

YOUR RETIREMENT

OPEN ENROLLMENT EDITION • A PUBLICATION OF THE ARIZONA STATE RETIREMENT SYSTEM



Director's Message: A Look at Open Enrollment for Plan Year 2020

by Paul Matson, ASRS Director

This newsletter and the enclosed 2020 Enrollment Guide have been designed to provide you with an overview of our health and dental insurance plan offerings, as well as other benefits afforded to you as a retiree.

You are eligible to participate in the health and/or dental insurance plans explained in this guidebook if you retired from the Arizona State Retirement System (ASRS), Public Safety Personnel Retirement System (PSPRS), Elected Officials' Retirement Plan (EORP), Corrections Officer Retirement Plan (CORP), or the University Optional Retirement Plans (UORP). Whether you are considering enrolling in an ASRS plan for the first time or are currently enrolled in one of our Medicare or non-Medicare plans, I strongly encourage you to review the guide.

For Medicare enrollees, no significant changes were made to the Medicare Advantage HMO and PPO plans. This is a passive enrollment year, meaning if you are happy with your current coverage, you do not need to take any action; your current coverage will roll over January 1, 2020 for the new plan year.

For non-Medicare enrollees, we are introducing **new plans for in-state retirees** in 2020. We are now offering three focused plans rather than the seven plans offered in previous years. **If you are currently enrolled in an in-state non-Medicare plan through the end of 2019, and take no action during the open enrollment period, you will automatically be enrolled in the new non-Medicare plan that the ASRS believes most closely aligns with your existing plan so that coverage continues uninterrupted.** If you wish to make your own plan choice, you must complete the open enrollment process. Please read the Enrollment Guide carefully to learn more about the 2020 plan offerings.

Meeting Locations Have Changed This Year!

Please note that we've changed all the locations for this year's open enrollment meetings. When looking at the meeting schedules on pages four and five, **please take particular note of the address where the meeting you're interested in is offered.**

The primary motivation for all new meeting locations? Better service for members! We've reserved higher capacity spaces across Arizona in order to accommodate more members per meeting. Also, we'll still have both ASRS benefit advisors as well as representatives from our health and dental providers on-site at all meetings.

For a full listing of online and in-person meeting dates, times, and locations, refer to pages four and five! |

Continued on page 6

2020 Open Enrollment

Enrollment Period: Friday, November 1 - Saturday, November 30, 2019

The annual open enrollment period for the ASRS retiree health insurance program runs from Friday, November 1 to Saturday, November 30, 2019. The effective date of enrollment in, or changes to, your ASRS coverage and plan premiums is January 1, 2020. We highly encourage you to review the materials in your open enrollment packet, which includes this newsletter and the 2020 ASRS Open Enrollment Guide.

Non-Medicare Retirees

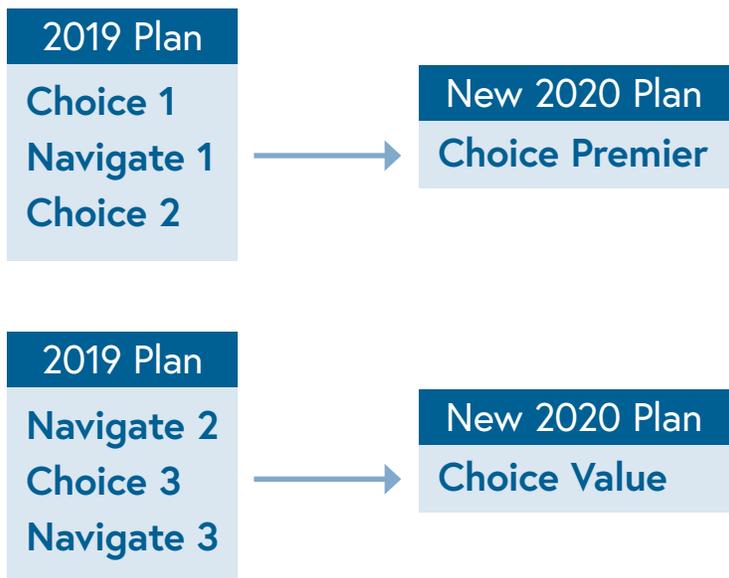
There have been substantial changes for non-Medicare retirees for plan year 2020, including both a change in the number of in-state plan offerings and the rate structure for family plans.

New Non-Medicare Plan Offerings

In order to improve the overall benefit structure, we are consolidating the previous six different in-state options to two enhanced plans: **Choice Premier** and **Choice Value**. This new pair of plans, which are inspired by our most popular plan models from previous years, will ensure that our participants continue to receive great medical coverage while lowering their costs and enhancing their benefits.

The migration of each participant to their new 2020 plan is based on matching their current coverage with the new plan that is most similar, as outlined in the diagram below. Please take advantage of the open enrollment period to make a different selection if you wish.

How 2019 non-Medicare plans will migrate to 2020 offerings



Rate Structure Changes for Non-Medicare Retirees, and Medicare / Non-Medicare Combination Plans

Also new for 2020, the ASRS is reconfiguring our rate structure to a more equitable approach in which premiums are directly based on the number of participants in each plan. The result is a more balanced rate structure which will see a decrease in premiums for non-Medicare-only plans with one or no dependents, Medicare-only plans, and combination plans with only one non-Medicare dependent.

Please be aware that any non-Medicare-only family plan that covers three or more participants and any combination family plan with more than one non-Medicare participant may now assume a higher premium. While the ASRS strives to offer competitive plans for all our retirees, we do highly encourage members to explore all health insurance options that may be available through the ASRS, an employer, a spouse, or the public market. |

A Quick Overview

While this is a passive enrollment, please read these materials carefully!

Medicare Eligible Retirees

If you are satisfied with your current ASRS coverage and do not wish to make any changes, no action is necessary. Your present coverage will simply roll over to the new plan year, which begins January 1, 2020.

For 2020, we will continue to offer both the Group Medicare Advantage HMO and Group Medicare Advantage PPO plans from UnitedHealthcare. The annual medical out-of-pocket maximums for both plans have been lowered so the maximum amount you could pay for your medical care in 2020 is reduced.

For 2020, Centers for Medicare and Medicaid Services (CMS) has modified prescription drug coverage thresholds and stage limits. Please review the Open Enrollment Guide for your plan's relevant prescription drug features. |

Dental Plans

Sun Life Financial dental plan premiums will remain unchanged in 2020 but two benefit enhancements have been added to the Indemnity Dental plans, Freedom Advance and Freedom Basic.

Benefit Enhancements

- Preventive Max Waiver provides members the same coverage for preventive services, without it counting towards their annual maximums. This makes more benefit dollars available for other care!
- Posterior tooth-colored fillings are now a covered benefit.

For details on how to find a dental provider, make sure to read “*Three Ways to Find A Dental Provider*” on page 8. |



ASRS Retirees: Apply Online!

Whether it's your first time enrolling in an ASRS medical or dental plan, or you need to make changes to your current coverage, be sure to use our Online Health Insurance application. It's quick, easy and secure!

To get started, log into your secure **myASRS** account to complete your application online. You'll find the **myASRS** link in the top right corner of the ASRS website at **AzASRS.gov**.

BEFORE YOU BEGIN THE ONLINE ENROLLMENT PROCESS:

- **Review the Enrollment Guide** to help you determine what benefits you and your family require, and select your plan.
- **Attend an open enrollment meeting** to learn more about your benefit options and meet your vendor representatives.
- Once you've selected your plan, visit the provider's website to **select your physician and obtain the provider's ID number**, if required.
- **Have your Medicare card handy**, if you have one.
- **Have information on any dependents** you plan to enroll.

Need assistance? See pages 4-5 for a complete listing of Medicare and non-Medicare open enrollment meetings. |

MEETING SCHEDULE

For Non-Medicare Retirees: Medical & Dental



Meetings On Demand

Learn at your own pace! Recorded open enrollment presentations from UnitedHealthcare and Sun Life Financial are available online at AzASRS.gov in the *Healthcare* section, located in the *Retirees* tab.

In-Person Meetings

Our meeting locations have changed this year. Please pay particular attention to the meeting location addresses below.

Glendale: *Renaissance Phoenix Glendale Hotel & Spa,* _____ November 5th, 10:30AM & 3:00PM
9495 West Coyotes Blvd. November 13th, 10:30AM & 3:00PM

Tempe: *DoubleTree by Hilton Hotel Phoenix Tempe,* _____ November 6th, 10:30AM & 3:00PM
2100 South Priest Drive November 18th, 10:30AM & 3:00PM

Tucson: *Hilton Tucson East,* _____ November 4th, 10:30AM & 3:00PM
7600 East Broadway

Tucson: *DoubleTree by Hilton Hotel Tucson-Reid Park,* _____ November 12th, 10:30AM & 3:00PM
445 South Alvernon Way

Prescott: *La Quinta Inn & Suites by Wyndham Conference Center Prescott,* _____ November 7th, 10:30AM & 3:00PM
4499 East State Route 69

Flagstaff: *DoubleTree by Hilton Hotel Flagstaff,* _____ November 19th, 10:30AM & 3:00PM
1175 West Route 66

Live Webinars

Can't attend an in-person meeting?
We have online webinars!

Registration for online meetings is required - just log in to your secure **myASRS** account and select "Member Meetings."

Non-Medicare Open Enrollment Webinars:

November 14th, 1:00PM
November 20th, 1:00PM
November 21st, 1:00PM
November 26th, 1:00PM

Dental Open Enrollment Webinars:

November 14th, 11:00AM
November 20th, 11:00AM
November 21st, 11:00AM
November 26th, 11:00AM

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Medicare Open Enrollment Webinars:

November 14th, 9:00AM
November 20th, 9:00AM
November 21st, 9:00AM
November 26th, 9:00AM

Dental Open Enrollment Webinars:

November 14th, 11:00AM
November 20th, 11:00AM
November 21st, 11:00AM
November 26th, 11:00AM

Year Two of the Retrospective Rate Agreement and Premiums

What is the Retrospective Rate Agreement (RRA)?

“RRA funds” are funds that have accumulated as a result of a contractual agreement between the ASRS and United Healthcare which mandates that revenue in excess of medical costs and negotiated expenses be returned to the ASRS.

It is important to note that while retirees will enjoy premiums below the market rates for approximately three years, premiums are expected to return to market rates once the RRA funds have been exhausted. Plan year 2020 is the second of the three-year planned RRA funding.

	Monthly Premium <i>BEFORE</i> Savings	2020 Monthly Savings Due to Year 2 of the RRA	<i>NEW</i> 2020 Monthly Premium
WITHOUT MEDICARE <i>You & your dependents DO NOT have Medicare Part A and B</i>			
Choice Premier (Single)	\$846	\$21	\$825
Choice Value (Single)	\$708	\$21	\$687
Choice Plus PPO (Out of State, Single)	\$1,317	\$21	\$1,296
WITH MEDICARE A & B <i>You & your dependents have Medicare Part A and B</i>			
Group Medicare Advantage HMO (Single)	\$171	\$96	\$75
Group Medicare Advantage PPO (Single)	\$254	\$104	\$150

A complete list of rates for multiple covered individuals and combination plans is available in the Enrollment Guides

A Note About This Year's Plan Premium Changes

The ASRS is pleased to announce lower premiums on most plans for 2020. Plus, as with any plan year, the member’s cost may be even lower

than the premiums stated above once the applicable ASRS Premium Benefit is applied as an offset each month.

Note: for additional information about the RRA, please visit page 13 of your enrollment guide. |

Director's Message, Continued

The ASRS online health insurance application – available through your secure **myASRS** account – will allow you to view your current ASRS medical and dental elections, enroll in a new plan, make changes to your plans and add or remove dependents. Go to **AzASRS.gov** to get started, selecting the **myASRS** login at the top right of the website.

Finally, calendar 2020 will be the second year that the ASRS will apply funds accumulated through a contractual arrangement between ASRS and UnitedHealthcare of Arizona (referred to as a

Retrospective Rate Agreement or RRA) to significantly reduce medical premiums for most plan participants. See the “Year Two of the Restrospective Rate Agreement and Premiums” article above and the enrollment guide for a more detailed description of this process.

We encourage you to learn more by visiting **AzASRS.gov** - just select the Retiree tab and click Healthcare. You may also wish to attend one of our upcoming open enrollment meetings. The statewide schedule is included in your open enrollment packet.

We recognize you may have additional choices for your health and dental insurance needs and we encourage you to explore all your options, such as programs offered through a former employer, a spouse’s plan, or the public market.

Contact information for the various plan providers is included in the back of the Enrollment Guide and, as always, we are here to assist.

Best of health,
Paul Matson
Director
Arizona State Retirement System

MIND



A Comparison of Prescription Drug Coverage for Medicare Retirees

Did you know that when Medicare retirees enroll in one of the medical plans from UnitedHealthcare they are automatically enrolled in prescription drug coverage?

Medicare Retirees who enroll in one of UHC's medical plans automatically get credible Medicare Part D prescription drug coverage, which means coverage is expected to pay, on average, as much as standard Medicare prescription drug coverage. This coverage comes at no additional cost to you.

This means you do not need to enroll in a separate Medicare Part D prescription drug plan, as you are already covered under the ASRS plan as part of your health insurance coverage. If you were to enroll in a separate individual Medicare Part D prescription drug plan in addition to one of the ASRS plan options, note that you will become ineligible and automatically disenrolled for both medical and prescription drug coverage under the ASRS plan. (per Medicare guidelines.)

What do donuts have to do with prescription drug coverage?

You may have heard of prescription coverage "gaps" which are sometimes referred to as "donut holes". Just like a donut hole is a small piece missing from the rest of the donut, you may find yourself with gaps in your prescription drug coverage. A coverage gap starts when your total drug costs—the total of what you and your plan have paid for drugs—reaches a certain amount since the start of the plan year. When you reach that amount, you move into the

brand name copay or 5% of the drug costs (whichever is greater) for the remainder of the plan year.

When reviewing the Group Medicare Advantage HMO and PPO plans offered, think about which plan best fits you and your dependents' needs.

- 1) Do you need low drug costs and don't mind using contracted medical providers or obtaining referral from your Primary Care Provider?

The HMO plan may work best for you.

- 2) Do you want more flexibility selecting medical providers and are you comfortable with higher prescription costs if you reach the "donut hole"?

Then the PPO plan may be a better option for you.

Ultimately, it's up to you to choose the best plan for your needs, including prescription costs, so don't be afraid to ask your pharmacist or health care provider what the full costs of your prescriptions are.

If you still have questions about the coverage and costs of a particular drug, please call UHC at the number listed on your UHC ID card or in your Open Enrollment Guide.

For more information about Medicare plans and prescription drug coverage, please review "Understanding the Medicare Prescription Drug Plans" in the 2020 Medicare Open Enrollment Guide, or online at AzASRS.gov in the open enrollment section. |

Coverage Gap stage. Not everyone will reach that gap – but if you do, you need to know what your options in coverage are.

Most Medicare drug plans have a Coverage Gap, including both the ASRS HMO and PPO plans:

HMO Gap Coverage: The covered parties only pay their required co-pays while in the Gap.

PPO Gap Coverage: In 2020 covered participants will pay 25% of generic prescription costs and 25% of brand prescription costs once they enter into the Gap. This continues until you reach Medicare's "catastrophic coverage," at which time participants will pay a \$3.60 generic copay, \$8.95

Three Ways to Find a Dental Provider

First, there are no increased costs or changes to the Sun Life dental plans being offered this year.

Second, if you need to find a PPO or DHMO/Prepaid dentist, there are three ways: online, via the mobile app, or over the phone.

Remember, dentist availability will differ between the PPO and DHMO / Prepaid plans. Please make sure you can find a dentist who accepts the plan you're interested in before you enroll.



Online

If you are not currently registered, you can do so at [SunLife.com/OnlineAdvantage](https://www.sunlife.com/OnlineAdvantage). Online Advantage gives you access to your personalized dental ID card, benefit and plan details, claim history and more. There are three

ways to search for a dentist near you online:

1. Go to [SunLife.com/FindaDentist](https://www.sunlife.com/FindaDentist).
2. Log into your **Sun Life Online Advantage** account & search by Group ID G933.

3. If you are a PPO Member, select Assurant Dental Network. If you are a DHMO/Prepaid Member, select your state + Heritage or DHMO depending on your chosen plan.

All three of these methods will bring you to the dentist search screen.

Simply complete the form and a list of your local dentists will be generated.

Mobile App

To find a dentist using your smartphone or tablet device, download our mobile app, **Benefit Tools** (available for Android or iPhone).



1. From the app, select **Find a Dentist**.
2. Log into your **Sun Life Online Advantage** account and search by Group ID G933.
3. If you are a PPO Member, select Assurant Dental Network. If you are a DHMO/Prepaid Member, select your state + Heritage or DHMO depending on your chosen plan.

All three of these methods will bring you to the dentist search screen. Simply complete that form and a list of your local dentists will be generated.

Phone

For assistance in finding a dentist in your area, call Sun Life at:

PPO Members: 800-442-7742

DHMO/Prepaid Members: 800-443-2995

Additional information available at [AzASRS.gov/content/dental-vision-coverage](https://www.azasrs.gov/content/dental-vision-coverage). |

2019 Annual Notice to All ASRS Retirees

ANNUAL NOTICE OF RIGHT TO ELECT OR REVOKE FEDERAL TAX WITHHOLDING

Periodic pension payments will be subject to federal income tax withholding if the taxable portion of the total annual payments equals or exceeds \$23,880 (\$1,990 per month) unless you elect not to have withholding apply. In the absence of an election, your withholding will automatically be calculated in the same manner as withholding from wages.

If you do not wish to make an election or change a prior election, no action is necessary.

If you wish to make, change or revoke an election, ASRS retirees may do so by logging in to their secure **myASRS** account at [AzASRS.gov](https://www.azasrs.gov). You can also make or revoke an election by completing Form W4-P, which is available at your local IRS office, library or on the IRS website at:

[IRS.gov/pub/irs-pdf/fw4p.pdf](https://www.irs.gov/pub/irs-pdf/fw4p.pdf)

You may revoke an election at any time. Your withholding election will remain in effect until revoked. Any

election not to have withholding apply is prospective only and any election made after a payment is not an election with respect to that payment.

If you elect not to have withholding applied to your periodic pension payments, or if you do not have enough federal income tax withheld from such payments, you may be responsible for payments of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. |