

Your Retirement

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Director's Message by Paul Matson, ASRS Director

I am very pleased to report to you our ASRS retiree health insurance plan offerings for 2019. The ASRS has spent years focusing on our health insurance programs and analyzing them, with the objective of reducing the premiums that you pay without detracting from their significant value. As a result we are now able to offer significantly lower premiums for all of our Medicare eligible members!

The significant reduction in our Medicare eligible premiums is made possible due to a combination of data-driven negotiations, migration from the Senior Supplement plan to a new Group Medicare Advantage PPO plan, elimination of certain reinsurance fees, and a generous pool of funds (generated by these plans through contract) that the ASRS has accumulated to be used to offset premiums. As a result, all members enrolled in either of the two Medicare eligible health insurance plans offered through the ASRS by UnitedHealthcare of Arizona will

see significant savings in premiums.

Premium Benefit Supplements are unaffected and will continue to be

applied to the final premiums each month as part of your retiree benefits. As a matter of fact, when coupled with the ASRS Premium Benefit for health care, a single Medicare eligible member with 10 or more years of service *could be eligible to enroll in the 2019 Medicare Advantage HMO plan for a monthly cost of zero dollars*, and a single Medicare eligible member with 10 or more years of service *could be eligible to enroll in the 2019 Group Medicare Advantage PPO plan for a monthly cost of \$67*.

Members who enroll in our non-Medicare Health Insurance plans will also see a decrease in premiums rather than an increase, although



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We Couldn't Do It Alone!

Managing a retiree health insurance program is a challenging undertaking. Ever since the ASRS was charged by the Legislature to create and operate a program that provides a health insurance option to our retirees and retirees in other state of Arizona government plans, we have striven to provide competitive plans and options.

Two years ago the ASRS expanded the options for non-Medicare eligible retirees, offering several new plans with varying coverages and premiums.

This year, we are offering a new supplement plan for Medicare eligible participants. A new Group Medicare Advantage PPO plan will replace the Senior Supplement Plan that was available in past years. This new plan is designed to provide the same or better coverage, the same network of physicians, and is offered at a lower cost.

Before making the decision to switch to this new option, the ASRS brought together ASRS retirees representing

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www.

Learn more under **Retirees > Healthcare** on the ASRS website: **AzASRS.gov**

What's new for 2019?

2019 ASRS Open Enrollment

ENROLLMENT PERIOD: THURSDAY, NOVEMBER 1 - FRIDAY, NOVEMBER 30, 2018

The annual Open Enrollment period for the ASRS retiree health insurance program runs from Thursday, November 1 - Friday, November 30, 2018. The effective date of enrollment in, or changes to, your ASRS coverage and plan premiums is January 1, 2019. We highly encourage you to review the materials in your Open Enrollment packet, which includes this newsletter and the 2019 ASRS Open Enrollment Guide, as well as a flyer with information about the open enrollment process and online enrollment.

THIS IS A PASSIVE ENROLLMENT. 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, 2019.

Medicare Plans: Every retiree and dependent currently on the Senior Supplement plan will be seamlessly converted from the Senior Supplement plan to the Group Medicare Advantage PPO plan effective January 1, 2019. No action will be required by the member during Open Enrollment, although any Medicare eligible retiree can enroll into the new Group Medicare Advantage PPO plan via Open Enrollment. Any retiree still remaining on Senior Supplement after Open Enrollment has ended on November 30 will be converted automatically in time to receive new ID cards by January 1, 2019.

The medical and prescription benefit structure of the Group Medicare Advantage PPO plan is designed to be the same or better than the current Senior Supplement plan, while the member's total out of pocket costs will be much lower. Because the new Group Medicare Advantage PPO plan is a MAPD plan, the combination of additional Centers for Medicare and Medicaid Services (CMS) funding and care management programs helps to lower monthly premium for all subscribers.

Advisory Committee *continued from pg 1*

various retiree associations. The input from this Health Insurance Advisory Committee was invaluable in the decision-making process.

The committee included representation from the Arizona Educators Association-Retired, the Arizona State University Retiree Association, the University of Arizona Retiree Association and retirees from state,

Non-Medicare Plans: These plans will also be offered with a slight rate reduction for this year and we will continue offering the six in-state plans and one out-of-state plan with lower-cost premium and tiered deductibles, giving our non-Medicare retirees the ability to choose a plan that best suits their needs and budget.



Dental Plans: Sun Life dental plan benefits and premiums will remain unchanged in 2019 as part of a three-year rate and plan design agreement negotiated in 2018. |

county, municipality and school employers.

The ASRS also engaged a consultant, The Segal Group, as well as our retiree health insurance provider, UnitedHealthcare of Arizona.

The ASRS greatly appreciates the retirees who volunteered for the Health Insurance Advisory Committee, and we look forward to engaging with retirees in the future as we strive to continue to provide meaningful programs for our members. |

UnitedHealthcare Plan Premiums

2019 Medical Plan Premiums

The chart below shows the single coverage monthly premiums, effective January 1, 2019 for the 2019 calendar year:

United Healthcare Premiums RETIREE-ONLY COVERAGE	NEW 2019 Premium	Total Monthly Savings <i>(compared to 2018)</i>	BREAKDOWN OF 2019 MONTHLY SAVINGS ON PREMIUMS	
			Monthly Savings Negotiated for 2019	2019 Monthly Savings Due To RRA
Choice 1 Single	\$925	\$8	\$4	\$4
Choice 2 Single	\$885			
Choice 3 Single	\$803			
Navigate 1 Single	\$869	\$8	\$4	\$4
Navigate 2 Single	\$819			
Navigate 3 Single	\$745			
Choice Plus Single HMO (out of state)	\$1,329	\$10	\$6	\$4
Medicare Advantage HMO Single	\$97	\$125	\$53	\$72
Medicare Advantage PPO Single	\$167	\$184	\$82	\$102

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 Decreases:

The ASRS is proud to announce lower premiums on all plans. Plus, as with any plan year, member out-of-pocket cost may be even lower than the premiums stated above once the member's applicable ASRS Premium Benefit is applied as an offset each month.

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.

Note: for additional information about the RRA, please visit page 11 of your Enrollment Guide. |

Apply Online!

Whether it's your first time enrolling in the ASRS medical and dental plans, or you need to make changes to your current coverages, be sure to use the ASRS' Retiree Online Health Insurance application. It's quick, easy & secure!

To get started, log into your secure myASRS account to complete your open enrollment 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** in this packet 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 6-7 for a complete listing of Medicare and Non-Medicare Open Enrollment meetings. |

Medicare Plan Comparisons...

New Group Medicare Advantage PPO Plan

SENIOR SUPPLEMENT IS BEING REMOVED, EFFECTIVE DECEMBER 31, 2018

For ASRS retirees on Medicare: The new Group Medicare Advantage PPO plan is available to all! As of December 31, 2018 the Senior Supplement plan is being discontinued. If you are currently enrolled in the Senior Supplement plan, you will be automatically enrolled into the Group Medicare Advantage PPO plan for coverage beginning January 1, 2019.

The medical and prescription benefits of the new Group Medicare Advantage PPO plan are designed to combine the best of the Senior Supplement benefits and the Medicare Advantage HMO plan benefits. See the table below for a benefit comparison of all three plans.

	Current Senior Supplement (2018)	New Group Medicare Advantage PPO (2019)	Existing Group Medicare Advantage HMO (2019)
Premium	\$351 per month	\$167 per month	\$97 per month
ID Cards	3 Cards: Medicare, Medical ID Card & Prescription Drug Card	One ID Card for all services on Medicare Advantage plans	
Virtual Doctor Visits & HouseCalls Programs	Not Available	Available for all Medicare Advantage plans	
Network	Any willing Medicare provider		In-Network Only, except for emergencies
Regular Doctor Visits, Labs, In-Patient & Out-Patient Benefits and Prescription Co-Pays	Same benefits		Equal or higher co-pay than PPO
Part D Prescription Coverage in the Gap	Co-insurance in the coverage gap (37% for generics / 25% for brand)		Continue your co-pay in the coverage gap
Part D Prescription Formulary Drug Match	Senior Supplement Formulary	Medicare Advantage Formulary; 98.4% match to Senior Supplement	Medicare Advantage Formulary

The new Group Medicare Advantage PPO plan offers a number of new care management services not previously offered to retirees who enrolled in Senior Supplement, including access to Virtual Visits, HouseCalls, routine podiatry and hearing exams as well as better foreign travel and hearing aid benefits. Read the Enrollment Guide for more details on these programs.

Same as the Senior Supplement, the new Group Medicare Advantage PPO network provides for a national service area that includes all U.S. counties, District of Columbia and all U.S. territories. The plan travels with the retiree and allows access throughout the United States without referrals.

Prescription drug coverage in the gap remains the same on the Group Medicare Advantage PPO as it was on Senior Supplement. See the Guide for more details. Special note for retirees converting from the Senior Supplement to the new Group Medicare Advantage PPO: some medications (less than 2% of prescriptions) are considered to be “High Risk Medications.” Prior authorizations may be required to continue to utilize these medications once coverage is moved from Senior Supplement to the Group Medicare Advantage PPO. Additional formulary alternatives are also available.

This new Group Medicare Advantage PPO plan is different and should not be confused with individual UnitedHealthcare Medicare Advantage plans that might be available in your area; most plans that are advertised on TV or in magazines are individual plans. This is a custom Group Medicare Advantage (PPO) plan designed exclusively for ASRS retirees. |

UHC Calling!

It may seem unusual, but next time your phone's caller ID reads "UnitedHealthcare," there's a good chance it's an offer to connect you with information to help you manage your health!

Wellness Coaching. You might receive a call from a UnitedHealthcare wellness coach to discuss programs to help you achieve your wellness goals.

Welcome Home. A Care Coordination nurse may call after you return home from a hospital stay to help confirm you have after-care instructions, medication, medical equipment or other needs.

Disease Management. Our nursing staff may call to connect diabetic or coronary disease patients with resources to help manage their illness.

If you miss one of UHC's calls, please call their customer care professionals. |



Comments?

Your Retirement is

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We welcome letters & emails from our readers:

DigitalCommunications@AzASRS.gov

Your Retirement, Editor

P.O. Box 33910

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Director's Message *continued from pg 1*

the underlying health costs and lack of supplemental funding generated by these plans only allow for a very modest decrease in premium cost. A continued major initiative of the ASRS is to further analyze the possibility of offering our non-Medicare eligible retirees lower premiums in the future by self-insuring or restructuring our non-Medicare programs.

In total, ASRS retirees will save more than \$66 million in medical premiums in 2019 compared to 2018, representing about a one-third savings on premiums for the approximately 37,000 participating members! This has been a top priority of the ASRS for years, and we are pleased to now be able to offer these rates to our members in 2019.

Please also note that this is again a 'passive' Open Enrollment year for ASRS plans, meaning if you are happy with the ASRS group retiree benefits you have this year, you do not need to do anything in order for you to be re-enrolled in 2019, under the new, lower, plan premiums. However, we strongly encourage you to look closely through the materials contained in this Open Enrollment packet. You may also wish to attend one of the many upcoming meetings we have scheduled. As always, we are here to assist you in making the most appropriate choices when it comes to your health care.

Finally - the ASRS will continue to explore opportunities to keep our health insurance plans as affordable and valuable as possible. Our research and focus is constant in this area. |

State Employees Charitable Campaign

Did you know Arizona state retirees can donate to charity through the State Employees Charitable Campaign?

Make your donation to be eligible to win great prizes!
The 2018 campaign runs **Oct 2nd - Nov 16th**.

For more information visit **SECC.Az.gov**
Or, call (602) 542-7770.



Medicare Eligible Retirees

2019 Open Enrollment Meeting Schedule

PHOENIX	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/1	9 AM
	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/14	11:30 AM
	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/26	9 AM
	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/29	11:30 AM
TUCSON	ASRS Boardroom, 4400 E Broadway Blvd #200	11/1	9 AM
	ASRS Boardroom, 4400 E Broadway Blvd #200	11/5	11:30 AM
	Pima County Parks & Recreation, 3500 W River Rd, 1st Floor Conference Room	11/16	11:30 AM
	ASRS Boardroom, 4400 E Broadway Blvd #200	11/27	11:30 AM
CASA GRANDE	Casa Grande Elementary School District, 220 W Kortsen Rd, Board Room	11/19	9 AM
FLAGSTAFF	Flagstaff Unified School District 3285 E Sparrow Ave, Governing Boardroom	11/7	11:30 AM
GLENDALE	City of Glendale, 5850 W Glendale Ave, Council Chambers (Handicapped may park in garage; all others must park in open lot at 59th & Myrtle)	11/15	9 AM
MESA	Mesa Public Schools Boardroom, 549 N Stapley Dr	11/8	9 AM
PRESCOTT VALLEY	Humboldt Unified School District, 6411 N Robert Rd, Building 500, Transportation Training Room	11/6	9 AM
SHOW LOW	Council Chambers, 181 N 9th St	11/14	9 AM
SIERRA VISTA	Cochise College Student Union, 901 N Colombo Ave, Large Conference Room	11/8	9 AM
TEMPE	Tempe History Museum, 809 E Southern Ave, Community Rm	11/6	9 AM & 2:30 PM
YUMA	City of Yuma, One City Plaza, Training Room	11/20	9 AM

CAN'T ATTEND AN IN-PERSON MEETING? CHECK OUT OUR ONLINE WEBINARS!

Registration for online meetings is required. Log into your **myASRS** account and select "Member Meetings"

WEBINARS	Medicare Open Enrollment webinars:	11/5	9 AM
		11/13	1 PM
		11/20	9 AM
		11/28	1 PM
	Dental Open Enrollment webinars:	11/5	11 AM
		11/13	11 AM
		11/20	11 AM
		11/28	9 AM

Non-Medicare Retirees

2019 Open Enrollment Meeting Schedule

PHOENIX	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/1	11:30 AM
	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/14	9 AM
	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/26	11:30 AM
	ASRS Boardroom, 3300 N Central Ave 10th Flr	11/29	9 AM
TUCSON	ASRS Boardroom, 4400 E Broadway Blvd #200	11/1	11:30 AM
	ASRS Boardroom, 4400 E Broadway Blvd #200	11/5	9 AM
	Pima County Parks & Recreation, 3500 W River Rd, 1st Floor Conference Room	11/16	9 AM
	ASRS Boardroom, 4400 E Broadway Blvd #200	11/27	9 AM
CASA GRANDE	Casa Grande Elementary School District, 220 W Kortsen Rd, Board Room	11/19	11:30 AM
FLAGSTAFF	Flagstaff Unified School District 3285 E Sparrow Ave, Governing Boardroom	11/7	9 AM
GLENDALE	City of Glendale, 5850 W Glendale Ave, Council Chambers (Handicapped may park in garage; all others must park in open lot at 59th & Myrtle)	11/15	11:30 AM
MESA	Mesa Public Schools Boardroom, 549 N Stapley Dr	11/8	11:30 AM
PRESCOTT VALLEY	Humboldt Unified School District, 6411 N Robert Rd, Building 500, Transportation Training Room	11/6	11:30 AM
SHOW LOW	Council Chambers, 181 N 9th St	11/14	11:30 AM
SIERRA VISTA	Cochise College Student Union, 901 N Colombo Ave, Large Conference Room	11/8	11:30 AM
TEMPE	Tempe History Museum, 809 E Southern Ave, Community Rm	11/6	11:30 AM
YUMA	City of Yuma, One City Plaza, Training Room	11/20	11:30 AM

CAN'T ATTEND AN IN-PERSON MEETING? CHECK OUT OUR ONLINE WEBINARS!

Registration for online meetings is required. Log into your **myASRS** account and select "Member Meetings"

WEBINARS	Non-Medicare Open Enrollment webinars:	11/5	1:30 PM
		11/13	9 AM
		11/20	1 PM
		11/28	11 AM
	Dental Open Enrollment webinars:	11/5	11 AM
		11/13	11 AM
		11/20	11 AM
		11/28	9 AM

Finding a Dental Provider

Good news, retirees! There are no increased costs or changes to Sun Life dental plans being offered this year.

There are three ways to find a PPO or DHMO/Prepaid dentist.

Online

If you are not currently registered, you can do so at 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.
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 & 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 & 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 is available at AzASRS.gov/content/dental-vision-coverage. |



2018 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 TO CHANGE A PRIOR ELECTION, NO ACTION IS NECESSARY.

If you wish to make, change or revoke an election, ASRS retirees may do so in their secure **myASRS** account. Log in to your secure **myASRS** page at 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

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. |