due", write the card number on the provider's bill and return it. The card typically eliminates the need to submit claim forms and wait for reimbursement.

10. Dependent Care FSA

Dependent Care FSA funds will be deducted from each paycheck automatically, beginning with the first paycheck after the effective date of your medical plan. After you pay eligible dependent care expenses, save your receipts to file a claim for reimbursement. To file a claim for reimbursement,

- log onto *MyHumana*, go to the MyBenefits section and select your "Dependent Care FSA" from the drop-down box
- Go to file a Claim

- Double-click on the reimbursement form, print it, fill it out, and return with your receipts to:
Humana Spending Account Administration
P.O. Box 19068
Green Bay, WI 54307
- Instead of printing the form, you may call Humana customer service at 1-800-604-6228, the Department for Employee Insurance or your Insurance Coordinator to request a paper reimbursement form to fill out and send back.

You may only use those funds already in your account to pay for eligible dependent care expenses.

11. When will you receive your HumanaAccess Card?

You will receive your card prior to the effective date of coverage if you enroll during Open Enrollment. Otherwise, you will receive your card within two weeks of your enrollment.

12. Do you need to activate the HumanaAccess Card?

Yes. Activate your card as soon as you receive it. You can use your card immediately after activation (after your effective date of coverage). To activate the card, you can call 1-888-894-2201 and follow the instructions enclosed with the card. (If you receive two or more cards, you need to activate only one for all of them to work.)

Your HumanaAccess Card is a free service available to you. There is no additional cost or transaction fee for using the card.

TERMS YOU NEED TO KNOW

Balance Billing

If you use *out-of-network* benefits, you may be “balance billed” for any amount not paid by your insurance carrier or TPA. This means the provider (doctor, hospital, etc.) may bill you for the amount that your **Third Party Administrator** did not pay, in addition to the amount of your co-insurance. Your insurance carrier or TPA’s payment is made based on a fee schedule that would normally be used in Kentucky.

Co-insurance

A percentage of the eligible expenses that you are responsible to pay to the doctor, hospital, pharmacy, or other provider. This percentage may vary based on the services provided.

Deductible

The initial amount of medical or hospital expenses you must pay before your Third Party Administrator starts paying benefits.

Eligible Expenses

A provider’s fee which: (A) is the provider’s usual charge for a given service under the covered person’s plan; (B) is within the range of fees charged by providers of similar training and experience for the same or similar service or supply within the same or similar limited geographical area; and (C) does not exceed the fee schedule developed by the insurance carrier or TPA. The term “eligible expense” and “reasonable and customary charge” may be interchangeable.

Formulary

A list of FDA approved drugs selected on the basis of safety, clinical efficacy, and cost-effectiveness. An experienced committee of medical experts compiles the list for your PBA.

Generic Drug

A drug that is equivalent to a brand name drug produced when patent protection lapses on the brand-name drug.

In-Network

Physicians, pharmacies, hospitals and other providers who have contracted with a particular Third Party Administrator to provide services for members covered under that particular health plan.

Maximum Out-of-Pocket

The maximum dollar amount you will have to pay for covered medical expenses during the plan year. It does not include the charges resulting from balance billing or certain PPO services.

Out-of-network

Physician, pharmacies, hospitals, and other providers who do not have contracts with a particular Third Party Administrator to provide services.

Pharmacy Benefit Administrator (PBA)

Entities that administer managed pharmacy programs, defined as the application of programs, services and techniques designed to control costs associated with the delivery of pharmaceutical care by (1) streamlining and improving the prescribing and dispensing process, (2) educating the health care consumer, and (3) controlling the cost of prescriptions dispensed.

Qualifying Event

An event that may allow an employee/retiree to make a mid-year election change in their coverage or, in some cases, their FSA. The change must be on account of and consistent with the Qualifying Event.

Self-Insurance

The Commonwealth is assuming the financial risk of paying for the health care of the Plan. As such, we will have a Third Party Administrator (TPA) to assume the administration of the claims and other business-related functions for health insurance. A Pharmacy Benefits Administrator (PBA) will assume the administration of the claims and other business related functions for the pharmacy benefits.

Third Party Administrator (TPA)

An individual or an organization that processes and pays claims and/or provides administrative services on behalf of a patient or client.

Usual, Customary and Reasonable

A provider's fee which: (a) is the provider's usual charge for a given service under the covered person's plan; (b) is within the range of fees charged by providers of similar training and experience for the same or similar service or supply within the same or similar limited geographical area; and (c) does not exceed the fee schedule developed by the insurance carrier or TPA.

Same **great** benefits – and a whole lot **more!**

You have plenty of reasons to feel good about your 2006 health plans. Your plan choices haven't changed – so you still have the freedom to pick the plan that suits you best.

Humana has been chosen to partner with the Commonwealth for health care benefits.

And here's more great news! With any plan you choose, you'll get these extra features and services from Humana:

- **Humana/ChoiceCare Network PPO®.** This provider network gives you a wide choice of participating hospitals and health care professionals. It's a nationwide network, so if you need medical care when traveling, you'll have the opportunity to find an in-network provider nearby.
- **Answers to your questions.** If you have questions about plan benefits during your enrollment period or anytime during the year, call Humana's Commonwealth Customer Service hotline **1-877-KYSPIRIT (1-877-597-7474)**. You'll receive personal attention from a representative dedicated exclusively to serving Commonwealth of Kentucky employees.
- **Custom Website.** After you've enrolled in a plan, your benefits information and tools are as close as your computer. Simply log on to **kyhealthplan.humana.com**. Beginning January 1, 2006, you can register for *MyHumana*, your personal, password-protected home page, to find the resources you need. Here are just a few examples of what you can do at *MyHumana*:
 - o Look up participating providers
 - o Manage your Flexible Spending Account (FSA) funds
 - o Review your plan benefits
 - o View your medical claims
- **Humana ID and HumanaAccessSM cards.** Soon after your enrollment, we'll mail you a Humana ID card to present when you receive health care services. If you're enrolled in a Flexible Spending Account (FSA), we'll also send you a HumanaAccess card. Just swipe the card at participating provider locations, and eligible health care expenses will be deducted from your FSA automatically – no need for checks, cash, or additional cards.
- **Provider directories.** To look up participating providers, you can use the convenient online "Find" feature at **kyhealthplan.humana.com**. You can also obtain provider information from Customer Service at **1-877-KYSPIRIT (1-877-597-7474)** or at state-sponsored health fairs.
- **Wellness and disease management programs.** A registered nurse works one-on-one with members as a health coach, providing education and resources to help members manage long-term medical conditions. Specific programs include:
 - o "Get Healthy" Wellness Programs – Health risk assessment and guidance for you and your family.
 - o Disease management programs – Designed to assist and educate members about managing their ongoing medical conditions.

We're **here** for you when you **need** us.

We're here for you when you need us. So be sure to take advantage of the year-round guidance and support Humana provides – at *your* convenience.

Humana Customer Service: 1-877-KYSPIRIT (1-877-597-7474)
kyhealthplan.humana.com

HUMANA[®]
Guidance when you need it most

Humana Privacy Notice – Financial Information

PRIVACY NOTICE CONCERNING FINANCIAL INFORMATION

Humana and our affiliates understand that the privacy of your personal information is important to you. We take your privacy seriously and your trust in our ability to protect your private information is very important to us. This notice describes our policy regarding the confidentiality and disclosure of personal financial information.

How Does Humana Collect Information About You?

We collect information about you and your family when you complete applications and forms. We also collect information from your dealings with us, our affiliates, or others. For example, we may receive information about you from participants in the health care system, such as your doctor or hospital, as well as from employers or plan administrators, credit bureaus, and the Medical Information Bureau.

What Information Does Humana Receive About You?

The information we receive may include such items as your name, address, telephone number, date of birth, Social Security number, premium payment history and your activity on our Website. This also includes information regarding your medical benefit plan, your health care benefits, and health risk assessments.

Where Does Humana Disclose My Information?

We may share your information with affiliated companies and nonaffiliated third parties, as permitted by law, as part of our administration of your plan. Our affiliates and subsidiaries are a family of companies who provide health, dental and life-insurance related services. For example, information may be shared with other insurance companies to coordinate benefits, assist with disease management activities, respond to regulatory agency inquiries, and with employer benefit plan administrators.

We may also provide your information to other financial institutions with which we have joint marketing agreements in order to provide you with

offers for products and services you may find of value and which are not products offered by Humana.

Can I Prevent (Opt-Out) Any of the Disclosures?

You can prevent the disclosures to affiliated companies that provide products and services not offered by Humana by requesting to opt-out. Your opt-out request will apply to all members or individuals covered under your identification number or member account. Your opt-out request will continue to apply until you revoke your request or terminate your membership.

How Do I Request An Opt-Out?

At any time you may instruct Humana not to share any of your personal information with affiliated companies that provide offers of non-Humana products or services. If you wish to exercise your opt-out option, or to revoke a previous opt out request, you need to provide the following information to process your request: your name, date of birth and your member identification number. Any of the methods below can be used to request or revoke your opt-out:

- Telephone us at 1-866-861-2762,
- E-mail your opt-out request to us at privacyoffice@humana.com,
- Send your opt-out request to us in writing:
Humana Privacy Office
P. O. Box 1483
Louisville, KY 40202

Humana follows all federal and state laws, rules, and regulations addressing the protection of personal and health information. In situations when federal and state laws, rules, and regulations conflict, Humana follows the law, rule, or regulation which provides greater member protection.

The following affiliates and subsidiaries also adhere to Humana's privacy policies and procedures:
Humana Health Plan of Ohio, Inc.
Humana Health Plan, Inc.
Humana Insurance Company
Humana Insurance Company of Kentucky
Humana Medical Plan, Inc.

Transition of Care

Care Management Services

Your Kentucky Employees Health Plan, administered by Humana effective January 1, 2006, will also provide care management services. Care management services include Disease Management, Case Management, Utilization Management and Maternity Services. If you are currently receiving these services through a vendor under the current Kentucky Employees Health Plan, we encourage you to complete the information on the next page. Fax or mail the form to the location specified to ensure that you continue receiving the services you need to best manage your conditions.

These no cost, confidential services are designed to offer you and your eligible dependents support in managing maternity care, chronic conditions and other health concerns. All of these services are provided by professional nurse care managers.

Employees or enrolled family members who have a covered medical condition, medical equipment, or who are in the middle of a specific treatment plan, should take advance action to help us transition your care from your old plan to the new Kentucky Employees Health Plan as of January 1, 2006. We are anticipating that the current vendor will provide us necessary information to transition your care to the new plan; however, you can complete this form as an extra step to ensure we receive your information. You may receive a phone call from a nurse care manager as a result of completing and submitting this form.

Starting December 19, 2005, you can also call **1-877-KYSPIRIT (1-877-597-7474)** to schedule an assessment with a nurse care manager. He or she will conduct a complete evaluation of your needs and transition you to the care management services appropriate for you, including referral for ongoing case management, if needed.

These benefits are designed to help you maintain optimal health and well being. If you want more information about your particular condition, we encourage you to visit **kyhealthplan.humana.com** where you have access to a wide variety of health care resources.

Transition of Care Form

Confidentiality Note:

This form is provided as a service to our new and transitioning members to facilitate continuity of care. Use of this form is entirely optional. It is designed to assist you in a seamless transition to Humana's services.

Please check any situation(s) that may apply to you or a covered family member:

- Planned surgery or hospitalization scheduled after January 1, 2006
- Home healthcare services you are currently receiving
- Durable medical equipment that you are currently using
- Ongoing active medical treatment, such as chemotherapy, dialysis, hospitalization, etc.
- Pregnancy (Expected Due Date: ___/___/___)
- Currently enrolled in a Disease Management Program

Employee Information:

Name: _____ Birthdate: _____
(First) (Middle I.) (Last) (MM/DD/YY)

Address: _____

City: _____ State: _____ Zip _____

Home Phone: () _____ Work Phone: () _____

Effective Date of Enrollment: _____
(MM/DD/YY)

Member ID Number of Policyholder: _____

Name of Treating Physician: _____

Phone Number for Treating Physician: () _____

Upon completion, please mail form to:

Clinical Intake Team – Humana/AHM
Commonwealth of Kentucky
14155 Newbrook Drive
Suite 400
Chantilly, VA 20151

Or fax form after December 19, 2005 to:

1-866-216-1133

Cut here to remove form.



Welcome to **EXPRESS SCRIPTS**

The Commonwealth of Kentucky has chosen us to manage your prescription drug plan.

We're here to help you save money and get the best service on prescriptions for you and your family. At a time when prescription costs are rising, Express Scripts provides affordable prescription drug plans to more than 50 million Americans.

Express Scripts features more than 1,000 Kentucky pharmacies in our national network, including Rite Aid, Kroger, Walgreen's, and Wal-Mart. We also include most of your neighborhood independent pharmacies.

Make the most of your pharmacy benefits. Beginning October 1, you can learn more about your pharmacy benefits by calling us at 877.KY.SPIRIT or visiting <https://member.express-scripts.com/preview/ky2006>. You can access your full benefits beginning January 1, 2006 by visiting www.express-scripts.com.



EXPRESS SCRIPTS®

Health Insurance Portability and Accountability Act of 1996 (HIPAA)

The Health Insurance Portability and Accountability Act was passed by Congress in 1996. This law helps to protect an employee's right to health coverage during events such as changing or losing jobs, pregnancy, moving or divorce. It also provides rights and protections for employers when obtaining and renewing health coverage for their employees.

HIPAA and the Department for Employee Insurance

The HIPAA's Privacy Rules became effective April 14, 2003. These were issued to provide protection against the unauthorized use and disclosure of an individual's Protected Health Information (PHI). The Department for Employee Insurance is adhering to these rules in order to protect the confidentiality of our members. PHI is defined as information that can be identified as belonging to a specific individual. This information can be transmitted or maintained in many ways such as, but not limited to, mail, fax, copier, telephone, email or paper mediums. Disclosure of PHI to anyone other than the member is prohibited without the member's specific authorization to disclose.

Health Insurance and Health Flexible Spending information maintained by the Department for Employee Insurance may be disclosed to the member's spouse, dependent, or the member's legal counsel/representative if that member has completed an Authorization for Disclosure Form for the plan year and it has been received by the Department for Employee Insurance. If the member obtains legal counsel, the member will need to complete the Authorization for Disclosure Form and also provide a copy of the Letter of Representation authorizing the Department for Employee Insurance to correspond with the legal counsel. If the correct information is not provided to the Department for Employee Insurance, there will be no disclosure of information to anyone except the member. The Department for Employee Insurance will only provide information pertaining to eligibility, enrollment, disenrollment and Qualifying Events.

Authorization for Disclosure Forms are maintained by the Department for Employee Insurance for the plan year or until revoked by the member, whichever is shorter.

The member will need to contact the TPA for information relating to payment of claims and services. If the member needs to have information disclosed from the TPA to someone else, the TPA may require the member to complete its company's Authorization for Disclosure Form. The Authorization for Disclosure Form completed for the Department for Employee Insurance to disclose PHI will not be accepted by the TPA. The member will be required to abide by the TPA's policies and procedures concerning release of the member's PHI.

If you have any questions pertaining to HIPAA, please contact the Department for Employee Insurance.

IMPORTANT INFORMATION FOR RETIREES

THE APPLICATION IN THIS HANDBOOK IS FOR ACTIVE EMPLOYEES ONLY. RETIREES WILL RECEIVE AN APPLICATION FROM THEIR RETIREMENT SYSTEM. DO NOT COMPLETE THE APPLICATION INCLUDED IN THIS HANDBOOK.

Retirees Under Age 65 (Or Age 65 Or Older And Not Eligible For Medicare)

If you are a retiree under age 65, you may continue health insurance coverage at the group rate provided you receive monthly benefits from the Kentucky Community and Technical College System, Kentucky Judicial Retirement Plan, Kentucky Legislators Retirement Plan, Kentucky Retirement Systems or Kentucky Teachers' Retirement System.

Most of your questions can be answered in this Handbook and your retirement system materials. If you are unable to find answers to your questions, please contact the retirement office for assistance before completing the application provided by the Retirement System. Contact information for each retirement system is listed below:

For **KCTCS Retirement** Benefits call (859) 246-3113.

For **Judicial Retirement Plan or Legislators Retirement Plan** benefits call (502) 564-5310.

For information on **Kentucky Retirement Systems'** insurance benefits, call 1-800-928-4646, menu option 2 or (502) 696-8800, menu option 2. Calling early during Open Enrollment will assist KRS in serving you better.

For **Kentucky Teachers' Retirement System** benefits call 1-800-618-1687 or (502) 848-8500.

Retirees Who Return to Work – Kentucky Teachers' Retirement System

Many retirees who are re-employed become ineligible for insurance through KTRS. If you are re-employed, please contact KTRS to determine your eligibility for health insurance through KTRS.

Retirees Who Return to Work – Kentucky Retirement Systems, Judicial Retirement Plan and Legislators Retirement Plan

Retirees who return to work with an agency that participates in the Kentucky Employees Health Plan may not elect coverage through the retirement system and participate in a flexible spending account. Retirees who wish to participate in the Kentucky Employees Health Plan must choose to either participate through the retirement system or the employer. Retirees must also waive coverage with either the retirement system or the employer, whichever is not selected, to provide their health care coverage at the time they return to work in a full-time status with an agency that participates in the Kentucky Employees Health Plan.

Retirees with Service in more than one Retirement System

You are eligible for one contribution toward the cost of insurance. If you have service in more than one retirement system, you should elect coverage through only one system and waive with the other.

Retiree Rates and/or Contribution Amounts

Retirees should contact their respective retirement systems for contribution amounts. The total premium rates outlined in this Handbook are the same for active employees and retirees. However, the contribution amounts may differ from the active employee contribution.

Any portion of the insurance premium not paid by your retirement system will be deducted from your monthly retirement benefit. If the amount to be deducted is greater than your monthly benefit, the retirement system will bill you for any additional premium owed.

Available Plans and Options for Retirees

The Kentucky Employees Health Plan is pleased to offer a national Third Party Administrator (TPA) and Pharmacy Benefit Administrator (PBA) to its employees and retirees. Retirees are encouraged to contact Humana and Express Scripts, Inc. regarding provider network information. Both can be reached **(beginning October 3, 2005)** by calling (877) KYSPIRIT or 877-597-7474.

Where to send your application

If you choose to participate in the Kentucky Employees Health Plan, **DO NOT** send your completed application to the Personnel Cabinet, Department for Employee Insurance or directly to the TPA. Doing so will delay processing of your application. All applications must be returned to the address at the top of the application.

Judicial Retirement Plan and Kentucky Legislators Retirement Plan Benefits

The amount, if any, that JRP or LRP contributes toward your health insurance premium depends upon your years of Kentucky governmental service credit. The maximum monthly contribution, as approved by the Kentucky Judicial Form Retirement System Board of Trustees and the percentage of payment, can be found in the JRP/LRP “Under Age-65 Memorandum” accompanying this Handbook.

Information for RETIREES of the Kentucky Retirement Systems

Retiree Rates and/or Contribution Amounts

The amount, if any, that KRS contributes toward your health insurance premium depends upon several different factors such as when your participation began, the total and type (hazardous or non-hazardous) of service credit you have and, if you purchased service credit, the date that purchase was made. If you are uncertain about the amount KRS may pay toward the cost of your health insurance premium, you should contact the KRS office. Your specific account information can only be discussed over the telephone if you have completed a Form 1000 and received a Personal Identification Number (PIN) from the KRS office. The Form 1000 is available from the KRS office or from our website at www.kyret.com.

Hazardous Duty Retirees

A beneficiary of a deceased hazardous duty retiree who is employed with an agency that participates in the Kentucky Employees Health Plan may only elect coverage through the retirement system or through his or her active employment. The beneficiary who wishes to participate in the Kentucky Employees Health Plan must choose coverage under the deceased retiree’s account or elect coverage through employment and waive coverage on the other. This would also apply to beneficiaries of deceased retired legislators and judges who participated in the Kentucky Retirement Systems.

KENTUCKY EMPLOYEES HEALTH PLAN

PY 2006

INSURANCE COORDINATOR SECTION

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Insurance Effective Date				Company Number			
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Deduction Start Date (for BOEs ONLY)						Dual Employee Code	

HEALTH INSURANCE APPLICATION FOR ACTIVE EMPLOYEES

Reason for Application

- < New Employee
 < Open Enrollment
 < New Group
 < COBRA
 < FSA Only
 < Previously Waived*
 < Other*

* If you Previously Waived or marked "Other", enter the Qualifying Event Date AND a description of the Qualifying Event: _____
 Date Description

SECTION I: DEMOGRAPHIC INFORMATION

PLEASE PRINT

SSN

Date of Birth / /

Month Day Year

Smoking Status
 Were you a smoker on 7/1/05? Yes No

Marital Status **Gender**
 < Married < Male
 < Single < Female

Name (First, MI, Last) _____
 Street Address _____ PO Box / Apt. # _____
 City, State, Zip Code _____ County of Residence _____ Country/Mail Code -- If NOT U.S.A. _____
 () - _____
 Planholder's Primary Phone Number _____ Planholder's Email Address _____
 / / _____
 Hire Date _____ Employer Name _____ Work County _____

SECTION II: PLAN SELECTION

1. Plan Code <input type="text"/> <input type="text"/> <input type="text"/> <p><i>If electing coverage, enter 143 and complete this section. If waiving, enter 999 and go to Page 2.</i></p>	2. Option (Check only one) <input type="checkbox"/> < Commonwealth Essential <input type="checkbox"/> < Commonwealth Enhanced <input type="checkbox"/> < Commonwealth Premier	3. Level of Coverage <input type="checkbox"/> < Single <input type="checkbox"/> < Couple <input type="checkbox"/> < Parent Plus <input type="checkbox"/> < Family	4. Cross-Reference <input type="checkbox"/> < Yes <i>If Yes, you must complete Sections III and IV</i>
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SECTION III: SPOUSE AND/OR DEPENDENT INFORMATION

If you elected Single in Section II, box 3, go to Section VI on Page 2.

Social Security Number	Name (First, MI, Last)	Gender (Circle One)	Date of Birth (MM/DD/YYYY)	Relationship Code
		M F		
		M F		
		M F		
		M F		
		M F		

SECTION IV: SPOUSE'S CROSS-REFERENCE INFORMATION

Complete ONLY if you checked Yes in Section II, box 4 above.

Company Number: (REQUIRED) <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Dual Employee Indicator, if applicable: <input type="checkbox"/>	Was spouse a smoker on 7/1/05? (REQUIRED) <input type="checkbox"/> Yes <input type="checkbox"/> No	Is spouse a Hazardous Duty Retiree? <input type="checkbox"/> Yes <input type="checkbox"/> No	Spouse's Hire Date or Retirement Date: ____ / ____ / ____	Spouse's Deduction Start Date (If BOE employee): ____ / ____ / ____
---	--	--	--	---	---

SECTION V: CUSTODIAL PARENT INFORMATION

Dependent(s) listed that do not live with you may only be covered if you or your spouse have a court or administrative order requiring insurance coverage for health care expenses of the child. Coverage provided due to a court or administrative order may not be terminated without proper documentation.

Dependent's Social Security Number

Custodial Parent Name _____ All Dependents? < Yes

Custodial Parent Address _____
 Country / Mail Code (If not USA) _____

HEALTH INSURANCE APPLICATION FOR ACTIVE EMPLOYEES - Instructions -- PAGE 1

Reason for Application

- New Employee: Check this box if you are a new employee.
- Open Enrollment: Check this box if you are filling out this application for Open Enrollment.
- New Group: Check this box if your employer is joining the Kentucky Employees Health Plan for the first time.
- COBRA: Check this box if you are applying for COBRA coverage (Your Insurance Coordinator will mail this application and your initial payment).
- FSA Only: Check this box if you are enrolling in a Flexible Spending Account for the first time due to a Qualifying Event.
- Previously Waived: Check this box if you previously waived your health insurance coverage and have now experienced a qualifying event (QE) that allows you to select coverage. You must provide the date and description of the qualifying event in the spaces provided below. All other qualifying events do not require an application and do require an Add or Drop form only. You may request an Add or Drop form from your Insurance Coordinator (IC) and must provide supporting documentation, as required.
- Other: Check this box if none of the listed options apply. The IC must provide a date and an explanation if "Other" is selected.

TO THE INSURANCE COORDINATOR: Complete the information requested within the box in the top right hand corner of the application. For ALL employees - Enter the effective date of coverage and the employee's company number. For BOE employees only – Enter the Deduction Start Date. For STATE employees only - Enter the dual employee indicator, if applicable. Leave blank if not a dual employee.

SECTION I: DEMOGRAPHIC INFORMATION – Please PRINT clearly.

- Enter the planholder's Social Security Number, Date of Birth, Name (First, MI, Last), Address (including County of Residence), Smoking Status, Marital Status, Gender, Planholder's Primary Phone Number, Planholder's Email Address, if available, Hire Date, Employer's Name and Work County. **Note:** If the smoking status flag is not checked, this application will be Pended until the information is provided.

SECTION II: PLAN SELECTION

1. Plan Code: If electing coverage, enter 143. If waiving coverage, enter 999. WAIVING your health insurance DOES NOT automatically direct your money into a Flexible Spending Account (FSA). To enroll in a FSA, state employees must complete Section VI. All others must contact their IC for information about their FSA Program.
2. Option: Mark the option you are selecting. For a description of each option, see the Health Insurance Handbook. Select only one.
3. Level of Coverage: Mark the level of coverage you are selecting. For a description of each level of coverage, see the Health Insurance Handbook. Select only one.
4. Cross-reference: If you wish to pay by cross-reference, check Yes and complete Sections III and IV. **ONLY ONE** application is required to pay by cross-reference. The person listed in *Section I: Demographic Information* will be the planholder.

SECTION III: SPOUSE AND/OR DEPENDENT INFORMATION

Provide the information requested for every dependent you are enrolling (including your spouse if electing the cross-reference payment option). If you need additional space, use Page 1 of another health insurance application.

Relationship Code: Enter the appropriate relationship code as follows:

- SP Spouse (your eligible spouse).
- CH Child (your eligible child, step child, adopted child, foster child or your grandchild) age 0 to 24 (To enroll, a dependent must be age 23 or less and not turn 24 during the coverage year).
- DD Disabled, Dependent Child (your eligible disabled child). If your disabled dependent child is 24 years old or older, your health insurance carrier will request evidence of his/her disability annually.
- CO Court Ordered Dependent Child (an eligible dependent child that you are court ordered to carry on your health insurance) and that is not claimed as a dependent on the member's tax returns.

SECTION IV: SPOUSE'S CROSS-REFERENCE INFORMATION

Complete this section **ONLY** if you and your spouse are electing to pay by cross-reference. Enter your spouse's company number (required), dual employee indicator (if applicable), smoking status (required), hazardous duty retiree indicator, hire date or retirement date (if applicable), and the deduction start date (only needed if the planholder elects to start a cross-reference payment method with an employee of a Board of Education).

SECTION V: CUSTODIAL PARENT INFORMATION

Complete this section if you have a Court Order or an Administrative Order to provide health insurance for an eligible dependent. Enter your dependent's social security number and the custodial parent's name and address. If the custodial parent is the same for each dependent, check the Yes box for "All Dependents?" and complete the custodial parent's name and address only once. If the custodial parent is different for each dependent, complete the appropriate information using an additional page. Court Ordered dependents **MUST** be listed in Section III.

SECTION VI: FLEXIBLE SPENDING ACCOUNT

Planholder's SSN

--	--	--	--	--	--	--	--

For state employees ONLY (Commonwealth Choice participants). Employees of a Board of Education, a Health Department or a Quasi agency must contact their Insurance Coordinator regarding the FSA enrollment process and deadlines.

Health Care Flexible Spending - All contributions and limits are "per paycheck".

Minimum allowable combined contribution per employee is \$5

Maximum allowable combined contribution per employee is \$120

<p>PLANHOLDER</p> <p>Employer Contribution if waiving coverage: _____ (Amount will be reduced by \$17 per paycheck on July 1, 2006)</p> <p>Participant Contribution _____</p> <p>Expected paychecks X _____</p> <p>Total Participant Contribution for Plan Year = _____</p> <p><u>HumanaAccess</u>SM</p> <p>Upon enrolling in a Health Care Flexible Spending Account, you will receive the <u>HumanaAccess</u>SM debit card at no cost to you and with no transaction fee.</p>	<p>SPOUSE -- <i>If paying by cross-reference and spouse's employer participates in the state's FSA Program</i></p> <p>Spouse Contribution _____</p> <p>Expected paychecks X _____</p> <p>Total Spouse Contribution for Plan Year = _____</p> <p><u>HumanaAccess</u>SM</p> <p>Upon enrolling in a Health Care Flexible Spending Account, you will receive the <u>HumanaAccess</u>SM debit card at no cost to you and with no transaction fee.</p>
--	---

Dependent Care -- All contributions and limits are "per paycheck".

Minimum - \$5

Maximum - based on tax filing status

TAX FILING STATUS: < Married, filing separately (max - \$104) < Married, filing jointly (max - \$208) < Single, head of household (max - \$208)

<p>PLANHOLDER</p> <p>_____ X _____ = _____ Participant Contribution Expected paychecks Total Contribution for Plan Year</p>	<p>SPOUSE -- <i>If paying by cross-reference and spouse's employer participates in the state's FSA Program</i></p> <p>_____ X _____ = _____ Spouse Contribution Expected paychecks Total Contribution for Plan Year</p>
--	--

SECTION VII: AUTHORIZATION AND CERTIFICATION

- * I understand that my signature on this application creates a legal and binding contract between myself and the Department for Employee Insurance.
- * I understand that if my spouse and I pay by cross-reference, our plan can not change if one of us terminates employment.
- * I understand that all benefits for my eligible dependents and me will be provided in accordance with the plan contract.
- * I agree to abide by the terms and the conditions governing membership and receipt of services from the plan in which I have enrolled.
- * I understand that the elections indicated on this application may not be changed or canceled during the plan year with the exception of certain Qualifying Events.
- * I authorize my employer to deduct from my earnings the amount required to cover my share of the coverage I have selected.
- * I elect to participate in the Premium Conversion Program unless I sign the cancellation form. [See the Health Insurance Handbook for details.]
- * I understand that enrollment in a FSA is optional and that by completing Section VI of this application, I am enrolling in a FSA, if eligible to participate.
- * Regarding my FSA, I understand that any dependents I claim reimbursement for are Section 152 dependents as defined by the Internal Revenue Code.
- * Regarding my FSA, I further understand that any unused amount remaining in my Spending Account at the conclusion of the plan year cannot be carried forward to the next year due to the Commonwealth's Cafeteria Plan Document.
- * I understand that I have a 90 day run-out period (until March 31) for reimbursement of eligible FSA expenses incurred during my period of coverage.
- * I understand that the misrepresentation of any information on this application with the intent to defraud is a fraudulent insurance act, which is a crime, and any material misrepresentation or omission may be used to reduce or deny a claim or to terminate my coverage.
- * I have read the materials provided to me. My signature below certifies that the statements on this form are true and complete to the best of my knowledge.

Employee Signature

Date

Spouse Signature - **REQUIRED if electing to pay by cross-reference**

Date

I understand that any person who knowingly, and with the intent to defraud any insurance company or other person, files an application for insurance containing any forged signature or incorrect signature date thereto commits a fraudulent insurance act, which is a crime. I understand that I can be held responsible for any fraudulent act that is the result of a forged signature or incorrect signature date that I could have prevented while acting within my duties related to the state-sponsored health insurance plan. My signature below certifies that all signatures and signature dates affixed to this contract are correct to the best of my knowledge.

Employee's Insurance Coordinator Signature

Date

Spouse's Insurance Coordinator Signature - **REQUIRED if electing to pay by cross-reference**

Date

HEALTH INSURANCE APPLICATION FOR ACTIVE EMPLOYEES - Instructions -- PAGE 2

Enter the social security number of the planholder in the spaces provided on the top right hand corner of Page 2.

SECTION VI: FLEXIBLE SPENDING ACCOUNT (FSA)

- This section can only be completed by employees of state agencies that participate in the state's FSA program (Commonwealth Choice).
- If you are an employee of a Board of Education, Health Department or Quasi-governmental agency, you cannot use this section to enroll in a FSA. You must contact your IC regarding your FSA enrollment process and deadlines.
- Enrollment in a FSA is optional. In order to waive coverage and direct the available employer contribution into a FSA you must enroll, either online (during open enrollment) or by completing this section (for state employees) by the deadline.
- All amounts entered in this section are "per paycheck".

Health Care Spending Account

PLANHOLDER

Employer Contribution if waiving coverage: If you are waiving your health insurance coverage, enter \$117. This is the employer contribution per paycheck for January 1, 2006 through June 30, 2006. From July 1, 2006 through December 31, 2006, the employer contribution will be \$100 per paycheck. This amount will be adjusted automatically. If you are electing coverage, enter 0 or leave blank.

Participant Contribution: Enter the amount that you want deducted from each paycheck.

Sub-Total: Add the Employer Contribution and the Participant Contribution. This amount must not exceed \$120.00 per paycheck.

Expected Paychecks: Enter the number of expected paychecks.

Total Participant Contribution for Plan Year: Enter the total participant contribution amount for the entire coverage period.

HumanaAccess: If you are eligible and elect to participate in the Flexible Spending Account Program offered to employees of state agencies, you will receive the HumanaAccess card at no cost to you and with no transaction fee. This is a free service available to you.

SPOUSE (For cross-reference payment option only)

Complete this section with YOUR SPOUSE'S Flexible Spending Account information, only if your spouse meets ALL of the following:

- He/she is a state employee (agency participates in Commonwealth Choice);
- He/she is electing to pay by cross-reference; and
- He/she is electing to enroll in the available FSA program. Enrollment in a Flexible Spending Account is OPTIONAL.

Spouse Contribution: Enter the amount that your spouse wants deducted from each of his/her paychecks.

Expected Paychecks: Enter the number of your spouse's expected paychecks.

Total Spouse Contribution for Plan Year: Enter the total contribution amount for the entire coverage period.

HumanaAccess: If you are eligible and elect to participate in the Flexible Spending Account Program offered to employees of state agencies, you will receive the HumanaAccess card at no cost to you and with no transaction fee. This is a free service available to you.

Dependent Care Account

Mark the tax filing status that applies to you (or to both of you if your spouse is eligible and is also enrolling).

PLANHOLDER

Participant Contribution: Enter the amount that you want deducted from each paycheck.

Expected paychecks: Enter the number of expected paychecks.

Total Contribution for Plan Year: Enter the total contribution amount for the entire coverage period.

SPOUSE (For cross-reference payment option only)

Spouse Contribution: Enter the amount that your spouse wants deducted from each of his/her paychecks.

Expected paychecks: Enter the number of your spouse's expected paychecks.

Total Contribution for Plan Year: Enter the total contribution amount for the entire coverage period.

SECTION VII: AUTHORIZATION AND CERTIFICATION

- Read the statements in this section carefully. After you have read and understood the statements, sign your name on the "Employee Signature" line and enter today's date in the line provided. If you are applying to pay by cross-reference, your spouse MUST also sign the application on the "Spouse Signature" line. He/she must also enter today's date in the line provided.
- Your cross-referenced spouse must have his/her IC sign this form before you return it to your insurance coordinator.
- Your cross-reference application will not be processed without the four required signatures and dates: policyholder, spouse, planholder's insurance coordinator and spouse's insurance coordinator.

REMEMBER THAT YOU HAVE THE NEW OPTION TO ENROLL ONLINE. ENROLLING ONLINE IS EASY, FAST AND SECURE. IF YOU ENROLL ONLINE, YOU WILL RECEIVE INSTANT CONFIRMATION THAT YOU HAVE ENROLLED!

PHONE NUMBERS AND WEB SITES

Personnel Cabinet
Department for Employee Insurance
Member Services Branch
(888) 581-8834
(502) 564-6534
<http://personnel.ky.gov/stemp/dei/default.htm>

Kentucky Retirement Systems
(800) 928-4646
(502) 564-4646 ext. 4520
www.kyret.com

Kentucky Teachers' Retirement System
(800) 618-1687
(502) 848-8500
<http://ktrs.ky.gov/medical.htm>

Judicial/Legislators Retirement Plans
(502) 564-5310

Humana Insurance Company and its Affiliates
(877) KYSPIRIT **(beginning October 3, 2005)**
(877) 597-7474 **(beginning October 3, 2005)**
kyhealthplan.humana.com **(beginning October 3, 2005)**

Express Scripts, Inc.
(877) KYSPIRIT **(beginning October 3, 2005)**
(877) 597-7474 **(beginning October 3, 2005)**
Effective October 1, 2005 <https://member.express-scripts.com/preview/ky2006>
Effective January 1, 2006 www.express-scripts.com

This Handbook was prepared by:

The Staff of the
Kentucky Personnel Cabinet
Department for Employee Insurance

This Handbook is available in an accessible format upon request and is available on the Internet at:
<http://personnel.ky.gov/stemp/dei/default.htm>

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Printed with State Funds

