



# Your Retirement...

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

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

## **Affordable Care Act & the Arizona Health Insurance Marketplace**

The ASRS has produced a unique guide on the federal Affordable Care Act that could be helpful to non-Medicare retirees and others as they navigate new options for health insurance.

Available now on the ASRS website, [AzASRS.gov](http://AzASRS.gov), under the “Here’s What’s New” section and also under the Retiree tab at the top of the homepage, under Health Insurance, the ASRS has prepared this 60-page summary guide for non-Medicare employees and retirees regarding the Affordable Care Act (ACA) and the Arizona Health Insurance Marketplace. The ACA became operational January 1, 2014 for all non-Medicare residents across the U.S.

The ACA aims to increase the quality and affordability of health insurance, lower the number of uninsured by expanding public and private insurance coverage, and reduce the overall cost of health care. It provides a number of mechanisms, including mandates, subsidies and an insurance exchange, with the goal of improving coverage and affordability. The law also requires insurance companies to cover all applicants within new minimum standards and offer the same rates regardless of pre-existing conditions or gender.

The ACA requires each state to operate or participate in a web-based Health Insurance Marketplace, also known as an exchange, where non-Medicare residents may purchase private insurance coverage. Coverage would begin as early as January 1, 2104. Through the online insurance Marketplace, consumers will be able to compare plans, premiums, and

*“Affordable Care Act,” continued on page two*

## **ASRS Retiree Health Insurance Program RFP**

The ASRS must place its retiree health insurance program out to bid this year. Calendar year 2014 is the last year of the 5-year contract that was begun with UnitedHealthcare in 2010. The Request for Proposals (RFP) will be issued in January. Responses from insurance carriers will be evaluated by staff and members of the ASRS all-retiree Health Insurance Advisory Committee beginning in March. Best and Final Offers will be evaluated in April with the Operations and Audit Committee of the ASRS Board of Trustees recommending award of the next contract(s) to the full Board in May. The ASRS Board will announce the award(s) at its May public meeting.

ASRS retirees enrolled in an ASRS retiree health insurance plan have experienced premium increases and plan changes over the past five years.

*“Insurance RFP,” cont’d page two*

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## Affordable Care Act... *continued from page one*

health care provider networks. The primary goal of the ACA is to provide health insurance access to the uninsured and to provide a competitive marketplace for plan premiums and coverage.

The guide identifies the nine (9) insurance companies in Arizona that have elected to offer select private insurance plans through the online Arizona Health Insurance Marketplace. The Marketplace is accessed through the federal **HealthCare.gov** website. On the website, you can review 110 different private health insurance plans offered in Arizona separated into metal categories: Bronze, Silver, Gold, and Platinum. The different metals associate what portion of incurred medical expenses are to be paid by a plan in that category. For example, a Bronze plan will pay approximately 60% of medical expenses while you are responsible for the remaining 40%. As a result, premiums for a Bronze plan are lower because you would be responsible for paying a higher share of incurred medical expenses. In a Platinum plan, 90% of incurred medical expenses would be paid by the plan while you would be responsible for the remaining 10%. Therefore, premiums for a Plati-

num plan are higher because you would be responsible for paying a lower share of incurred medical expenses.

The guide also describes the essential health benefits that are included in each Marketplace plan. The ACA has determined what benefits are to be included and has structured each plan offered by an insurance company to conform to these benefits. These essential health benefits are highlighted on each comparison page of the guide for easy readability and comparison from plan to plan. There is also a section on the retiree health insurance plans the ASRS and the Arizona Department of Administration (ADOA) offer to its non-Medicare enrollees.

This guide is a tool for all non-Medicare retirees, including ASRS-employer employees, who may not be eligible for their employer's health insurance coverage or not eligible to enroll in the ASRS retiree health insurance program. All non-Medicare eligible retirees and employees are encouraged to better educate themselves on the opportunities the ACA and the Arizona Health Insurance Marketplace offer. ■

## Insurance RFP... *continued from page one*

For the most part, the ASRS has negotiated favorable premiums on behalf of its Medicare eligible enrollees having had only one premium increase during the 5-year contract which occurred in 2010. Non-Medicare eligible retirees, whether in-state or out-of-state, have experienced premium increases each year of the contract. The ASRS has supplemented the full cost of non-Medicare premiums by using funds received from the U.S. Department of Health and Human Services' Early Retiree Reinsurance Program (ERRP). The use of those funds have mitigated the actual premiums for non-Medicare coverage charged by UnitedHealthcare. As a result, non-Medicare retirees pay reduced premiums for their ASRS health insurance plans. However, during 2014, the ERRP funds will become depleted causing potential substantial increases to non-Medicare

premiums beginning in 2015.

One of the goals of this RFP is to provide stability and affordability for our non-Medicare retirees in the offering of retiree health insurance plans by the ASRS. Such a goal becomes increasingly difficult for our non-Medicare population when utilization and health care cost trends are increasing. Combating any premium increase requires consideration of higher copayments, lower coinsurance percentages, the introduction of or increase to deductibles, and other plan provision limitations. These all affect the value a plan has for our members. We will welcome the review and evaluation of all insurance carriers during this RFP process to learn what they would offer to eligible retirees that would provide health insurance plan value for all enrollees. ■

## Resolution Solution... *Get Active With SilverSneakers®*

With the start of 2014, you may be thinking about New Year's resolutions. Among the most common resolutions are to lose weight, get in shape and be healthier. While these can also be some of the harder goals to reach, retirees and dependents enrolled in an ASRS health insurance plan have an excellent benefit to help stay on track toward a healthy lifestyle – Healthways SilverSneakers® Fitness Program.

SilverSneakers can help you get the amount of activity recommended by the Centers for Disease Control and Prevention: at least 2-1/2 hours of moderate-intensity aerobic activity (such as brisk walking) every week and muscle-strengthening activities two or more days a week that work all major muscle groups (legs, hips, back, abdomen, chest, shoulders, and arms).\* SilverSneakers members all over the country use the program to stay active, feel better and make new friends.

Through exercise and fun social activities, SilverSneakers may help you:

- Reach and stay at a healthy weight
- Build stronger muscles
- Improve heart health
- Have healthier bones
- Be in a better mood
- Increase mental sharpness

If you're not a SilverSneakers member yet, sign up now. Just take your SilverSneakers ID card to the front desk at the location of your choice (visit **SilverSneakers.com** to find locations in your area). You should have received a SilverSneakers ID card in the mail, but if you don't have your card, call 888-423-4632 (TTY: 711) and ask for it to be mailed, and ask for your SilverSneakers ID number to use at the fitness location until you receive your card.

Those of you who are already SilverSneakers members can reflect on how the program has helped you. Maybe you need to jump-start your fitness routine by adding more visits during the new year. You might also think of friends you would encourage to join the program to make working out more fun.

Get a head start on keeping your 2014 resolutions. Visit a SilverSneakers fitness location today, and be on your way to a happy, healthy New Year! Visit **SilverSneakers.com**. ■

\* [TinyURL.com/CDCguide](http://TinyURL.com/CDCguide)

EDITOR'S NOTE: TinyURLs are used to shorten lengthy web addresses and will redirect you to the appropriate webpage.

*SilverSneakers® is a registered mark of Healthways, Inc.*

### Website Update -

## *Social Security Goes Mobile!*

The Social Security Administration (SSA) announced that users with smartphones will be able to access a new mobile-friendly version of their website. From this mobile site, you can login, view your social security statements, find the SSA on social media, locate and get directions to the nearest field office, and even listen to publications over the phone. Go to **SocialSecurity.gov** from your smartphone's browser. You can also access ASRS' website and your secure Member Homepage from your mobile device to view your personal benefit information and complete many tasks online.

*Visit SSA.gov to Get Started Today!*



# Start the Year Right & Maximize Your Dental Plan Savings!

No matter what your budget, most of us look for ways to get the most bang for our buck! One way for you to receive the most benefits from your dental plan is to understand how to maximize your savings. Whether you are a new retiree starting a new dental plan in January, or if you have changed plans during the last open enrollment period, or even if you have remained in the same dental plan, it is important to understand how your plan works. Let's review:

If you are enrolled in either of the Assurant indemnity dental plans—the Freedom Advance (“High Option”) or the Freedom Basic (“Low Option”) -- you can obtain your dental care from any dentist you choose, but you may spend less for your dental treatments and services by using an Assurant® Dental Network dentist. All the dentists who participate in the Assurant Dental Network have agreed to negotiated fee arrangements of up to 30% off their usual and customary fees. And, they will not balance bill you for services that are covered by the plan. To locate an Assurant Dental Network dentist near you, visit the dedicated web site that Assurant hosts for ASRS members: **AssurantEmployeeBenefits.com/ASRS**. You will then click on the link for the PPO plans (the Freedom Basic or Freedom Advance plans) “Click here to find a local dentist”. You can

search for a dentist by name, specialty and/or by location according to the address and mileage parameter you select. For help finding an Assurant Dental Network dentist, call Assurant at 800-442-7742.

If you are enrolled in the Prepaid or Dental Health Management Option (DHMO) dental plan (note: the Prepaid plan is only offered in certain states and the DHMO plan is only offered in Arizona), you must select a participating network general dentist as your primary dentist. Each family member can choose a different general dentist, and you have the freedom to change your dentist during the year (up to once a month). In the event you need dental care from a specialty dentist, you must select a network specialist (certain exceptions apply with the DHMO plan). To locate a Prepaid or DHMO dentist, follow the same search steps as above, but click the applicable link under the DHMO dental plan options depending on whether you are enrolled in the Heritage or DHMO 220 dental plan. For help finding a Prepaid/DHMO dentist, call Assurant at 800-443-2995.

An on-site Assurant representative is also available to assist you with your dental plan questions at 602-240-2032 (in Phoenix), 520-239-3100 x2032 (in Tucson), or 800-621-3778 x2032 (out-of-area). ■

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## Working After Retirement

### Retiree Return to Work Form

In general, if an ASRS retiree returns to work for an ASRS employer and works or agrees to work 20 or more hours a week for 20 or more weeks in a fiscal year, their pension is at risk of being suspended and active membership resumed. There are, however, certain conditions in which a retiree can qualify to remain retired while working for an ASRS employer.

It is the member's responsibility to ensure compliance with the ASRS return to work rules and statutes. Be sure to check with your potential employer and review the information on the ASRS website to ensure compliance, and complete the “Retiree Re-

turn to Work for An ASRS Employer,” if applicable. The form and additional information can be found about this important topic can be found in the *Working After Retirement* section on **AzASRS.gov**.

### Alternate Contribution Rate

Legislation passed in 2011 under Senate Bill 1609 authorized the ASRS to implement an Alternate Contribution Rate for retirees who return to work. The rate will be applied against the retiree's wages and remitted by the employer. The purpose of the legislation is to mitigate the potential actuarial impact that retired members who return to work might have on the ASRS trust fund. ■

## WellCard Health 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 a wide range of health services, including:

- Prescriptions • Dental Care • Lab Tests
- Vision Care • Hearing Care
- MRI & Imaging Services

WellCard Health is currently accepted by over 410,000 health care providers and 59,000 retail pharmacies throughout the United States, including major chain, community and mail order pharmacies.

With WellCard Health, saving money on health care expenses is easy. First, you can find participating providers by using the “Provider Lookup” page at **WellCardHealth.com** or by calling the toll-free Provider Lookup phone number on the card. 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 or visit a participating provider.

Anyone can use the card, regardless of age, income or health status. WellCard Health can also supplement existing benefit programs, including Medicaid, Medicare, employer benefits, and private insurance. It provides valuable discounts on prescription services that may not be covered by certain benefit plans.

If you would like additional information on the WellCard Health program, please visit the ASRS website at **AzASRS.gov**. Mouse over the “Retirees” tab at the top of the page and click on “Prescription Savings.” Or, visit **WellCardHealth.com** to check the estimated cost of a specific medication or to find a participating pharmacy or provider. ■

## 2014 Social Security COLA

Social Security recipients will receive a 1.5 percent increase in Social Security payments beginning in January, the result of a slight increase in the Consumer Price Index. Social Security pays retired workers an average of \$1,272 per month. A 1.5 percent raise comes to about \$19 per month. It is small because consumer prices haven’t gone up much in the past year.

By law, the cost-of-living adjustment (COLA) is based on the consumer price index for urban wage earners and clerical workers, a broad measure of consumer prices generated by the Bureau of Labor Statistics. It measures price changes for food, housing, clothing, transportation, energy, medical care, recreation and education.

The COLA is calculated by comparing consumer prices in July, August and September each year to prices in the same three months from the previous year. If prices go up over the course of the year, benefits go up, starting with payments delivered in January

In some years, part of the COLA has been erased by an increase in Medicare Part B premiums, which are deducted automatically from Social Security payments. But Medicare announced in October that Part B premiums, which cover doctor visits, will stay the same in 2014 - \$104.90 a month for most seniors.

As our retirees know, the ASRS is not authorized to provide cost-of-living increases. The ASRS does have statutory authority to provide for an increase in benefits through a Permanent Benefit Increase or PBI, but only when there are excess earnings to do so. Given the market performance over the past 10-year period that the ASRS uses to recognize gains and losses over time, it is expected to be several years before the PBI pool can rebound from the market downturns in 2007 and 2008 to provide for an addition to the PBI for retirees. ■

## Assurant Employee Benefits Renames its Dental PPO Network

Assurant Employee Benefits renamed its dental PPO network in August 2013. If you are enrolled in the Freedom Basic® or Freedom Advance® dental plan (the “Low” or “High” option plans), you may be familiar with the Dental Health Alliance, L.L.C.® (“DHA®”) PPO network name. Assurant Employee Benefits’ PPO network is now called the Assurant® Dental Network. The Assurant Dental Network includes dentists contracted with Dental Health Alliance, L.L.C. and dentists under access arrangements with other PPO dental networks.

The name change to Assurant Dental Network changes nothing with your benefits or dentists. The Assurant Dental Network will continue to grow and expand to offer even more participating dentists for your convenience. With more than 100,000 dentists

in its network currently, Assurant Dental Network is one of the largest PPO dental networks in the country based on unique dental providers.

Using an Assurant Dental Network provider may save you money when you visit the dentist. All of the dentists who participate in the Assurant Dental Network have agreed to negotiated fee arrangements of up to 30 percent off their usual and customary fees and they will not balance bill you for services that are covered by the plan.

To locate an Assurant Dental Network provider near you, visit the web site that Assurant Employee Benefits’ hosts for our retirees at [AssurantEmployeeBenefits.com/ASRS](http://AssurantEmployeeBenefits.com/ASRS) or contact an Assurant customer service representative at 800-442-7742. ■

## Understanding Your 1099-R Form from the ASRS

The federal Form 1099-R statement for calendar year 2013 will be mailed to ASRS retirees during the last week of January. If you have not received it by February 15, 2014, please call the ASRS at 602-240-2000 in metro Phoenix, 520-239-3100 in metro Tucson, or 800-621-3778 outside of metro Phoenix and Tucson. **Please do not call before February 15th**, as we must allow sufficient time for the forms to be delivered before we will order reprints of your 1099-R. You will receive a separate 1099 form for each benefit account you have with the ASRS.

If you want to know the total amount withheld for

health insurance premiums, please refer to your December 1, 2013 check stub or direct deposit summary (which can be accessed online at [AzASRS.gov](http://AzASRS.gov)). On the right side of your statement, under “year-to-date,” you will find the total amount of your premiums on the line marked “HLTH INS PREM” On the left side of the statement, under “year-to-date,” you will find the total amount of your premium benefit on the line marked “HI PREM BENEFIT.” The ASRS paid this amount toward your health insurance during 2013. Subtract the premium benefit amount from the total premium amount and the result is what was withheld for health insurance premiums during 2013. ■

## Who’s Your Beneficiary?

As part of the retirement application, members must designate a beneficiary - a person or trust that may be entitled to benefits upon the death of the member. Surviving beneficiaries of retired members electing the straight life annuity are entitled to benefits that include any remaining portion of a

retiree’s original contributions. Or, depending upon the annuity selected at the time of the retirement, a beneficiary may be entitled to continuation of all or a portion of the retiree’s original monthly benefit.

Retirees can view and update their designated beneficiaries by logging into the ASRS website. ■

## Pension Check New Year Reminders

If you have enrolled or changed your retiree health care coverage for calendar year 2014, don't forget to verify your pension payment summary for the correct premium for the coverage(s) you elected.

If you feel your deductions for health insurance plans are not accurate, you must notify ASRS Member Services within 30 days of your effective date. Changes or additions to health insurance

selections requested beyond 30 days will only be allowed if there is a Qualifying Event.

Please remember that all your pension check information is available in your personal, secure ASRS online account at [AzASRS.gov](http://AzASRS.gov). Click the button labeled "Login Here" to log into your account and view your statements. ■

## All Retiree Health Insurance Advisory Committee to Evaluate RFP Medical Plan Proposals

The ASRS will convene the committee of retiree representatives to assist in the evaluation of proposals from insurance companies for retiree health insurance plans that will become effective January 1, 2015. As noted on page 1 of this newsletter, a Request for Proposals (RFP) will be issued in January, 2014 to seek retiree health insurance coverage for Medicare and non-Medicare retirees.

The committee is charged with the responsibility of making recommendations to the Operations & Audit Committee of the ASRS Board regarding ASRS retiree health insurance plans; educating itself about substantive issues affecting senior health care; serving as a sounding board for ideas and concerns to prevent or minimize systemic problems in the administration of retiree health care; and, providing insight and representation on the direction of "their" and "your" health care plans. One of the principal requirements of participation on the committee is to be enrolled in an ASRS retiree health care plan. This gives each representative specific insight and knowledge as to how health care delivery systems affect them and you.

The committee will meet throughout March and the first part of April to assist ASRS staff in the evaluation of proposals with the goal of recommending a health care providers to the Operations

and Audit Committee of the ASRS Board in early May.

Committee members represent the following organizations:

- All Arizona School Retirees Association
- Arizona Association of Counties
- Arizona Association of School Business Officials
- Arizona Education Association – Retired
- Arizona Federation of State, County and Municipal Employees
- Arizona School Administrators' Association
- Arizona State Retired Employees Association
- Arizona State Retirement System
- Arizona State University Retirees Association
- Corrections Officer Retirement Plan
- Elected Officials' Retirement Plan
- League of Cities and Towns
- Maricopa County Community College Retirees Association
- Northern Arizona University Retirees Association
- Public Safety Personnel Retirement System
- University of Arizona Retirees Association



## Arizona State Retirement System

### Your Retirement

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Phoenix AZ 85067-3910

#### Contact Us

##### Online:

AzASRS.gov

##### By Secure

##### Email:

AzASRS.gov/

web/ContactUs.do

#### Not Online?

In Phoenix:

602-240-2000

In Tucson:

520-239-3100

Toll-Free:

800-621-3778



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AzASRS



The ASRS has developed a library of informative webcasts for retired members.

Topics include:

- \* How to Read Your Payment Summary
- \* WellCard
- \* Explanation of 1099-R Tax Form
- \* Becoming Medicare Eligible
- \* Non-Medicare & Medicare Health Insurance Plans
- \* Retiree Dental Insurance Plans
- \* Having Trouble Logging In?

To view any of our webcasts, visit **AzASRS.gov**, click the "Interactive" tab and select "Member Webcasts". New topics added regularly!