

# Your Retirement...

**PENSION & BENEFIT UPDATES FOR RETIREES OF THE ARIZONA STATE RETIREMENT SYSTEM**

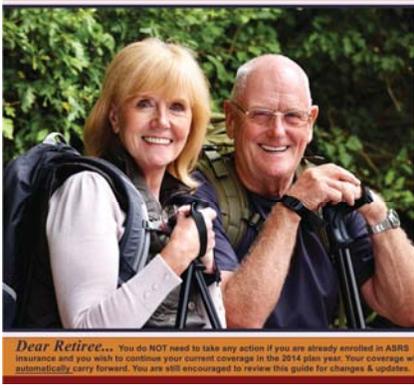
*A Message from the ASRS Director, Paul Matson...*

## 2014 ASRS Open Enrollment

*Health Insurance Enrollment Period: Oct 28th - Nov 15th*

The annual ASRS open enrollment for calendar year 2014 runs Monday, October 28 through Friday, November 15 with an effective date of January 1, 2014 for your new coverage elections. **If you wish to make no changes, nothing is required on your part. Your current coverage will automatically carry over to 2014.** Don't miss this annual opportunity to make any desired changes to your health coverage. During this time, you have the opportunity to review your medical and dental plan selections, whether from ASRS, your former employer, or through private insurance and make informed decisions about your coverage for the coming calendar year.

The ASRS recognizes the importance of providing quality health benefits and has again partnered with UnitedHealthcare and Assurant Employee Benefits to provide all your medical and dental needs. The ASRS retiree health care program offers several choices of medical and dental plans from which you may select, and also offers retired members and their eligible dependents the Wellcard Health Discount Card, the Silversneakers Fitness program, the Health Insurance Premium Benefit



*"2014 ASRS Open Enrollment," continued on page two*

## 2014 Patient Protection & Affordable Care Act (PPACA)

The Patient Protection and Affordable Care Act (PPACA) imposes a range of new fees and taxes on health insurance issuers and sponsors of group health insurance plans designed to offset some of the costs incurred by the federal government as it implements the new health care act.

Among the fees beginning in 2014:

**Patient-Centered Outcomes Research Institute Fee (PCORI)** - Issuers of individual and group health insurance policies (including UnitedHealthcare health plans) will be required to pay a new fee to help fund the Patient-Centered Outcomes Research Institute (PCORI). The PCORI was authorized by the ACA

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## Are You Using All Your Benefits?

### Arizona HearCare Network (AHCN)

Arizona HearCare Network offers a no-cost discount program (not insurance) for exams and hearing aids to members enrolled in any ASRS medical plan. AHCN providers offer the following at no additional premium to participants:

- \$25 copayment for hearing evaluations
- 30% discount towards the purchase of hearing aids
- 30% discount on accessories and repairs

Locations can be found on the AHCN website or by calling the AHCN Customer Service Center (see the inside back cover of the 2014 Open Enrollment guide for AHCN contact information). ■

### 2014 ASRS Open Enrollment... continued from page one

Supplement Program, and additional hearing and vision benefits as part of your selected medical and/or dental plan.

Some good news. Plan premiums will not increase for our Medicare plans and plan provisions remain unchanged in 2014 for our Medicare and non-Medicare plans. Non-medicare plans will, however, see a small increase in premiums. If you are currently enrolled in one of the ASRS-sponsored dental plans, there will be no change to the dental plans offered or to the dental plan premiums for 2014. **You do not need to take any action if you are already enrolled in ASRS insurance and you want your coverage to carry over to 2014.** Your coverage will automatically carry forward.

As you might have heard by now, health care reform, known as the Patient Protection and Affordable Care Act (PPACA or ACA for short) becomes effective January 1, 2014. The ACA aims to increase the

quality, affordability and overall health insurance coverage for Americans and reduce the costs of health care for individuals and the government. Health insurance companies become subject to new fees effective January 1, 2014. The ACA also created a program called the Early Retiree Reinsurance Program (ERRP) to help with rising health care costs. As noted in previous *Your Retirement* publications, the ASRS used some of those funds in 2013 to mitigate premium increases paid by non-Medicare enrolled members. For 2014, the ASRS will use the remaining balance of ERRP money to again mitigate premium increases for non-Medicare enrolled members. As a result non-Medicare enrolled members will see only a five percent increase in monthly premiums during 2014. See page 3 for more detailed information.

To learn more about ACA and ERRP, review the other articles in this issue. ■

### PPACA 2014 Fees... continued from page one

to provide evidence-based research that is intended to help people make informed health care decisions.

#### Annual Health Insurance Industry Fee

- Health insurance issuers (e.g., United-Healthcare health plans) will be assessed an annual fee to fund some of the provisions of PPACA. For instance, this fee will help fund premium subsidies or cost-sharing reductions for some individuals who purchase health insurance on the exchanges (marketplace).

#### Transitional Reinsurance Program

**Assessment Fee** - PPACA establishes a

transitional reinsurance program to help stabilize premiums for coverage in the individual market during calendar years 2014 through 2016. The statute requires all health insurance issuers (e.g., United-Healthcare health plans) to pay into the program to fund payments to individual market issuers covering high-cost individuals. Each state may establish its own reinsurance program or require supplemental reinsurance contributions. If a state does not establish its own program, the U.S. Department of Health and Human Services will operate the reinsurance program for the state. ■

# UnitedHealthcare 2014 Plan Premiums

*No increase for Medicare plans!*

The chart below shows, by plan, new single coverage monthly premiums effective January 1, 2014. Generally, family premiums remain twice the single rate.

UnitedHealthcare Premium - Single Coverage Only				
ASRS Medical Plans:	Current Retiree-Only Premiums:		2014 Plan Year Premiums:	
	Retiree Pays:	Actual Premium:	Retiree Pays:	Actual Premium:
<b><u>Non-Medicare Plan -</u></b>				
UHC Choice Plan (in-state, in-network)	\$679	\$704	\$713 (+ 5.00%)	\$793 (+12.7%)
UHC Choice Plus (out-of-state)	\$951	\$987	\$999 (+ 5.00%)	\$1102 (+12.7%)
<b><u>Medicare Plan -</u></b>				
Senior Supplement	\$342	same	\$342 (+ 0.00%)	same
Medicare Advantage HMO (urban)	\$190	same	\$190 (+ 0.00%)	same
Medicare Advantage HMO (rural)	\$260	same	\$260 (+ 0.00%)	same

Plan premiums will not increase for our Medicare plans. Medicare plans have additional premium revenue sources that our non-Medicare plans do not have. The Centers for Medicare and Medicaid Services (CMS) supplements final premium costs for our Medicare enrolled members.

Our non-Medicare plans will experience a total increase of 12.7% in premiums for 2014. However, as a result of using the remaining federal money provided by the Early Retiree Reinsurance Program (ERRP), non-Medicare plan enrolled members will see only a five percent increase in monthly premiums

during 2014 with all other plan provisions remaining unchanged.

The ASRS non-Medicare medical plans have no other outside additional revenue sources to assist in supplementing the impact of medical cost increases and utilization that impact premiums. Non-Medicare plans health care expense trends increased 8.9% for premiums and prescription drugs and enrollment increased by approximately 18%. The benefit cost ratio increased to over 104% (claims cost as a percent of premiums). ■

## Helpful Website -

### *Social Security Administration*

*If you haven't visited the Social Security Administration's (SSA) website recently, your missing out on lots of great information and online resources for you and your family.*

*Visit [SSA.gov](http://SSA.gov) to get started today!*



# WellCard Health Discount Card Program

## *An Empowering Health & Wellness Program*

The Arizona State Retirement System (ASRS) would like to remind you of the valuable benefits provided through the WellCard Health Discount Card Program. The card is available at no cost and provides ASRS members and their families with access to valuable discounts on prescription medications and a wide range of health services. Anyone can use the card, regardless of age, income or health status and you do not need to be enrolled in the ASRS retiree health insurance program to receive Wellcard benefits.

WellCard Health provides you and your family with discounts on a wide range of health services, including:

- **Prescription Drugs – save up to 50%**  
WellCard is accepted at over 59,000 pharmacies nationwide, including major chains, community and mail order pharmacies. Over 60,000 brand and generic drugs are included.
- **Dental – save up to 45%**  
WellCard is accepted at over 15,000 provider access points nationwide, and covers all dental services and specialties, including orthodontia.
- **Hearing – save up to 15%**  
WellCard members receive a no cost hearing test and 15% discount on over 80 hearing aid models at 1,500 Beltone locations nationwide, with a Lifetime Care Program included.
- **MRI & Imaging – save up to 50%**  
WellCard members enjoy savings of 20% and more on MRI, PET, and CT scans, as well as other imaging services at over 3,500 locations nationwide.
- **Lab – save up to 50%**  
WellCard members save up to 50% using the online search tool to locate a lab and order their test. Actual savings are displayed immediately.

With WellCard Health, saving money on health care expenses is easy. WellCard Health has thousands of service providers nationwide and discounts are given at the time of purchase; there is no paperwork, no enrollment form, membership fee, usage limits or expiration date. To participate, members present their WellCard Health Discount Card when they purchase a prescription at a participating pharmacy or visit a participating provider.

Once you receive your card, consider registering it at [WellCardHealth.com](http://WellCardHealth.com). All WellCard Health benefits are available to you without registration, but once your card is registered, you'll be able to access detailed information on available services, easily search for a participating provider, and read informative articles on health and wellness. In addition, you can print a replacement card; opt in to become a part of WellCard Health Connect (Wellcard's online community); and receive monthly e-newsletters with updates and news about the WellCard Health program.

If you would like additional information on the WellCard Health Discount Card Program, please visit the ASRS website at [AzASRS.gov](http://AzASRS.gov). At the top of the home page, place your cursor over "Retirees" and select "Prescription Savings." If you have registered with WellCard, log in at [WellCardHealth.com](http://WellCardHealth.com) to check the estimated cost of a specific medication or to find a participating pharmacy or provider. Both of these websites also provide detailed information on how to receive your card. Please note that a Wellcard is provided to you in your open enrollment packet.

WellCard Health gives you and your family access to pre-negotiated discounts on prescription drugs and health care services. The WellCard Health Discount Card is available to you today at no cost.

This is not insurance. It is a discount prescription, health and wellness program. ■

# Great News! No Dental Premium Increases

*No plan changes or premium increases for 2014*

If you are currently enrolled in one of the ASRS-sponsored dental plans, there will be no change to the dental plans offered or to the premiums for 2014! For those of you who are not currently enrolled in a dental plan – and even if you are enrolled in a dental plan – we encourage you to take this opportunity to think about your dental care needs for the coming year. Your annual open enrollment is the time when you can consider your dental plan options and determine which plan best fits your dental care needs.

For retirees living in Arizona, there are four dental plan options from which to choose: two indemnity plans – a low and high option – and two prepaid Dental Health Maintenance Organization (DHMO) dental plans. For those retirees living outside of Arizona, you may also choose between the two indemnity dental plans and, in certain states, a prepaid dental plan. It is important to understand the differences between an indemnity and prepaid/DHMO dental plan.

An **indemnity dental plan** allows you to *select any dentist*. There are deductibles, annual maxi-

mums, waiting periods, and pre-existing conditions that will apply. You and/or your dentist will file claims for reimbursement of covered dental expenses. You pay for services based on allowable charges and coinsurance levels as determined by the dental benefit plan.

A **prepaid/DHMO dental plan** is a network of dentists who agree to provide specific dental services for a set fee (referred to as the copayment). You *select a primary care dentist from the network* of participating general dentists and you will receive most of your dental care from your primary dentist. There are no deductibles, annual maximums, waiting periods, pre-existing conditions, coinsurance levels, or claim forms with these plans. The prepaid/DHMO dental plans offer the lowest premium rates.

See your Open Enrollment Guide for a summary comparison of the dental plans or visit the dedicated web site at [AssurantEmployeeBenefits.com/ASRS](http://AssurantEmployeeBenefits.com/ASRS) to review the dental plan information available to you. ■

## *Brush Up on Oral Health!*

- *Brush at least twice daily.*
- *Use the proper equipment.*
- *Practice good technique.*
- *Keep your equipment clean.*
- *Know when to replace your toothbrush.*

*Want to know more?  
Visit [MayoClinic.com](http://MayoClinic.com),  
under Dental Health.*



## Early Retiree Reinsurance Program (ERRP)

To help with rising health care costs, the Patient Protection and Affordable Care Act (PPACA) created the ERRP program to partially address this challenge. The ASRS participated in the U.S. Department of Health and Human Services' (HHS) Early Retiree Reimbursement Program (ERRP). This program provides reimbursement to eligible health insurance plans for a portion of health care costs incurred by non-Medicare eligible retirees (ages 55 to 65) and their enrolled spouses, dependents, and surviving spouses. The reimbursement the ASRS received was equal to 80 percent of claims cost for each non-Medicare eligible enrolled member for claims incurred and paid between \$15,000 and \$90,000 during a calendar year. This temporary program, begun June 1, 2010, was authorized by the Affordable Care Act (PPACA) with a funding limit of \$5 billion. That limit was reached during

2011. Authorized reimbursements are to be used to reduce health care plan premiums, reduce other out-of-pocket costs such as deductibles, copayment, or coinsurance amounts, and/or to mitigate future premium increases or plan provision changes. Reimbursements must be fully used by December 31, 2014 or be forfeited to HHS.

ASRS used a portion of ERRP reimbursement funds to mitigate ASRS health benefit cost increases for our non-Medicare plan participants for the 2013 plan year. Plan premiums were kept below other retiree systems and peer institutions. For plan year 2014, ASRS will use the remaining funds to again mitigate health benefit cost increases for our non-Medicare plan participants. Though the actual premium increase is 12.7%, non-Medicare members will only see a five percent increase in monthly premiums during 2014. ■

## UnitedHealthcare's Health and Lifestyle Management (HLM) Program

The Health and Lifestyle Management (HLM) program is an integrated program for members with chronic pain and depression. After a successful pilot in 2010 and 2011, this program launched for UnitedHealthcare non-Medicare members in November 2011 and for Group Medicare Advantage HMO members in 2013.

The program recognizes that there is a relationship between illness for chronic conditions and risk for depression. Some conditions, such as chronic pain, have a particularly high incidence of depression (up to 80 percent in some literature) and that is why the initial focus is on the population identified as having chronic pain and risk for depression.

OptumHealth Behavioral Solutions clinicians engage members who screen positive for depression. Responses to assessment questions drive a platform-generated intervention plan, including intervention tasks to assist in obtaining needed treatment while removing barriers to service.

Retirees learn how to better understand what can influence their health and what they can do to stay as healthy as possible.

Members are designated for Health and Lifestyle Management Program eligibility by using medical claims data and computer programming to identify those at risk for chronic pain and depression. When a member is identified for this program, an initial letter is mailed to the retiree to introduce the program. This letter includes a toll-free number for the member to call for information. The member is assessed to determine if he or she is depressed and determine the severity of the depression, if it is identified. If the member agrees to participate in the program, a clinician will work with the member on a treatment program until the member "graduates" from the program. This benefit is available at no extra cost and provides an alternative solution to a growing problem occurring more frequently in the retiree population. ■

## UnitedHealthcare's Vision Benefits for Medicare Eligibles

UnitedHealthcare offers a vision care benefit for both Medicare Advantage (HMO) and Senior Supplement Plan members. The vision plan is designed to cover most of your vision needs.

### Medicare Advantage (HMO)

The plan covers one eye exam per year and medically necessary glasses or lenses following cataract surgery. Your routine prescription eyewear benefit provides a routine exam, eyeglasses or contact lenses for routine vision correction. For a routine eye exam you must go to an OptumHealth Vision provider.

### Senior Supplement Plan

Your routine prescription eyewear benefit provides eye refraction, eyeglasses or contact lenses for routine vision correction. You have the choice of any vision provider but optimize your vision benefits by using an OptumHealth Vision network provider.

See your 2014 Open Enrollment Guide for detailed information including what you pay, deductibles, vision providers and locations, and OptumHealth Vision contact information. ■

## Reminders About Your ASRS-Sponsored Dental Benefits

Did you know that all eligible public sector retirees, LTD recipients and eligible dependents are eligible to enroll in one of the dental plans offered by Assurant Employee Benefits even if they do not enroll in an ASRS medical plan? That's right. 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. Although some retirees maintain their employer's medical plan and others may be enrolled on their spouse's medical coverage, retirees are still 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 first. If you are also enrolled in an eligible medical plan, the remainder of the Premium Benefit will then be applied to the medical plan's premium.

Your Assurant dental plan includes a vision discount plan through Vision Service Plan (VSP). The vision plan includes discounts on exams and the purchase of eyeglasses, sunglasses and other prescription eyewear when provided by VSP providers. VSP is available for you and everyone covered on your dental plan at no additional cost.

If you are newly enrolled in one of the Assurant dental plans, watch for your new dental ID card in December. If you do not make any changes to your dental plan, you will not receive a new ID card. If you don't receive your ID card (or even if you need a new one), you can visit their web site to request a new one ([AssurantEmployeeBenefits.com/ASRS](http://AssurantEmployeeBenefits.com/ASRS)) or call Assurant Customer Service at 800-442-7742.

The Assurant web site – [AssurantEmployeeBenefits.com/ASRS](http://AssurantEmployeeBenefits.com/ASRS) – provides you with a wide range of information at your fingertips, including:

- Eligibility
- Claims status for indemnity plans
- Search for network dentists
- Dental fee cost estimates
- Benefit information
- Ask a Dentist
- Request an ID card
- Dental Health Center
- Change dentist for prepaid / DHMO plans
- Customer service

Don't forget to schedule your regular dental appointment with your dentist! ■

# Becoming Medicare Eligible

MEDICARE		HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)			
NAME OF BENEFICIARY <b>JANE DOE</b>			
MEDICARE CLAIM NUMBER <b>000-00-0000-A</b>	SEX <b>FEMALE</b>		
IS ENTITLED TO		EFFECTIVE DATE	
<b>HOSPITAL MEDICAL (PART A)</b>	<b>(PART B)</b>	<b>07-01-1986</b>	<b>07-01-1986</b>
SIGN HERE → <i>Jane Doe</i>			

If you or your dependent will become Medicare eligible on your or their next birthday, there will be changes in your medical coverage, premiums or premium benefit.

The address of your primary residence will dictate the Medicare plan for which you are eligible. If you fail to notify the ASRS or PSPRS, if applicable, that you became Medicare-eligible, the medical plan in which you are enrolled will terminate. Members are sent an ASRS letter 90 days prior to Medicare eligibility. If a member does not respond by switching to a Medicare plan, the member will be terminated as ineligible upon the first of the month of Medicare eligibility.



State law governs how much premium benefit is paid for non-Medicare and Medicare-eligible retirees/LTD recipients. In order to receive the highest premium benefit and pay the lowest health insurance premium, please let the ASRS or PSPRS, if applicable, know that you are eligible for Medicare prior to the month in which you become Medicare-eligible. Your ASRS coverage will always be effective on the first day of the month following receipt of your completed ASRS enrollment application. Therefore, there is no retroactive coverage for health insurance.

If you want to continue ASRS insurance coverage you will need to complete a new enrollment form and will have to enroll in one of the two ASRS medical plans for Medicare eligible retirees.

The Centers for Medicare and Medicaid Services (CMS) will mail a Medicare card to you 3 months prior to your eligibility. The Medicare card will include your name, Medicare claim number, the type of coverage you have (Part A, Part B, or both), and the date your Medicare coverage starts.

Medicare becomes effective the first day of the month of your 65th birthday. But, the effective date of your ASRS medical coverage will be effective the first of the month following receipt of your enrollment form. Therefore, simultaneous enrollment in Medicare and an ASRS medical plan is important. Please remember to begin your enrollment process with the ASRS or PSPRS, if applicable, before you become Medicare-eligible.

Enrolling in Medicare is easy. Visit **Medicare.gov** or call 800-MEDICARE (633-4227). ■