

Welcome to the first quarter 2011 edition of *Benefit News*, brought to you by the DAS Benefits Team, providing you with the most up-to-date information about the State of Iowa’s employee benefits.

## CONTENTS

Retirement Investors’ Club .....	1
Lower Income Earners Take Note! – IRS Saver’s Credit .....	2
What’s It Going to Cost Me? .....	2
100% Match on \$75/Month .....	2
Group Insurance .....	2
Update on the Dependent Eligibility Audit .....	2
Wellmark’s “My Destination Guide” .....	2
Prescription Drugs .....	3
Generic vs. Brand: What’s the Difference? .....	3
Allegra Is Now an Over-the-Counter Drug .....	3
Healthy Opportunities.....	4
Five Easy Ways to Improve Your Health and Well Being.....	4
Other Benefits .....	4
Deadline for Filing Flexible Spending Accounts Expenses.....	4
Breast Pumps Are Now Eligible for Health FSA Reimbursement .....	5
DAS-Sponsored Benefit and Healthy Opportunities Education.....	5
Summary of Benefit & Healthy Opportunities Education Activities in 2010.....	5
Benefit Education & Healthy Opportunities Web Update.....	5
Benefit Education & Healthy Opportunities Upcoming Presentations.....	5

## RETIREMENT INVESTORS’ CLUB

The Retirement Investors’ Club (RIC) is a supplemental retirement savings program offered by the State of Iowa to help you save for your retirement. As a participant, you contribute through automatic payroll deduction to your 457 account and your employer makes match contributions to your 401a account. You are fully vested from day one.



## LOWER INCOME EARNERS TAKE NOTE! – IRS SAVER’S CREDIT

**Current RIC Savers** – Don't forget to check your eligibility to receive part or all of the IRS Saver's Credit. You will need to file IRS form 8880 (see <http://www.irs.gov/pub/irs-pdf/f8880.pdf>). If you have a tax advisor, ask him or her if you qualify.

**Potential RIC Savers** – If you're afraid that the cost of saving in RIC is too great, consider the possible retirement savings relief allowed by the IRS to eligible savers through the Saver's Credit. Eligible retirement savers receive a credit of up to \$2,000 against taxes owed if they contribute to a pretax retirement savings account such as RIC. Read more about it at <http://www.irs.gov/newsroom/article/0,,id=107686,00.html>.



## WHAT'S IT GOING TO COST ME?

Want to know how much a payroll deduction amount will affect your take-home pay? The HRIS system provides state employees with this accurate calculation with the Gross to Net calculator. Since your contributions to RIC are made through payroll deduction before state and federal taxes, the effect on your take-home pay will be less than the amount you actually contribute to your RIC account. Increasing your deduction amount can make a big difference in your tax-deferred retirement savings account over time but makes little difference in your take-home pay.

To access the calculator, open your time sheet and type GN on the header action line. Ask your personnel assistant to help you use this calculator if you don't process your time sheets electronically.

## 100% MATCH ON \$75/MONTH



**Don't turn away  
free money!**

Remember, the State matches your contributions up to \$75 a month, so not participating is actually costing you up to \$900 a year.

The State makes a \$1.00 match contribution for every \$1.00 a participant contributes, not to exceed the maximum state match amount of \$75.00/month. SPOC-covered employees receive a \$1.00 match contribution (up to \$75.00/month) for every \$2.00 they contribute.

## GROUP INSURANCE

### UPDATE ON THE DEPENDENT ELIGIBILITY AUDIT

DAS has recently completed a dependent eligibility audit. As required by Executive Order 20, signed by Governor Culver, DAS contracted with HMS Employer Solutions to conduct the audit. The purpose of the audit was to verify that a dependent covered by an employee was actually the employee's dependent.

HMS Employer Solutions selected a statistically significant sample of 1,500 state employees to be audited, representing a cross-section of all state employees. As of March 11, 2011, 1,467 employees have responded to HMS. Thirty (30) employees reported 41 ineligible dependents that were still on their health insurance coverage. As a result of conducting the audit, the projected annual savings of removing the ineligible dependents from the State's health insurance coverage is \$123,000.

The remaining employees contacted for the audit still have until March 22, 2011 to respond.

### WELLMARK'S "MY DESTINATION GUIDE"

When you are outside the U.S. and you need a doctor, hospital or other health care professional, your claim will be handled just like it is at home when you show your Wellmark ID card at participating BlueCard Worldwide<sup>®</sup> providers. (Remember that with Blue Access or Blue Advantage, you only have coverage for emergency medical services when you are traveling outside the network.)

BlueCard Worldwide<sup>®</sup> now offers a unique online feature called My Destination Guide (<https://international.mondialusa.com/bcbসা/index.asp?page=login>) for those traveling abroad. This guide provides a customized, detailed health report that includes recommended immunizations and a summary of important health information and provider information as well as a country overview, news highlights, maps and more.

Members can view and print his/her own custom destination guide and learn useful tips for protecting his/her health while outside of the United States. This online tool is available to all Wellmark Blue Cross Blue Shield members.

The DAS Health Insurance website (<http://benefits.iowa.gov/health.html>) has a link to both My Destination Guide and a brochure on BlueCard Worldwide®.

If you or your dependents on planning to travel outside the country this summer, review the My Destination Guide information before you go. Bon Voyage!

## PRESCRIPTION DRUGS

### GENERIC VS. BRAND: WHAT'S THE DIFFERENCE?

Slightly over **25%** of the State of Iowa's total health insurance expenses are for prescription drugs.

The next time you need a prescription, ask your doctor if it is available as a generic. Generics are much less expensive than their brand-name counterparts. You will pay the least amount for a generic drug.

Generic drugs are copies of brand-name drugs that have exactly the same dosage, intended use, effects, side effects, route of administration, risks, safety, and strength as the original drug. In other words, their pharmacological effects are exactly the same as those of their brand-name counterparts.



Many people become concerned because generic drugs are often substantially cheaper than the brand-name versions. They wonder if the quality and effectiveness have been compromised to make the less expensive products. The U.S. Food and Drug Administration (FDA) requires that generic drugs be as safe and effective as brand-name drugs.

Actually, generic drugs are only cheaper because the manufacturers have not had the expenses of developing and marketing a new drug.

There's no truth in the myths that generic drugs are manufactured in poorer-quality facilities or are inferior in quality to brand-name drugs. The FDA applies the same standards for all drug manufacturing facilities, and many companies manufacture both brand-name and generic drugs. In fact, the FDA estimates that 50% of generic drug production is by brand-name companies.

Another common misbelief is that generic drugs take longer to work. The FDA requires that generic drugs work as fast and as effectively as the original brand-name products. Sometimes, generic versions of a drug have different colors, flavors, or combinations of inactive ingredients than the original medications. Trademark laws in the United States do not allow the generic drugs to look exactly like the brand-name preparation, but the active ingredients must be the same in both preparations, ensuring that both have the same medicinal effects.

For additional information, check out Customer Reports Best Buy Drugs' February newsletter "How many common generics beat brand names" at the DAS Healthy Opportunities Prescription Drugs website ([http://employeehealth.iowa.gov/prescription\\_drugs.html](http://employeehealth.iowa.gov/prescription_drugs.html)).

Reference: Office of Generic Drugs, Center for Drug Evaluation and Research, U.S. Food and Drug Administration (FDA), Generic Drugs: What you need to know. 2009.

### ALLEGRA IS NOW AN OVER-THE-COUNTER DRUG

Allegra became an over-the-counter drug on March 4, 2011, so you no longer need a prescription\* for it. Because Allegra is now an over-the-counter drug, it is no longer covered under the State's health insurance plans.



Also, if you take Clarinex or Clarinex-D for your allergy symptoms, Wellmark will require your health care provider to complete an authorization request in order for you to receive pharmacy benefits for these prescription drugs. This requirement begins with prescriptions filled on or after March 21, 2011.

Because Allegra does not require a prescription, it saves you money. At major retail stores, the cost of non-prescription Allegra is approximately \$18.00 for a 30-day supply. Compare that price with the \$30.00 copay (tier 3) for a 30-day supply when it was a prescription.

Also, Allegra's change to an over-the-counter drug will impact the State of Iowa health plans. In calendar year 2010, Allegra and Clarinex accounted for over one million dollars in health care claims incurred by the State of Iowa health insurance plans. Allegra claims were \$828,376 and Clarinex claims were \$201,541.

Remember, the next time you pull a box of Allegra off the shelf, you save money and keep health care costs down.

\*Because Allegra is an over-the-counter drug, a prescription will still be needed in order for the cost to be reimbursed by your Health Flexible Spending Account.

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## HEALTHY OPPORTUNITIES

### FIVE EASY WAYS TO IMPROVE YOUR HEALTH AND WELL BEING

We are constantly bombarded with messages on how to live a healthier lifestyle. The airwaves are filled with offers to help us lose weight fast, shake our muscles into shape, and prevent chronic illness.

Living a healthier lifestyle is really much simpler than we are lead to believe according to Paul Karazija, M.D., Wellmark Blue Cross and Blue Shield chief medical officer. According to Dr. Karazija, we have the power to make changes at any time. Here are five easy (and free!) things you can start doing today:

#### 1. Lose 5-10 pounds

“Nearly all of us could stand to lose a little weight, and even five or 10 pounds can make a significant difference in our health,” Dr. Karazija says. “Losing weight can improve blood pressure, lower cholesterol and blood sugar levels, and make it easier to exercise.”

#### 2. Find simple ways to exercise

When was the last time you parked in the far corner of the parking lot? Or took the stairs instead of the elevator? It's these simple things, according to Dr. Karazija, that help promote a continually active lifestyle.

#### 3. Eat one more serving of fruit, and one more serving of vegetables, each day

Most of us have a hard time dieting, and one of the main reasons is that we feel restricted in what we can – and can't – eat. One way to ease into healthier food habits is simply to include more fruits and vegetables into our diet.

Fruits and vegetables generally have no fat, and are high in fiber, vitamins and other nutrients. Dr. Karazija suggests adding a salad, or including fresh or frozen vegetables with your dinner entrée. Fresh fruit can be incorporated into our diet as part of breakfast, or as snacks throughout the day.

#### 4. Keep track of your preventive exams

Now that we're losing weight, moving more and eating better, we can't forget about taking care of the rest of our bodies. Many of us don't receive the preventive medical services we should, Karazija says, starting with an annual physical exam from our primary care provider. Other services (depending on age) include screenings for breast, prostate and colon cancers; blood testing to monitor cholesterol and blood sugar levels; and getting an annual flu shot.

Wellmark's Preventive Care

(<http://www.wellmark.com/HealthAndWellness/WellnessResources/PreventiveCare.aspx>) website has guidelines listing the types of care screenings and exams needed for your particular age (including your children) and gender.

#### 5. Volunteer

Volunteering won't necessarily help you lose weight, exercise more or eat right. What volunteering does is contribute to our sense of purpose, which in turn can improve our relationships, our community, and our overall outlook on life.

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## OTHER BENEFITS

### DEADLINE FOR FILING FLEXIBLE SPENDING ACCOUNTS EXPENSES



Remember, you have until **April 15, 2011**, to file claims for reimbursement of eligible expenses from your 2010 FSA. After April 15, your FSA will be closed and any balance remaining will be forfeited by you in accordance with federal regulations. You can download an FSA claim form at the DAS Flexible Spending Accounts website (<http://das.hre.iowa.gov/fsa/home.html>).

There are three ways to submit FSA claim requests and supporting documentation to ASI, the administrator of the FSA plan:

1. By mail to the following address

ASI  
P.O. Box 6044  
Columbia, MO 65205-6044

2. By fax to 1-877-879-9038

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3. A new method to submit claims is electronically. Log onto your ASI account at <http://asiflex.com> and attach a pdf version of your supporting documentation to your claim request.

## BREAST PUMPS ARE NOW ELIGIBLE FOR HEALTH FSA REIMBURSEMENT

### BREAKING NEWS

The IRS recently issued guidance stating that breast pumps are now an eligible expense for reimbursement through your Health FSA. Prior to this guidance, a letter of medical necessity was required in order for these items to be eligible.

## DAS-SPONSORED BENEFIT AND HEALTHY OPPORTUNITIES EDUCATION

Benefit knowledge is power!

Employee benefits can be confusing. Benefit education is a service provided by DAS benefit staff. Learn to make the best use of your benefits by taking advantage of benefit education opportunities.



## SUMMARY OF BENEFIT & HEALTHY OPPORTUNITIES EDUCATION ACTIVITIES IN 2010

2010 was a successful year for benefit education and healthy opportunities activities. In 2010, there were **29** different topics offered; **156** presentations made; and **7,834** attendees. More individuals attended a presentation in 2010 than in any previous year.

Webcasts were the dominant presentation medium in 2010. Webcasts give you the opportunity to attend live presentations at work or home. Regardless of your location or the size of your office, you have the same opportunity to participate in a webcast as an employee stationed at the Capitol Complex. In 2010, attendees to webcasts worked in 96 out of Iowa's 99 counties. A little over 2/3 of the attendees worked outside of Polk County.

## BENEFIT EDUCATION & HEALTHY OPPORTUNITIES WEB UPDATE

Have you ever wondered about when upcoming benefit education and healthy opportunities presentations will be offered? Wonder no more. The DAS Benefit Education ([http://benefits.iowa.gov/benefit\\_education](http://benefits.iowa.gov/benefit_education)) website now has a month-by-month schedule of upcoming benefit education and healthy opportunities presentations. Be sure to check the site often as presentations are added monthly.

## BENEFIT EDUCATION & HEALTHY OPPORTUNITIES UPCOMING PRESENTATIONS

### Deferred Compensation Basics

April 12 at 1:00 p.m.  
May 10 at 9:00 a.m.  
June 14 at 1:00 p.m.

### Continuing Benefits at Retirement

April 21 at 9:00 a.m.  
May 19 at 1:00 p.m.  
June 16 at 9:00 a.m.

### Deferred Compensation Distributions

April 26 at 9:00 a.m.  
May 24 at 1:00 p.m.  
June 28 at 9:00 a.m.

### Healthy Eating at Work

April 13 at 9:00 a.m.

To find out more about benefit education, check out the DAS Benefit Education website, ([http://benefits.iowa.gov/benefit\\_education](http://benefits.iowa.gov/benefit_education)).

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