The departments of Finance and Employee Relations recently merged. We are now Minnesota Management & Budget. Except for the name change, you will not notice a difference. The efficient administration of a quality benefit package continues to be a top priority.

We are proud to present several new benefits for 2009. These include a debit card, a $250 Health Reimbursement Account (HRA) and, in the near future, electronic personal health records.

The debit card is a pre-paid card that will replace paper processing for most of your medical-dental expense account reimbursement requests.

We are providing employees enrolled in Advantage on January 1, 2009 with a $250 HRA. This represents a rebate from the Advantage Health Plan because you made wise health care decisions and costs were held down.

A Web based personal health records system, will soon be available to all state employees. This tool will allow you to electronically store all medical records for you and your family.

These new benefits will help you take control of your health and be more conscious of the cost of health care.

We are moving to one vendor for our personal health assessment. By offering only one vendor, open enrollment will be easier and all employees will experience the same set of benefits.

I look forward to leading this agency’s efforts to provide you a comprehensive set of benefits that will help you take control of your health and wellness.
Personal Health Assessment: New this year - single vendor regardless of your health plan

SEGIP is offering you the opportunity to take a voluntary personal health assessment and participate in programs that help you achieve your personal health goals.

New this year, we are partnering with JourneyWell, an independent leader in health and wellness programs. The on-line health assessment and wellness programs are included in the Advantage Health Plan and are offered to you at no extra cost.

In a single Website, health insurance eligible employees have access to:
- The confidential personal health assessment (PHA)
- A wide variety of phone-based and online programs
- A medical information library
- Access to other health resources specifically for state employees

By taking the PHA and agreeing to a follow-up call from a health coach, you and your covered dependents qualify for a $5 co-pay reduction on office visits in your clinic level during 2009. Importantly, you take steps to improve your health.

The PHA will be available beginning on November 5, 2008. You need to complete the assessment during open enrollment to qualify for the reduced co-pay.

In late October, JourneyWell will send you instructions about how to take the PHA and wellness program information.

Health Reimbursement Account: New this year - $250 reward is yours!

Employees enrolled in the Advantage Health Plan on January 1, 2009 will automatically receive a $250 Health Reimbursement Account (HRA). This includes non-state employees and retirees who receive an employer contribution.

This HRA is in recognition of the wise health care decisions that Advantage members made, which resulted in lower claims costs. This HRA is your reward!

An HRA works much like the medical-dental expense account (MDEA) currently available to SEGIP members. These dollars are used for much the same expenses covered by the MDEA and are accessed through your Benny™ debit card or through the regular pre-tax paper reimbursement process.

The main difference is that, unlike the MDEA, the HRA allows dollars to carry over from year-to-year. So if you do not spend these dollars in 2009 they will be there for you in 2010.

The advantage of the MDEA is the employee can contribute up to $5000 annually in a pre-tax account to cover anticipated uncovered medical/dental expenses. An HRA allows only for employer contributions.

You can have both an HRA and the MDEA. The debit card will first draw from your MDEA, if you elect one, and then from your HRA balance.

You will be able to access these dollars through the Benny™ card which will be mailed to you by early January 2009. All you have to do is make sure your mailing address is up-to-date in Employee Self Service.

Congratulations to the many wise Advantage members who have earned this reward!

Benny™ Debit Card: New this year - Quick and easy access to your money

SEGIP is rolling out a convenient new tool for state employees in 2009: a pre-tax medical-dental debit card known as the Benny™ card.

This debit card allows you to pay for eligible products and services from the available balance in your employer sponsored medical-dental expense account (MDEA) or a health reimbursement account (HRA)—including the $250 HRA.

Pairing your MDEA or HRA with a debit card will make accessing your money faster and easier. You’ll be issued a debit card if you have either an MDEA or an HRA.

The Benny™ card allows real time reimbursement for the same qualified medical-dental expenses that you are now reimbursed through a paper reimbursement process. By using a debit card, you won’t have to wait to get a check in the mail.

The card can be used at participating discount and grocery stores, pharmacies, hospitals, and vision centers, as well as at doctors’ and dentists’ offices.

You can check account balances or details anytime online or with a quick phone call.

There is no need to apply. A card will be sent to your mailing address by early January 2009.

Pre-tax advantage

Pre-tax accounts are an important part of your benefit package. They allow you to pay for qualified medical-dental expenses with pre-tax dollars.
Is your dependent your dependent? Take a minute to review

It is important to know who your eligible dependent is for insurance purposes. You might be surprised to learn that your dependent is not your dependent. What makes a dependent a dependent, for insurance purposes, is your union contract or compensation plan, and not your family tree. Covering ineligible dependents can have severe consequences. Employees with ineligible dependents could be subject to discipline and may have to pay back insurance claims paid on behalf of the ineligible dependent.

Take a few minutes during Open Enrollment to ensure that you have enrolled only eligible dependents. This chart explains who is an eligible dependent.

<table>
<thead>
<tr>
<th>Dependent</th>
<th>Eligibility Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biological Children</td>
<td>• to age 19&lt;br&gt;• unmarried</td>
</tr>
<tr>
<td>Adopted children</td>
<td>• adopted or placed with you for adoption&lt;br&gt;• to age 19&lt;br&gt;• unmarried</td>
</tr>
<tr>
<td>Step Children</td>
<td>• to age 19 and unmarried&lt;br&gt;• lives with you&lt;br&gt;• is dependent upon you for his/her principal support and maintenance&lt;br&gt;• you must be married to the child’s parent</td>
</tr>
<tr>
<td>Foster Children (or ward)</td>
<td>• to age 19 and unmarried&lt;br&gt;• lives with you&lt;br&gt;• is dependent upon you for his/her principal support and maintenance&lt;br&gt;• ineligible for a government sponsored health plan&lt;br&gt;• you must complete a Foster Child Certification</td>
</tr>
<tr>
<td>Grandchildren</td>
<td>• placed in your legal custody, or&lt;br&gt;• legally adopted, or&lt;br&gt;• the dependent child of your dependent child and&lt;br&gt;• to age 19 and unmarried&lt;br&gt;• lives with you&lt;br&gt;• dependent upon you for her/her principal support and maintenance</td>
</tr>
<tr>
<td>Student</td>
<td>• any child as defined above, to age 25 if a full-time student at an accredited school&lt;br&gt;• 60% of full-time due to illness, injury, or physical or developmental disability documented by physician</td>
</tr>
<tr>
<td>Disabled Children</td>
<td>• any age or marital status&lt;br&gt;• is incapable of self-sustaining employment by reason of development disability, mental illness, or physical disability, and&lt;br&gt;• is dependent upon you for his/her principal support and maintenance</td>
</tr>
<tr>
<td>QMCSO</td>
<td>• your children who are required to be covered by reason of a Qualified Medical Child Support Order</td>
</tr>
<tr>
<td>Spouse</td>
<td>• you must be legally married&lt;br&gt;• may not be legally separated&lt;br&gt;• limited eligibility for working spouses</td>
</tr>
</tbody>
</table>

**Change in status:** You must notify SEGIP within 60 days of your divorce or legal separation from a covered spouse or if a covered dependent loses eligibility under the terms of your labor contract or compensation plan. An eligible dependent must be added within 30 days of a life event.

*It is your responsibility to notify SEGIP of any changes in a dependent’s status.*
Creditable coverage

People who enroll in Medicare Part D after age 65 may find themselves paying higher premiums than those who enrolled before age 65. To avoid higher premiums you must be able to prove that you had continuous creditable coverage since age 65.

The MN Advantage Health Plan offers creditable coverage. Creditable coverage means that the amount the Advantage Plan expects to pay for prescription drugs is as much, or more than, what the standard Medicare prescription drug coverage will pay.

Late enrollees will need to show proof of continuous coverage to avoid paying higher premiums. The Advantage Plan’s notice, or proof, of creditable coverage is available to you on the Minnesota Management & Budget Website.

Confirmation statements: New this year

SEGIP offers a secure and seamless open enrollment process. This year it will include a printed confirmation statement of your 2009 insurance benefits that will be sent to your mailing address.

Access the Employee Self Service home page to verify your mailing address. It will take just a moment for you to make sure your information is up-to-date or to make corrections.

During Open Enrollment, make your elections carefully. Be sure to submit your elections transaction when prompted. We recommend that you print a copy of the screen and the elections for your record.

Following Open Enrollment, a “Confirmation of Insurance Enrollment Statement” will be mailed to you. You will receive a statement even if you chose to make no changes to your elections during Open Enrollment.

Report enrollment inaccuracies by December 15, 2008

Once you receive your confirmation statement, immediately review it for accuracy. You must notify SEGIP in writing of any enrollment inaccuracies by December 15, 2008. Additional information about how to report enrollment inaccuracies will be included on your confirmation statement.

Your confirmation statement is a valuable acknowledgment of your insurance benefits for 2009.