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# *your* Retirement 2ND QUARTER (2015)

## Director's Message BY PAUL MATSON



**T**he ASRS, as you know, offers medical and dental insurance programs for retirees. In this era of an ever-changing healthcare land-

scape, the ASRS is proud to have kept relative stability in our programs with our two primary providers, United-Healthcare for medical insurance and Assurant Employee Benefits for dental coverage.

The ASRS just recently conducted an open search and Request for Proposals – or RFP – for dental plans and, after a lengthy process, selected Assurant, renewing its contract for five years with one-year renewal options along the way. (See “Retire Dental Program” on page 6 for details.)

Last year, the ASRS renewed the contract with UnitedHealthcare after a similar RFP process.

The objective of the RFP process is to invite any and all providers interested in contracting through the ASRS to provide services to our retirees.

The ASRS follows the state procurement code in issuing RFPs. Open to all companies, the ASRS then reviews the various proposals and selects the plan that best meets the needs of our retirees, with consideration given to breadth of the programs and costs.

Integral to the process and analysis is the ASRS Health Insurance Advisory Committee, comprised of retiree representatives from various major public employee and retiree associations.

Also part of the review process is the ASRS Board of Trustees’ Opera-

tions & Audit Committee, and the full Board, which makes the final decision before awarding of contracts.

This same process is also now underway for renewal of the ASRS Prescription Drug Discount Card Program. That popular program, which provides all retirees with a card that can be used to obtain discounts on prescriptions and other medical services, is up for renewal effective Jan. 1, 2016. (See “Prescription Drug Discount Card” on page 7 for details.)

Finally, please be sure to take note of the “Open Enrollment” article on page 4. Coming this fall will be our annual open enrollment period when you’ll receive our full Open Enrollment packet that’s filled with details on all our health insurance programs. ■



## Reduced Indemnity Dental Plan Premiums for 2016 / 2017

At the May 29, 2015 ASRS Board of Trustees public meeting, the Board accepted the recommendation of the Dental Plans' RFP Evaluation Committee to award the contract to Assurant Employee Benefits. See the article on the Retiree Dental Program's Request for Proposals (RFP) on page 6 for additional details on the RFP process.

As a result of negotiations between the ASRS's Retiree Dental Program RFP Evaluation Committee and the dental

providers that submitted bids, the Committee was able to secure with Assurant Employee Benefits, our current dental plans provider, a 2-year premium guarantee at rates less than currently offered.

The Freedom Basic and Freedom Advance Indemnity Dental Plans which insures more than 37,000 retirees and their families will see a 3.0% reduction in monthly premiums for 2016 and 2017.

Indemnity Dental Plans				
	Freedom Basic Current	Freedom Basic 2016 / 2017	Freedom Advanced Current	Freedom Advanced 2016 / 2017
Retiree Only	\$16.67	\$16.17	\$35.51	\$34.44
Retiree +1	\$35.25	\$34.19	\$70.87	\$68.74
Retiree +2 or more	\$64.54	\$62.60	\$100.29	\$97.28

The prepaid dental plans which insure approximately 11,200 retirees and their families will experience no change in monthly premiums also for 2016 and 2017.

Through 2017, prepaid dental plan premiums will have experienced no increase in premiums for seven years. ■

## Diabetes - UnitedHealthcare Has Programs to Help

***At the outset, it is acknowledged that diabetes is one of several chronic medical conditions the expenses of which significantly affect the level of premiums charged. In future editions of Your Retirement, it is our wish to explore and explain other chronic medical conditions and their effect on premiums as well as the programs offered by UnitedHealthcare (UHC) to help ASRS members better manage their medical conditions.***

According to the Mayo Clinic website, diabetes mellitus refers to a group of diseases that affect how your body

uses blood sugar (glucose). Glucose is vital to your health because it's an important source of energy for the cells that make up your muscles and tissues. Glucose is also your brain's main source of fuel.

The American Diabetes Association says that if you have diabetes, no matter what type, it means you have too much glucose in your blood. Chronic diabetes conditions include type 1 and type 2 diabetes.

Type 1 diabetes is normally diagnosed in children and was previously known

as juvenile diabetes. Only 5% of people with diabetes have this form of diabetes. In type 1 diabetes, the body does not produce insulin. Insulin is a hormone that is needed to convert sugar, starch, and other food into energy needed for daily life.

Type 2 diabetes is a condition that causes blood sugar (glucose) levels to rise higher than normal. This is also called hyperglycemia. This is the most common form of diabetes. In type 2 diabetes, the body does not use insulin properly to regulate the blood sugar level. At first, your pancreas makes

*Diabetes..., continued on next page*



extra insulin to help regulate your blood sugar level. But, overtime, the pancreas isn't able to keep up and can't make enough insulin to keep your blood sugar at normal levels. Instead of moving into your muscles and tissues where it is needed for energy, sugar builds up in your bloodstream.

Frequent or ongoing high blood sugar can cause damage to your nerves, blood vessels, eyes, kidneys, heart, feet, bones and joints, skin, and can cause teeth and gum infections.

The American Diabetes Association says there are several ways to diagnose diabetes. The three preferred blood tests in this regard are: the A1C; the Fasting Plasma Glucose (FPG); and, the Oral Glucose Tolerance Test (OGTT). Each test has certain limits above which one is deemed to be either prediabetic or diabetic.

The **A1C** test measures your average blood glucose for the past 2 to 3 months. The advantages of this test are you don't have to fast or drink anything.

The **FPG** test checks your fasting plasma (blood) glucose levels. Fasting means that you do not eat or drink anything (except water) for at least 8 hours before the test. This test is usually done first thing in the morning, before breakfast.

The **OGTT** is a two-hour test that checks your blood glucose levels before and 2 hours after you drink a special sweet drink. It tells the doctor how your body processes glucose.

The charts on the right show the limits that

would be applicable to normal, prediabetic, and diabetic patients. Below, in, or above these limits would describe the status of your blood glucose condition.

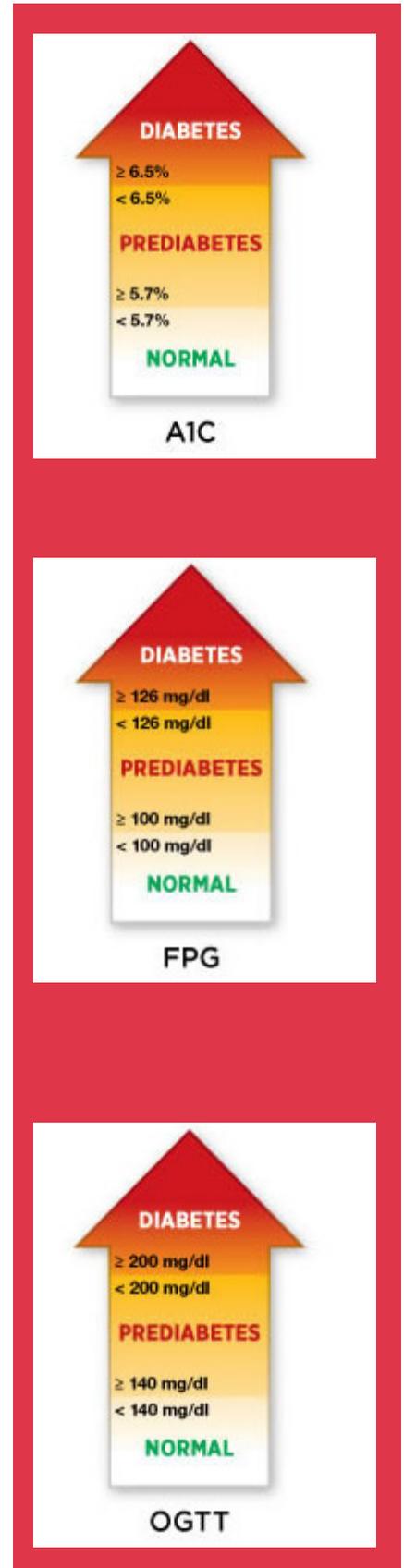
Don't have time to take any of these tests? Well, the following symptoms of diabetes are typical. However, some people with type 2 diabetes have symptoms so mild that they go unnoticed.

**Common symptoms of diabetes are:**

- Urinating often
- Feeling very thirsty
- Feeling very hungry – even though you are eating
- Extreme fatigue
- Blurry vision
- Cuts/bruises that are slow to heal
- Weight loss – even though you are eating more
- Tingling, pain, or numbness in hands or feet

Early detection and treatment of diabetes can decrease the risk of developing complications later in life and may save you money, time, pain, and worry.

Diabetic claimants account for 17.1% of all enrolled members in ASRS-sponsored retiree health insurance plans, 26.8% of total medical spend (the cost of all claims expense) and 32.8% of total pharmacy spend. The prevalence of diabetic complications for our membership is 77.0% over expected benchmarks. Because of the condition, diabetic claimants use specialists (i.e., premium providers) at a higher rate than the total enrolled population. Fortunately, prescription compliance has increased from last year.



*Diabetes..., continued on page four*

# ASRS Open Enrollment

OCTOBER 26 TO NOVEMBER 13

**O**pen enrollment is the one time during the year, outside of a qualifying event, when a member may elect to enroll in or change the health care plan in which enrolled and add dependents.

This year's open enrollment will be conducted from October 26 to November 13 and is a passive enrollment; meaning that if you are making no changes to your medical and/or dental plans, you need to do nothing and your health insurance coverage will continue as you are currently enrolled into 2016. Meetings highlighting up-to-date information on the ASRS medical and dental plans will be provided by UnitedHealthcare and Assurant representatives in Phoenix, Tucson, and in select locations around the state. You are encouraged to attend these meetings to learn more about your health care plans and how they may better serve you and, if enrolled, your family. The dates and times of these meetings will in your 2016 Open Enrollment Guide. Be sure to review the Guide to determine when and where a meeting in your area will be held.

Open enrollment packets in which the Guide may be found will be mailed this fall to your address of record on file with the ASRS. If you have moved since the last open enrollment, please ensure we have your current address otherwise you will not receive a packet. ■

## *Diabetes...*

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### **What has UnitedHealthcare (UHC) done to address major diseases and debilitating conditions?**

UHC has implemented a clinical outreach program, called **Rapid Response**, designed to educate eligible ASRS members enrolled in the non-Medicare and Senior Supplement plans on the importance and relevance of achieving good diabetes control.

This telephonic outreach program is conducted by a Registered Dietician working in collaboration with Registered Nurses. Members receive diabetes education and strong encouragement to see their primary care physician as well as other diabetic specialists, including an endocrinologist and diabetic educators, for personalized care and diabetes self-management education.

UHC's case management activities offer guidance and support for those members enrolled in the Medicare Advantage (HMO) plan who have complex and related co-morbid health conditions. UHC's **Clinically Integrated Delivery Model** provides nurse-driven, medical disease and case management services to retirees. These highly trained nurses address multiple health conditions with the support of clinical specialists. Providing retirees with one primary nurse increases engagement, eliminates redundancy, minimizes handoffs and promotes the management of a whole person philosophy. This program is tailored to the retiree's disease acuity level and clinical care needs and is well received by ASRS retirees in the program.

ASRS members who qualify should take advantage of UHC's programs to properly manage their diabetic condition. ■

# EYE DOCTORS: Who's Who?

**I**s it time for your eye exam? Well then, you have a choice to make. There's more than one type of eye doctor you can visit, and each has different credentials, skills, and specialties.

To help you with your choice, here's a quick look at the three main types of eye-care professionals and what each of them can do for you.

**Opticians** are technicians who have a 2-year technical degree that prepares them to work in an optometrist or ophthalmologist office or at an eyeglasses distributor. Opticians are trained to read vision-correction prescriptions from your doctor and supply you with contact lenses or fit you for eyeglasses or other eye-wear, like prescription sunglasses. Opticians can also make repairs and adjustments to eyeglasses.

**Optometrists** are doctors of optometry and, as such, have an OD (doctor of optometry) credential. In addition to an undergraduate degree, they have a degree from a college of optometry. Optometrists provide comprehensive eye exams and can diagnose and treat common vision problems and certain eye abnormalities or diseases, as well as provide pre- and post-surgical care. Optometrists can prescribe glasses, contact lenses, eye exercises, vision aids and therapy, and (in some states) oral and topical medications to treat certain eye diseases.

**Ophthalmologists** are doctors of the eye. They have graduated from medical school and are licensed to practice medicine, so their credentials are either doctor of medicine (MD) or doctor of osteopathy (DO). Ophthalmologists have been trained in all aspects of eye care. In addition to doing vision exams and prescribing all forms of vision correction, ophthalmologists are trained to diagnose and treat all types of eye problems, injuries, and diseases as well as perform

surgery. Some ophthalmologists specialize in certain aspects of eye medicine, like neuro-ophthalmology, or in treating certain diseases, like glaucoma.

Depending on your needs, you may have appointments with each type of eye specialist at different points in your life. It's good to know what training and skills to expect from each branch so you'll feel prepared for your visits. ■

## Comprehensive Eye Exams CAN HELP RE-ENGAGE PATIENTS INTO CARE FOR CERTAIN CHRONIC CONDITIONS

**A** comprehensive eye exam with eye care professionals who encourage patients with chronic conditions to seek follow-up treatment with their primary care physicians has proven to be quite helpful in improving health and reducing costs.

A 2014 study by UnitedHealthcare, *Eye Exam Impacts on Re-engagement for Chronic Conditions*, demonstrates for the first time how eye care professionals can play a key role in helping re-engage patients with chronic conditions into care. Study results showed that 33 percent of previously unengaged patients, defined as lacking medical care for any chronic condition over the previous 18 months, were re-engaged into care with a primary care physician or specialist within 60 days following an eye exam. Another 24 percent of patients were re-engaged after 60 days following an eye exam.

The study examined re-engagement rates for people with seven chronic conditions: Crohn's disease; diabetes; Graves' disease; high

*Comprehensive Eye Exams..., continued on page six*

# Retiree Dental Program's Request for Proposals (RFP)

An RFP is required by state statute that directs public-sector employers to bid various contracts typically every five years. Our current dental plans' contract with Assurant Employee Benefits will expire on December 31, 2015. As a result, the ASRS issued an RFP in February to dental plan providers that registered with the state to receive such notices when issued.

Responses were due in late March and an Evaluation Committee comprised of select ASRS staff, Arizona Department of Administration State Procurement Office personnel, and representative members from the all-retiree ASRS Health Insurance Advisory Committee met throughout April to evaluate responses from qualified providers.

Four dental providers submitted proposals: Assurant Employee Benefits; Delta Dental of Arizona; Metropolitan Life Insurance Company; and, United Concordia.

The evaluation criteria, as set forth in the RFP, included: Cost; Quality or Value of the Benefit Plan; Experience, Expertise, and Resources; and, Method of Approach / Implementation Plan.

Over the course of the five meetings, lengthy discussions ensued and comparisons were made regarding premiums offered by the four dental providers, the plans offered by each provider, administrative requirements, the responses from the Questionnaire, the performance guarantees, exceptions taken, the usual, reasonable, and customary (UCR) percentile used for out-of-network service or treatment, and a thorough discussion of the agency-proposed retrospective rate adjustment agreement.

Several telephonic discussions also were conducted with the four providers seeking clarification regarding

several topics and negotiating terms. In addition, Best and Final Offer (BFO) requests were made on April 30, 2015 with a May 4 due date.

The Operations and Audit Committee of the ASRS Board received the Evaluation Committee's recommendation at its May meeting and moved to accept it and to forward it to the full Board for its review. Also in May, the ASRS Board accepted the Committee's recommendation to award the contract to Assurant Employee Benefits.

Two significant items for Committee members: Assurant was the only provider to offer a pre-paid dental plan; and, Assurant lowered its premiums for its indemnity plans and guaranteed them for two years.

See the article on the Reduced Dental Plan Premiums for 2016 / 2017 on page 2 for additional details of the RFP evaluation. ■

## Comprehensive Eye Exams

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cholesterol; hypertension; multiple sclerosis; and, rheumatoid arthritis. The results are important considering many people visit their eye doctor more frequently than their primary care provider. According to Linda Chous, O.D., chief eye care officer for UnitedHealthcare Vision, "When patients are reconnected into care, the prevention of disease progression and complications can be realized, which may contribute to improved patient health and reduced costs."

"The eyes are the only place on the body to offer a noninvasive view of the blood vessels, which means a comprehensive eye exam can reveal important information about a patient's overall health, as well as vision," Dr. Chous added. ■

# PRESCRIPTION DRUG DISCOUNT CARD!

## REQUEST FOR PROPOSALS (RFP)

In June, the ASRS issued a request for proposals (RFP) for Prescription Drug Discount Card Program Services. The ASRS is required by state procurement statutes to bid our program every five years regardless of the level of satisfaction enjoyed by members. An evaluation committee has been appointed to review the bids upon receipt and to make a recommendation to the Operations and Audit Committee and Board.

As part of your benefits as an ASRS retiree, a prescription drug discount card is available to all retirees and their families, regardless of your health insurance provider. The current ASRS Prescription Drug Discount Card Program provider is WellCard Health program.

There is no charge for the WellCard Health Discount Card and there are no limits on the number of prescriptions or other health-related services you can receive with your card.

Health-related savings available through the WellCard Health Discount card include discounts on prescription drugs, dental services, hearing benefits, MRI, imaging and lab work.

Please visit [AZasrs.gov](http://AZasrs.gov) and look under the Retirees tab, then select Healthcare for more information on the current WellCard program. ■

## TRAVELING THIS SUMMER?

### TAKE YOUR ASRS HEALTH INSURANCE WITH YOU!

All ASRS-sponsored health insurance plans have worldwide coverage for urgent care and emergency services. If you are enrolled in the Group Medicare Advantage HMO plan or the in-state non-Medicare Choice plan, your copay will be the same as if you were in-network. If you are enrolled in the Senior Supplement plan, Medicare covers urgent care and emergency services within the USA only. However, there is a foreign travel rider included with your UnitedHealthcare Senior Supplement plan that provides select coverage after a \$250 deductible. If you are enrolled in the out-of-state non-Medicare Choice Plus PPO plan, emergency services have the same copay as if you used in-network providers.

While traveling outside the United States, you may have to pay for the services upfront. When you get back home, you will need to submit a claim. Those expenses

have to be converted to US Dollars. Send any receipts, along with a short note, to the claims department address on the back of your ID card. ■





## Arizona State Retirement System

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## ASRS Dental Plans and Premium Benefits

If you are currently enrolled in ASRS medical and dental plans and you decide to drop your medical coverage with the ASRS, you are still able to maintain your enrollment in an ASRS dental plan. The ASRS does not require enrollment in an ASRS medical plan in order for you to be eligible to enroll in a dental plan through the ASRS. When you are enrolled in one of the ASRS-sponsored dental plans, the Premium Benefit to which you are entitled will be applied to your dental plan premium. For a large number of retirees, this means that your entire dental plan premium is covered by your Premium Benefit.

## Comments?

*Your Retirement* is published quarterly and mailed to all retired members of the Arizona State Retirement System. We welcome letters from our readers:

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