TRANSITIONING TO AON RETIREE HEALTH EXCHANGE FOR USG MEDICARE ELIGIBLE RETIREES

[***Notes here by Anne Richards are a composite summary of two meetings:***

August 25, 2015 - MEETING AT GEORGIA HIGHLANDS COLLEGE
August 27, 2015 - MEETING AT UNIVERSITY OF WEST GEORGIA

Both meetings were conducted by the same people, and they provided the same basic information. A few comments made in one location were not made in the other. These are noted in italics in what follows. Also, at Georgia Highlands College, once the formal presentations concluded, persons began getting up and leaving and there was no official question/answer period. Instead, persons with questions asked them individually. At the University of West Georgia, persons who wanted to leave were given the opportunity to do so once the formal presentations concluded. Those who remained asked several questions that were answered over a microphone so others present could hear the responses.]

At Georgia Highlands College, Terri Cavender, Human Resources Manager welcomed the group.
At the University of West Georgia, Juanita Hicks, Associate Vice President of Human Resources welcomed the group.

Karin Elliott, Associate Vice Chancellor for Total Rewards, University System of Georgia, opened both meetings and explained *[at GHC that it was planned to last for 1 and 1/2 hours]*. There was "a lot of information to cover" that was important for retirees but attendees were invited to get up as it was presented to get a snack and something to drink (provided at the back of the room). This was information that included things that hadn't been shared at the April meetings, Karin noted.

Just like in March and April, Karin said, USG HR personnel were traveling to all institutions in the state to bring information to retirees. "This is very important to the System Office," Karin said. "We want you to ask any question you have. We know we have a diverse group of retirees with a lot of unique needs and we want to address and meet these throughout the transition." She also mentioned that the USG had asked for retiree volunteers at the April meetings to provide feedback to the USG HR office about communications regarding the transition to the new healthcare system. About 30 persons did volunteer who have been giving the USG HR office feedback about what retirees are thinking about and want to know. This feedback has led HR personnel to revise communications and to help the USG HR office understand some of the questions and concerns retirees have so they could be addressed in today's presentation. Karin expressed appreciation for the time given by those retirees *[and at UWG also expressed appreciation for the work of the newly-formed University System of Georgia Retiree Council, as its members have provided helpful feedback as well]*. Volunteer retirees have also participated in mock enrollment sessions and both the USG and AON got "a lot of really good information and feedback" from these sessions. Karin also stated that she believed the volunteers "felt much more comfortable after these calls" because they better understood how the calls would be handled. She said that "If you have questions or concerns," please reach out to your HR

representative on your campus or to the USG HR Office. All involved will do what they can to address these questions and concerns.

So far as today's meeting was concerned, Karin said "We're here to give you the information that can help you to prepare for the enrollment." It's our priority and AON's to be sure you have all the tools and information you need to make this transition. Each retiree should have received a 2015-2016 Medicare-Eligible Retiree Guide, mailed to his or her home and some of its contents were covered in the April meetings. It is also posted on the USG HR website. She asked attendees to let her know if they didn't get this publication. The USG wants to insure that it has accurate information about the whereabouts of each retiree because more information will be sent in the mail to retirees, including (in September) an enrollment kit.

The **Agenda for Today's Meeting was presented as follows:**

What is Changing for 2016?
2016 USG Funds to Health Reimbursement Account (HRA)
Your Health Reimbursement Account (HRA)
The AON Retiree Health Exchange
Learn About Medicare
Options for Enrolling
Paying for your Coverage
Tools to Help you Enroll
Timeline and Next Steps
Questions - Attendees were asked to write down questions they had as the presentations went along, and to hold all their questions until the end of the meeting. "We'll be here as long as you need us to be here to answer specific, individual (and perhaps personal) questions."

[At UWG, Karin told a short story at this point about a prior meeting with retirees that took place in April. A person attending the meeting came up to her after it was over and said "Thank you so much for coming out and talking to us. I really appreciate this. I didn't understand a word you said, but I really appreciate your being here." Karin went on to say that if this was the experience of some in the room, "rest assured that, after today, you won't feel that way."]

She then went on to explain that, in 2016, Medicare-eligible retirees will receive healthcare coverage in a new way.

1. What will stay the same is that Medicare A&B will be primary coverage for Medicare-eligible retirees, as it is today.
2. Supplemental coverage will be provided through purchase involving AON Retiree Health Exchange
3. The benefit from the USG will take the form of a deposit of money into a Health Reimbursement Account (HRA) for a retiree (and his or her Medicare-Eligible spouse) to use towards the payment of premiums and out-of-pocket healthcare expenses. Other things not changing in 2016 are any dental, vision, or life insurance that retirees already have. They can continue this coverage. This insurance will roll over into the coming year and stay the same. You don't have to do anything and you will continue to pay for this coverage as you do today.

To receive the health reimbursement funds from the USG into a Health Reimbursement Account, a Medicare-Eligible retiree:

1. Must be enrolled in Medicare, Parts A&B
2. The retiree and his or her spouse must be enrolled in the USG Healthcare plan in 2015. Hopefully, Karin mentioned, you already know that if you dropped coverage with the USG in the past, you cannot pick it up at any date after you dropped it. The same is true for dental, vision, and life insurance coverage.
3. The Medicare-eligible retiree must purchase coverage through the AON Retiree Health Exchange.

If spouses are Medicare-eligible, they participate in the AON Retiree Health Exchange and are eligible for an HRA. A retiree must be enrolled in coverage for a spouse to receive coverage in the USG plan or to receive his or her own HRA contribution from the USG to defray healthcare costs.

In accordance with a decision made by the USG over the summer, which was approved by the Board of Regents on August 12, 2015, if spouses are pre-age 65 but are Medicare Eligible due to disability, they will remain on the USG Plan. *This involves about 200 of our retirees. [UWG]*. If they did not remain on the existing plan, their premiums for healthcare coverage would double or triple. To protect these individuals from facing such a steep rise in healthcare coverage costs, it was decided by the USG that such individuals will remain on the USG Plan. Also, retirees who are pre-age 65, and thus not Medicare Eligible, will remain on the USG Plan. Both stay on the USG plan until age 65, at which point they will transition to the AON Retiree Health Exchange.

The USG will continue to provide coverage for dependent children until they reach age 26 and a spouse under the age of 65 will continue to receive coverage under the USG plan also. Separate rates have been set up for spouse only and child only. That information will be provided to retirees by their campus HR office.

In 2016 the USG will fund the HRA with $2,736 per person (which amounts to $228/month). This amount was approved by the Board of Regents at its meeting on August 12, 2015.

The full amount ($2,736) will be available to the HRA on January 1, 2016. The Medicare-eligible retiree and the Medicare-eligible spouse will each receive $2,736/year. Retirees will decide how they want to have these funds reimbursed over the course of the year.

Karin noted that this number doesn't mean much until retirees see the amount of the premium they will be facing. But the presentation to follow was designed to give retirees some ideas about what this will cover.

With regard to the question: **Is this amount fixed, or will it change from year to year?** Karin explained that it is <u>not</u> fixed. Each year, the USG looks at the amount it provides system employees and retirees and the Board approves a set amount in support of healthcare coverage every year. To determine the amount provided, the USG looks at what the medical trend is, the rate at which medical costs are increasing in the industry, how USG costs are increasing, and what the USG budget is. Taking all this into account, the amount to be provided retirees if

determined. It could increase, decrease, or stay the same over time**. Any unused funds in HRA accounts, however, will roll over from year to year**. This was designed to be as flexible as possible. These funds can thus be used for such e**ligible reimbursement expenses** as:

Medicare Supplemental Premium
Medicare Advantage Premium
Part D (Prescription Drug) Premium
Medicare Part B Premium
Medicare income and late enrollment penalties
Medical/Vision/Dental premiums
Out-of-pocket costs for dental/vision expenses
Co-insurance and co-pays

It has also been decided over the summer that a Medicare-eligible Retiree and his/her Medicare-eligible spouse will share a **JOINT HRA ACCOUNT**. Each will receive $2,736, but this funding will be placed for each in one joint account. This allows a couple "more flexibility." If a retiree is very healthy and a spouse is not as healthy, and if the retiree is not utilizing the full amount allotted to him or her as a result, the funds in the account can be used for the spouse. Because the funds will intermingle, they can thus be used depending on need.

Comparison of Premiums

Supplemental Plan (MEDIGAP)
This can provide a "richer level of coverage" than is available through the USG today.
In **2015** the premium range for the HIGHEST level of coverage cost $150-250 per individual/month or $1800-$3000 annually. Persons enrolling in such a plan must also enroll in a Part D (Prescription Drug) plan because MEDIGAP plans do not include prescription drugs.

Part D Prescription Drug Plan
In **2015** the average premium for this plan ran $35 per individual/month or $420 annually.

Medicare Advantage Plan (Part C)
Generally has a lower premium, but you pay more when you go to the doctor.
Includes prescription drug coverage.
In **2015** the premium ranged from $0 to $100 per individual/month or $0-1200 annually.

In **2016** Medigap plans are likely to run $185-285 per individual/monthly or $2220-3420 annually.
Medicare Advantage Plans will run $0-100 per individual/monthly.

If retirees choose a plan that costs under $228/month, they will have additional money in their Health Reimbursement Account after paying their premium (or not paying one in the case of some Medicare Advantage Plans).

Keep in mind that, in **2015** individuals in the USG Healthcare plan are paying an average of $116 per individual/monthly (or $1,392 annually). As a result, some retirees will pay less than they do today for their healthcare coverage in 2016.

Karin explained that, in making the transition to the AON system, the USG had two goals: They "wanted to make sure retirees will not pay more for a 2016 premium than they pay today." The System also "wanted to make sure the USG will not pay more for Medicare-Eligible retiree coverage in 2016 than it does today."

NOTE: If you do not enroll for coverage for 2016, you will not be able to enroll at a later date or get the USG subsidy to assist in paying for coverage going forward.

A non-Medicare-eligible or pre-65 spouse and dependent will remain enrolled in the USG plan until they turn age 65 or age out of the plan. Three months before they are 65 (or 26 in the case of dependent children), they will get a packet from AON about going through the enrollment process.

SURVIVORSHIP RULE

It was mentioned that this rule stays the same. **If a retiree predeceases a spouse and both are on the AON system in a joint account:** the entire amount in the HRA goes to the survivor and the survivor will continue to receive his or her HRA from the USG. If both die, the money reverts to the USG so attendees were encouraged to use it rather than let a lot of money roll over from year to year. In the event that both die, the estate will have 6 months to pay off outstanding medical bills before the remainder reverts back to the USG.

At this point in the program, Holly Kaplan from the AON RETIREE HEALTH EXCHANGE was introduced.

Holly said "It truly is my pleasure to be here today" and told attendees that if anyone couldn't hear her to raise his or her hand. She explained that her main goal was for retirees to "walk away from here with a clearer idea of what will take place" in enrolling with the AON Retiree Health Exchange, and how AON will help retirees make the transition.

Holly mentioned that she was currently on the AON "client management team," but that 5 years ago she had served as a Benefits Advisor. In this latter capacity, she said she had "successfully and happily transferred hundreds - maybe thousands - into the market" from their earlier group plan and in her present capacity she has "done 140 meetings around the country." At the beginning of every phone call and meeting she had been a part of, she noted, "there is anxiety, worry. And it's understandable. To change is hard." But "at the end of every phone call and every meeting you will give a sigh of relief, be more educated, have a much better sense about what to expect and what will take place. It isn't as bad as what you think." [*Holly also said at UWG that if she hadn't met her goal in this regard, to please come up and tell her at the end of the meeting.]*

Holly went on to say that "there will be a lot of information today and there will be a test at the end [meant as a joke] - but don't expect to remember everything. Your Benefits Advisors will go over everything with you as many times as needed until you understand."

What is a Private Medicare Exchange?

First, it is NOT a public, Affordable Care Act exchange. When you are on Medicare, you are already insured. AON is a private healthcare exchange. She said it was best to think of it "like a mall or marketplace where you have a wide variety of places you can go to shop for healthcare coverage with the assistance of a Benefits Advisor." AON has many plans and carriers to choose from, (e.g., Blue Cross/Blue Shield, Aetna, Humana, United Healthcare, to name a few) just as there are many stores in a mall. You can compare coverage, carriers, and prices. You get personalized one on one support from "one of the most trusted" organizations in this industry. Those working with AON realize that "change is very complex and can be overwhelming." AON is "one of the most trusted advisors" in providing assistance to retirees seeking healthcare coverage. AON offers a "broad range of health plans" and is the only exchange recommended by the National Council on Aging (NCOA) because of the level of customer assistance it provides. AON is "proud of that."

Learn and Prepare

To learn and prepare for enrollment, a retiree should do several things:

Attend a retiree meeting.

Read material in the Personalized Education Kit that will be sent in the mail mid-September.

Confirm your appointment with a Benefits Advisor - as indicated in the kit mailed to you.

It is important to call to confirm your appointment or to arrange to change the time for this call to one that best suits your schedule. If a retiree wishes to have trusted others on the call when enrolling, to act on his/her behalf, AON encourages this. [*UWG: If a person can't physically be present, AON can arrange for a conference call to include this person.]* When confirming your appointment, let your Benefits Advisor know if you have an official POWER OF ATTORNEY in place. If so, provide the contact information so that AON can contact the person holding Power of Attorney instead of the retiree. YOU DO NOT NEED PROOF of a POWER OF ATTORNEY when you confirm the first appointment with the Benefits Advisor. But you will likely need to provide this to a carrier or to Medicare when you move toward official enrollment. Also, a **retiree must tell the Benefits Advisor on the phone if he/she wants someone else to participate in the enrollment call(s). If a retiree wishes to say this at the outset of the call and then drop off the call, this is possible. If no Power of Attorney is in place, however, the retiree himself or herself must give the official OK over the phone about whatever final decisions are made regarding his or her healthcare plan choice(s). The Centers for Medicaid and Medicare Services (CMS) require that the retiree initiate the call with AON. This is why it is necessary for a retiree to call in to confirm the appointment with the Benefits Advisor.**

Prepare for your appointment with the Benefits Advisor by assembling the following:

a. Your Medicare card
b. Your list of doctors
c. Your list of medications.

Benefits Advisors are located in four places in the US:

Lincolnshire, Illinois	Charlotte, North Carolina
Orlando, Florida	Woodlands, Texas

[*Only the Lincolnshire, IL location was mentioned at UWG.]*
They are all licensed, certified, experienced, and extensively trained. "They know the products very well." All are salaried employees, so they have no incentive to steer you into one plan or another. They are dedicated to you throughout the entire process. You will have the same Benefits Advisor throughout the whole process. They will give you their name [*at UWG emphasis was given to the fact that this will be the benefit advisor's actual, real name]*, phone number, and private or personal extension so you can contact them directly at any time with any question. If they don't answer the phone, it's because they are speaking to/helping other retirees. Please just leave your name and question on their voicemail and they will call you back within 24 hours, unless you call on a Friday, in which case you'll hear back on the following Monday. There is also a language line if you want to speak with someone in a language other than English. And AON has a TTY number if you are hearing-impaired. Just let AON know if you want to utilize these services.

Compare and Select Your Coverage

Review and choose the right plan(s) with your Benefits Advisor.
Complete an Enrollment Application.
Enroll online or over the phone between October 1 and December 31, 2015.

To help narrow down the choices you will want to consider, Benefits Advisors will ask you: Do you want to have access to your same doctors? Do you like to have a co-pay or not? Do you like to travel? Do you have a second home? The Benefits Advisor can mail or email you copies of various benefits plans if you want to see them in writing before making a decision.

AON has discovered that retirees who go to meetings are much better educated and better prepared for the enrollment process. Some of you may already know what plan you want before you speak with a Benefits Advisor. After your first call with the Benefits Advisor, tell that person if you want to speak further with him or her before making a decision. You can have 2, 3, 4, 5 - however many calls you need - to make the decision. You just have to make a decision by the end of the year to avoid a lapse in coverage because your group plan is ending 12-31-15. Your first appointment will take about 60-90 minutes, depending on whether it is set up for a single individual or a couple. [*At UWG it was mentioned that if a couple gets two different appointment times, but wants to share a single call with a Benefits Advisor, just let AON know this.]* And retirees were reminded that if they need more time, the Benefits Advisor will give it. *[At UWG it was mentioned that the time/date of any additional phone appointment will be set at the end of each call.]*

Medicare - A Closer Look

Medicare A& B will be your primary source of healthcare coverage when the group plan ends. See page 1 of attached handout from AON, titled "Aon Retiree Health Exchange - help you can count on." The cost of your part B coverage will come out of your Social Security check.
On January 1, 2016, Medicare-Eligible retirees will have one of two options for care that goes beyond what Medicare provides:

Medicare Supplement/Medigap - either name refers to the same type of plan. This covers only hospital or doctor costs. So this is why you need to pay a separate premium for a separate prescription drug plan.

Medicare Advantage Plan - This is a net-work based plan (such as HMO, PPO). Most Medicare Advantage Plans include a prescription drug plan.

How Does the Original Medicare A&B plan work? "Who wants to come up and explain it?" Holly asked. [There being no one, Holly said "I'll do it," and continued]

Part A is premium-free if you or your spouse have worked for 40 quarters or 10 years and paid into Social Security. If you haven't done this, you will have a premium to pay.

It has a deductible of $1260 in 2015 if you are admitted into a hospital. This amount resets after a 60 day benefit period. So if you have an illness and are hospitalized and then are out of the hospital for 60 days but develop another problem following that time, you will be required to meet the $1260 deductible again in the same year. This can happen up to 5 times in a given year if you are not having a good year health-wise.

Part A covers inpatient hospital care, inpatient care in a skilled nursing facility (not custodial or long-term care), and Hospice.

Part B covers outpatient care, doctor visits, outpatient hospital care, blood, preventive care, mental health (outpatient) services, ambulance services, lab services. It involves an annual deductible of $147/year and comes out of your Social Security check. Once you pay this, Medicare pays 80% of the cost of the above services, and you pay 20% (uncapped) per year. Your premium is based on the last two years of what you pay in taxes.

If you only have Medicare A&B, there are "gaps in coverage." So there's no limit to what can come out of your pocket if you have only Medicare. So the question arises: "How can we fill in the gaps?"

[At UWG, Holly stopped at this point to ask: "Does this make sense?" And went on to say, "Even if it doesn't, I'm going to keep going."]

A Medicare Supplement Plan or Medigap Plan is so-named because it fills in the gaps of coverage noted above.

This is what we call a pay-now option. You have a higher premium up front but low to no costs on the back end. So long as given procedures or healthcare costs are Medicare-approved, you have no costs for care. As long as you do what Medicare has approved, you will have no bills. You do not have to rely on a particular network of providers. Instead, you can go anywhere in the country for treatment. (See page 3 of the attached handout for a summary of the differences between Medigap and Medicare Advantage Plans.)

See also page 2 of attached handout that compares the features of different Medigap plans. This same chart will be in your Personalized Education Kit. Note that gaps in coverage are listed on the left hand side and a check mark indicates that a particular lettered plan covers that

particular gap. Plan F is the only one with FULL coverage (hence the letter F associated with it because it fills in all the gaps). Other plans won't fill in all the gaps. You will note that Plan D and Plan N seem to be similar according to this chart -- but they are not. What's not on the chart is this: For plan N there is a co-pay of $20 when you go to a doctor or specialist and a $50 co-pay if you go to the ER and are not admitted to the hospital.

All of the Medigap plans are standardized by Medicare. What that means is, no matter which carrier you choose, the plan benefit structure will have the "same exact benefits." So the question is, "How do you pick a carrier?" Carriers will be available to you based on your age, zip code, sometimes gender, and whether you are or are not a user of tobacco. Each carrier can determine the premium charged as they choose. Of course they are mindful of pricing their premiums in a competitive way. Holly maintained: "All you need to do is pick the lowest premium." AON only deals with "A-rated" and above carriers. "We recommend you go with the lowest premium because the benefits are exactly the same" unless you have a set preference for or against one or another carrier.

People wonder: Would my premium be different if I go to a local broker instead of AON? If you wonder if AON can raise the premium on some carriers, the answer is NO. By law, the premium is set by the carrier. A local broker cannot change it. No one at AON can.

Because your group coverage is going away, in making this transition from the USG plan to the AON arrangement, you are guaranteed coverage for MEDIGAP only. You will be "auto-accepted by most insurance carriers without having to answer medical questions. There will be no concern for any pre-existing condition. You are guaranteed acceptance into most Medicare Supplement Plans, regardless of any pre-existing health conditions." If you choose a Medicare Advantage Plan at first, should you want to change plans in the future it doesn't mean you will be denied, but you could be denied or your premiums could be raised - and you will have to answer medical questions.

Part D - Prescription Drug Plans [See attachment, bottom of p. 2]

These are Medicare Health Plans. All plans have to be approved by Medicare, but are administered by private insurance carriers rather than Medicare. Part D can be purchased with A&B, can stand alone with a Medigap plan, or be embedded in a Medicare Advantage plan. You can have two carriers: one for your medical needs (e.g., Blue Cross/Blue Shield) and one for your prescription drug needs (e.g., Silver Script).

A GROUP PLAN (such as the one we've had through the USG) does not subject those who are a part of it to a "donut hole," but the plans we will sign up for will. "Most never get to this place," however, Holly stated.

All part D plans work the same way. [*At UWG, Holly added, "Your Benefits Advisor will cover all this with you. So don't worry if you don't remember everything said here today. You can also find information about this on the AON website."]*

Phase 1

This year (2015) the prescription drug plan can not charge you more than $320/year for your deductible.

Phase 2

This is the co-pay phase. Most individuals stay in Phase 2 of the plan.

Phase 3

This phase is what is known as the Donut Hole. In the past, you had to pay 100% of the cost of your prescriptions while in the "donut hole."

Every year since 2006, when Part D was implemented, they (government legislators?) have closed the donut hole to some extent. It is now closed by 47% for brand-name drugs and 72% for generic drugs. By 2020 it will be completely closed. Because of this, the Benefits Advisor has to have a list of your medications. This is why it's very important for you to give the Benefits Advisor information about all your medications. The Benefits Advisor can tell you how much all your medications will cost.

Phase 4

This is the "catastrophic coverage" phase - when the individual's costs go way down to 5% of the cost of the medications needed. Your Benefits Advisor will work with you to review a variety of plans and the drugs on the formularies for these plans. The Benefits Advisor can predict when/if you will go into the donut hole and what this will mean for you financially. *[At UWG, Holly also mentioned that this analysis can only be based on the medications you are currently taking. It does not take into account new medications you might be prescribed after the point of enrollment.]*

How does a Medicare Advantage Plan Work?

It has a low to no monthly premium.

In this type of plan you pay-as-you-go for all services with co-pays, co-insurance, or deductibles as you use medical/healthcare services.

It is a net-work based (HMO, PPO) plan. You will have to provide the Benefits Advisor with a list of your doctors so you can be sure they are in the network of the plan you choose. This is especially true of the HMO. HMOs are more restrictive. If you go outside of the network you have to pay 100% for everything. PPOs enable you to go outside the network to see a doctor, but you pay a higher copay than usual.

Part D (Prescription Drug plan) is embedded in the Medicare Advantage Plan, so you only have one premium to pay (that includes BOTH medical and drug needs).

Some of these plans offer very limited visual/dental/hearing coverage. If you already have coverage for vision/dental/hearing, and you choose a Medicare Advantage Plan that also has benefits along these lines, you can keep both. They are not coordinated so you can use either one as suits you. If you don't have a visual/dental plan, and want something more comprehensive, let your Benefits Advisor know. There are some very comprehensive plans available (for a fee) and AON can suggest some that might work for you.

The Medicare Advantage Plans have an out-of-pocket maximum you are expected to pay, which ranges between $3600 and $6800 (depending on the plan). This is a "safety net" for you if you have a bad year medically. It limits your out-of-pocket risk. [SEE PAGE 3 of HANDOUT for summary.] Once you hit this maximum, the plan pays your healthcare expenses at 100%.

We like to stress that you should keep in mind that only retirees 65 or older will make this transition to AON.

[*ADDITIONAL COMMENT MADE AT THIS POINT AT UWG: Sometimes you will see a list of doctors or hospitals who indicate that they don't accept a particular carrier's plan. <u>This refers</u>*

to the carrier's Medicare Advantage Plan only, not the Medigap plan. Any doctor who takes Medicare is obliged to take a Medigap/Supplemental plan's secondary coverage.]

OPTIONS FOR ENROLLING

Right now you are on a one-size-fits-all group plan. In making the transition with AON, you can choose an individual plan for yourself that is different from the one chosen by your spouse to meet your own individual needs. [*At UWG, Holly asked those in the audience to raise their right hands and pledge that they will not choose a plan just because someone else has chosen it. "Promise me," this, she said.]* I encourage you not to say "I want what my spouse (or my friend) has. Don't do it. Your health needs are different from those of others. Determine what is the best plan for you."

[*Mentioned at Georgia Highlands College:* ***Some carriers offer "household discounts." But do what's best for you, regarding the medications you are on*****.]**

In **2015**, special consideration has been given to providing adequate time for retirees to choose a plan. The Open Enrollment period runs from October 1-December 31, 2015.
In 2016 the Medicare Open Enrollment period runs from October 15-December 7, 2016. Those turning 65 in the future are eligible for an initial enrollment period 3 months before the month of and three months after the month of their 65th birthday

You can change your plan for Prescription Drugs (Part D) every year if you have a stand-alone plan.. I encourage you to explore or check into other options every year based on changes in your medications.. Holly said she once saved someone (who had had the same plan for six years) $3,000/year when she arranged an alternative. She claimed it "takes only 20 minutes" to check on this with a Benefits Advisor. If you don't make any change, the plan rolls over every year and is the same as the year before.

If you want to change your healthcare plan . . .
If you choose a Medigap plan, you can transfer to a Medicare Advantage Plan readily. The only question you will be asked has to do with End Stage Renal Disease (ESRD) - aka Kidney Failure. [*Mentioned at UWG: You can't go on a Medicare Advantage Plan if you have this disease.*]
It is easier to go from a Medigap Plan to a Medicare Advantage Plan than from a Medicare Advantage Plan to a Medigap plan so far as answering health-related questions is concerned.
To change your Part D (Prescription Drug) plan, no health questions are asked.

Be sure to check out the chart labeled "Medicare Supplement Chart" on p. 2 of the attached handout. Note the features for plans A, B, C, D, F, G, K, L, M, N. If you are on Plan F (the one with the most features), you can readily drop to a plan with lesser coverage. But if you are on a lower letter plan and want to raise your coverage, you will have to answer health-related questions. Similarly, if you want to change carriers, you will have to answer questions about your health once you are on a given plan.

Be sure to let your Benefits Advisor know if you have Tricare or VA Coverage.

Call the VA or TRICARE before you have an appointment with a Benefits Advisor. Also let the Benefits Advisor know if you have either VA coverage or Tricare. [*Mentioned at UWG: First of all, thank you for your service. The Benefits Advisor can let you know if you can go on a particular plan without affecting your coverage through the VA or Tricare. The VA is more flexible in this regard.*]

We'll have a Question and Answer period following this meeting. If you have something of a personal nature, I'll be here. Stacy Curtis, also an AON representative, is here as well and can also answer personal questions afterwards.

So, you've picked your plan. [Aside: "That was easy."] Now you can enroll . . .

Online - via a system which is available 24/7. This is the "fastest" way to enroll. It provides you with a detailed summary of benefits information. It offers "Plan Comparison Tools." The application is on line and is collected on line.

OR

By telephone - via the guidance of a Benefits Advisor. You work with the same Benefits Advisor throughout the process. All enrollments must be completed with a telephonic signature.

OR

By pre-mailed application - some individuals prefer to review printed materials before selecting a plan. Paper applications are accepted via a prepaid envelope or fax.

NOTE: Telephonic or online enrollments result in faster receipt of ID cards.

PAYING FOR COVERAGE

1. Pay your health insurance premium quarterly/annually or by check each billing period.
2. Have your premium automatically withdrawn from a checking or savings account. Most insurance providers allow this. Remember, however, that the only way a carrier can drop you from coverage is for non-payment of your premium.
3. Pay your premium by automatic deduction from your Social Security check. [NOTE: This can only be done for Medicare Advantage and stand-alone Part D plans.]

HEALTH REIMBURSEMENT ACCOUNT [See graphic in attachment, p. 3]

The **Y.S.A. (Your Spending Account)**

This is the division in the AON organization that handles HRAs (Health Reimbursement Accounts).

Some of you may choose a plan with a higher premium than $228/month - and, if so, you're going to run out of money before the end of the year. Say you choose a plan (or combination of plans) that costs $300/month. That will cost $3,600/year but the USG has made the commitment to give you only $2,736/year. Thus, if you are paying for healthcare coverage on a monthly

basis, you will run out of USG money before the end of the year, yet you will still have to pay for the premium not yet paid, and will not get reimbursed for this once you have used up your $2,736 allotment before the year comes to an end. **If you are worried about this situation (knowing you will run out of money as the year comes to an end), you can talk to your Benefits Advisor. In this situation, they can do a one-time claim form that will enable you to get $228 each month throughout the whole year [instead of having the entire amount - $2,736 - deposited on January 1].** [Note from Anne: This would be the equivalent of getting paid your salary on a 12 month basis instead of a 10 month basis. To insure you'll have some income to use toward medical/drug plan premium expenses as the year goes along, you can arrange to have the whole amount given by the USG divided up into 12 installments.]

If it is a hardship for you to wait for reimbursement, AON can deposit funds into your HRA **for payment of premiums only**. AON gets files on your premium payment so can expedite payment for this if you use a one-time claim form. To get this expedited reimbursement, you have to fill out the claim form and send it to AON with proof of your payment. For other out-of-pocket expenses attendees were told they could gather receipts together and send them in every 3 months or so for reimbursement. So far as premiums are concerned, AON knows when you pay these to a carrier. For other out-of-pocket expenses AON has no way of knowing that you paid these. So you can save up receipts and turn them in using particular forms. [*At UWG it was mentioned that these forms will be sent to you and the Benefits Advisor can help you fill them out the first time around.]*

There are 17,000 retirees in the USG. *[Mentioned at UWG: **In order for the HRA to be a tax-free account, the USG has to put money into an account and then reimburse you from this account for expenses you have accrued**.]* You pay a premium to a given carrier. The carrier notifies AON that you have paid it. AON will then reimburse your account or send you a paper check. *[Mentioned at UWG: The files come to AON from carriers once a week. AON reimburses you for premiums only. 1% of carriers don't offer auto-reimbursement. You will not pay taxes on the monies given to you as a benefit from the USG because of this arrangement*.] Because of this arrangement, **the timing of reimbursement** may be delayed. The first time you make a premium payment it could take up to 60 days before you are reimbursed (unless you elect to use the expedited reimbursement process described above). [NOTE from Anne: We were previously told by an AON representative on a phone call with USG Retiree Council volunteers that it could take up to 90 days.] The reason for this delay, according to Holly, is the carrier and AON need to substantiate the amounts involved. *[At UWG Holly explained that loading individual retiree premiums into the system when carriers have millions of persons enrolling at the same time, takes a long time to do and then send on to AON.]* "It's quite the process" to get all this organized for 17,000 retirees, Holly stated. If you cannot wait, call your Benefits Advisor. You will fill out the one-time claim form and you'll be more quickly reimbursed. **If you do direct deposit**, your reimbursement will come on the 6th of the month. If you're going to get a paper check, it will take longer. [It could take between 3-10 days depending on how the post office handles the mail.] You can control how you want to be reimbursed - through direct deposit or paper check.

[Mentioned at UWG: If you are in Phase 4 - Catastrophic phase - of your Prescription Drug plan, a Catastrophic HRA or CHRA goes into effect to pay the 5% of costs charged to you for

prescriptions. This is handled individual by individual and does not involve the joint HRA account.]

REMEMBER: Currently you are paying for your USG plan. You will not be paying for this any longer once you enroll in the plan(s) with AON. So you really will be saving that money.

TOOLS THAT WILL HELP YOU

AON provides ADVOCACY SERVICES. This helps you with such things as:
access to care and prescription drugs
billing disputes
claim denials and incorrect payments
authorization and referrals for medical treatment
Medicare coordination.

AON's Advocacy Services Center pioneered this service in 1999. It has dealt with over 400 client partners. Those working in this Center average 18 years of experience among them in working with client problems. AON Advocacy Center personnel will collect the information relevant to straightening out such matters, and will send it to Medicare and other appropriate locations. This Center handles such matters as

*your getting an unexpected bill because a provider miscoded your CPT diagnosis;
*Medicare denying your claim because some paperwork was not coded properly to indicate Medicare is your primary provider. AON can facilitate a refiling of your claim;
*your being denied a wheelchair, because Medicare said this was not medically-necessary, when it actually was according to your doctor. The Advocacy Services Center collect relevant medical records, advocate on your behalf, and can make arrangements for the wheel chair to be delivered to your home.

AON WEBSITE as RESOURCE
NOTE: URL for this will be in your Personalized Education Kit.

After you receive your Personalized Education Kit, visit the AON website.
*You can confirm your enrollment appointment there.
*You can confirm your phone number and address.
*You can add any prescriptions you're taking to the "Medicine Cabinet" section.
*You can compare plans and add the ones you want to your shopping cart. Your Benefits Advisor has access to this and can review it before you speak with the Benefits Advisor on the phone.
*You can access your HRA link - which will be available to you after January 1 once plans are active - to see what claims have been made and when reimbursements will come.

IF YOU DON'T HAVE OR USE A COMPUTER . . .

After you receive your Personalized Education Kit, you can
*Call to confirm your enrollment appointment.
*Call to confirm your phone number and address

*Work with a Benefits Advisor to determine which healthcare plan(s) you want to enroll in
*Arrange for your Benefits Advisor to enter your medications in your "Medicine Cabinet"
*Talk to a Benefits Advisor about the HRA process.

TIME-LINE and NEXT STEPS

August - September Presentations on campuses around the state by HR personnel
Mid-September Receive Benefits Personalized Education Kit
October Speak with Benefits Advisor
Wait until you get your Personalized Education Kit to check with AON about plans available. You will have to have the ID number provided in the education kit to check into plans and complete enrollment. [*Mentioned at UWG: You have to have the ID number provided to activate your account with AON. If you open an account on your own with AON by going on their website, this just confuses matters when you're ready to actually enroll with AON in relation to the plans worked out between the USG and AON. You can go on the AON website to get answers to some of your general questions in the meantime, but not to get specific information about particular plans.]* Before October 1, 2015, the only plans on the AON website will be 2015 plans and pricing. After October 1, 2015 (more likely after October 15th because of the time required to load all plans into the AON system), 2016 plans and pricing will be available for review.

If you will be out of town during September through December, let AON know so your phone call with a Benefits Advisor can be rescheduled when it's more convenient for you. Call AON if you miss your appointment because you have been out of town.

[*At this point in the UWG presentation, Holly said, "We are almost done." A member of the audience responded "YEAH!" Holly then replied: "No. No. Don't say that. If you're too excited about leaving you stay an extra hour."]*

At this point attendees were thanked for coming to the meeting and it was explained that the presentation given today will be posted on the website for the University System: www.usg.edu/HR. *[For UWG retirees, the presentation given in April is available currently on the UWG HR website and today's presentation will be available there as well in about two weeks.]*

BE SURE TO REVIEW Attached 4 pages - handout provided at the meeting.

[At Georgia Highlands College, a drawing took place for two door prizes, one of which - a GHC t-shirt - was won by UWG retiree Bruce Lyon. The crowd began dispersing at this point - nearly two hours after the meeting started. Any questions were asked individually of HR and AON representatives.]
[At University of West Georgia, Karin informed those who didn't intend to stay for the question/answer period that they could exit the room at this point. Most in the audience left, but the following questions and answers were exchanged.]

Question: *When will we receive the enrollment kit?*
Response: *If you have not received it by the end of September, let us (UWG HR/USG HR) know.*

Question: *My spouse is 65 and still works. He is enrolled in insurance on his job. He is also enrolled in Medicare Part A but not Part B. I am on Part B. If he is to be covered by the USG plan, he has to enroll in Part B. My husband will not be able to carry his insurance into retirement, and he plans to retire in about 3 years. The wife's primary insurance was the husband's insurance. Medicare was her secondary insurance provider. The USG coverage was her third form of insurance. [It was difficult to discern this individual's actual situation but her question focused on which insurance to keep and which to let go].*
Response: *She was told that this was something to discuss with an HR person as soon as possible because if the couple was not covered by someone under the USG plan and the husband lost his coverage, this could be a problem. She might not need all the coverage she has. Also, there are rules that might apply regarding the husband's insurance, particular medications or medical conditions coverage was needed for, etc. She was reminded that if she drops coverage with the USG she couldn't get it back. It was also mentioned that the rules of Medicare stipulate that if the husband is working for a company that has over 20 employees, Medicare has to be his primary coverage.*

Question: *When the switch to AON is made, you will have a huge databank of information. What will you do to secure and safeguard it?*
Response: *We have a division devoted to security. And we will be governed by HIPPA guidelines. I can get you in touch with the Security Department in our company. We have an in-house security team.*

Question: *I thought we were each supposed to get $228/month. Why could this not be directly deposited into our account instead of going through such a complex reimbursement system?*
Response: *Because the amount you get would be taxable if we did this. And some individuals would be put into another tax bracket as a result. This is the only reason we've arranged for a reimbursement system.*

Question: *You say you can pay your premium with a monthly check. Can you also do this with e-billing so as to have control over what goes out?*
Response: *It depends on what the carrier accepts.*

Question: *Since the Medigap Plan F covers all the gaps in Medicare, it looks like you wouldn't need reimbursement of any kind if you had that plan.*
Response: *You would be paying a premium for that coverage, however, so would want reimbursement for that. And you would have a premium for Part D coverage also.*

Question: *I read in notes distributed about the prior meeting in April that you said rates for coverage can vary from state to state and county to county. One of the our professors asked about how his coverage would be handled because he has two homes - one in Carrollton and one in the mountains of Georgia. The person representing the USG at the time (Karin) told him he would need coverage in two counties.*

Response (from Holly Kaplan, AON representative): *We base your plan on whatever address you have. Only one address is considered your official address with Social Security. But having two residences doesn't stop you from getting coverage. It does suggest, however, that a better plan for this individual might be a Medigap plan.*

Question: *On average, how many choose a Medigap plan as compared with a Medicare Advantage plan?*
Response: *Typically 70% choose Medigap and about 30% choose Medicare Advantage. But if KAISER is in your area, which offers a fantastic plan, people tend to choose it. Kaiser is only located in certain regional areas, so it depends on the area in which you live.*

Question: *I'm the legal guardian of my younger brother. Is there coverage I might get for him through AON?*
Response: *He wouldn't be eligible for coverage on your USG plan, but we can help you with finding healthcare coverage for him if you would like.*

Question: *How is it possible that some Medicare Advantage Plans might have a zero cost for a premium and yet one still gets healthcare coverage?*
Response: *The Federal government is subsidizing these plans currently. There is talk of reducing the subsidy to Medicare Advantage plans in the future, however. I can't say for sure how this will affect some of us down the line. If the subsidy goes away, you will have to pay more.*

Question: *As a general hypothesis, if you sign up for a Medicare Advantage Plan it's likely to be cheaper. But our health changes and these changes can happen instantly and we might want to switch to a different plan.*
Response: *This may lead to your paying a much higher premium. So it's important to consider what will be likely to happen in the next 10 years. Think of it as you do automobile insurance. You may never use some of the coverage you have. But if you need it, it's there.*

Question: *Can you review some of the factors affecting the Medigap premium?*
Response: *Age, zip code, sometimes gender, sometimes whether you use tobacco or not.*

Question: *Is Medigap the only plan that may cover overseas travel?*
Response: *Some Medicare Advantage Plans have worldwide coverage to a certain extent in medical emergencies.*

Question: *Suppose you currently pay a co-pay to get a non-generic drug. Can you use the HRA for this?*
Response: *Yes, and you'd do this using a claim form to get reimbursement.*

Question: *What do the letters mean on the Medigap plans?*
Response: *They don't all mean anything in particular but are just used to tell different plans apart. All insurance companies have Medigap plans. Different insurance companies have different types of plans. But all have to have a plan A, a plan C and a plan F. They can decide*

whether or not to provide other types of plans. The Benefits Advisor will pull up all the different carriers who carry particular types of plans and the premiums associated with these.

Question: *Can you go to the AON site now?*
Response: *This is not recommended. To really examine plans you have to set up an account and that may only confuse matters when you actually go on line to check out plans after October 1st. This is because at that later time, you will have a particular ID number you will have to use to go out on the AON site. Also, Kaiser and United Health Care plans will not be on the website for most retirees in the USG, but they are on the AON website.*

Question: *How can I get the phone number of my Benefits Advisor?*
Response: *Until your Benefits Advisor calls you, you won't know this person's phone number. If, in the meantime, you want to ask general questions, you can get answers by calling 1-866-212-5052. In your enrollment kit that you'll get mid-September, it will have the right number to call. That kit will come from AON.*

Question: *I turn 65 in May. How do you prepare my packet and my enrollment for healthcare coverage this fall? I'll be on the regular USG plan until May. Will I thus have to enroll two times for healthcare this coming year?*
Response: *Yes. You will enroll as you normally do on the regular USG plan this coming Fall. Then you will be contacted within 3 months of your 65th birthday to enroll in an AON plan.*

Question: *So, when will we get this packet?*
Response: *Mid-September. If you don't have it by the third week in September, contact your HR office.*

Question: *Will the packet give us information about how much our premium will be?*
Response: *It will not. This will be determined through your discussions with your Benefits Advisor or when you activate an account on the AON website.*

Question: *It was mentioned that, with the Medicare Advantage Plan, some may pay no premium. If people don't pay a premium, how is it they are able to get coverage?*
Response: *The government gives each plan $10,000/year. Your part B Medicare payment covers some of the cost.*

Question: *It seems AON does what it does for free. How do you guys make a living if you don't get money from particular carriers when your clients choose those carriers?*
Response: *We get commissions from any insurance carrier you pick. Benefits Advisors don't know how much carriers pay to be a part of our system. Only those in AON leadership positions know which carriers contribute how much money to us.*

Question: *Will we be able to get this presentation in an on-line form?*
Response: *It will be available on the USG website or will be on the HR website at UWG [in about two weeks].*