



Virginia Department of
HUMAN RESOURCE
MANAGEMENT

Commonwealth of Virginia Retiree Health Benefits Program

Annual Premium Rate Notification Materials for Medicare-Eligible Participants Without Prescription Drug Coverage

This Rate Notification Booklet includes:

- **Your 2014 Premium Cost..... Page 1**
- **Your 2014 Benefits (Medical/Dental/Vision)..... Page 2**
- **Your Options for 2014..... Page 3**
- **Other Important Retiree Program Information..... Page 4**

Also enclosed:

- ❖ **Member Handbook Dental/Vision Insert amendment (only for existing participants in this coverage—please discard if you cancel this coverage)**

DISTRIBUTION: Only Enrollees (Retirees, Survivors and Long-Term Disability Participants) will receive this package. Medicare-eligible covered family members will not receive annual premium rate notification materials directly, even if they have individual ID numbers. This means that Enrollees must share this information with their Medicare-eligible covered family members. Only Enrollees can request coverage changes for covered family members. If you are an Enrollee who is not eligible for Medicare but you are covering a Medicare-eligible family member, you are receiving this package for the Medicare-eligible family member whom you cover.



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

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To: **State Retiree Health Benefits Program Enrollees Eligible for Medicare or Enrollees who cover Medicare-Eligible Family Members, neither of whom have Prescription Drug Benefits**

From: **Office of State and Local Health Benefits Programs**

Date: **October 29, 2013**

Important Information Regarding Your Health Benefits

This notification booklet includes information about coverage for Medicare-eligible participants in 2014. Be sure to read these materials carefully to ensure that you understand your options.

Receipt of benefit-specific information in this package does not guarantee those benefits. In family groups with multiple Medicare-eligible family members, Enrollees will receive information about all plans within their family group. (For example, if you are in a plan without dental and vision coverage, but you are covering a family member in a plan that includes dental and vision, you will receive dental and vision information.)

Your 2014 Premium Cost

▪ **How much is my health plan premium for 2014?**

Monthly premiums for medical-only plans are provided on page two. Claims cost in the Advantage 65 Medicare supplement and the vision benefit (for those enrolled) have decreased, resulting in premium decreases for 2014.

In addition to the premium decreases described above, premiums have been adjusted for 2014 based on previous overfunding of the Medicare-coordinating plans as reported by the Auditor of Public Accounts in October 2011 and maintained to date. After actuarial review to ensure that there is adequate funding for the 2014 program, including reserves to cover trend increases and incurred but not reported costs, fund assets were reduced by

\$6 million, which was used to further reduce 2014 premiums. The chart below reflects the resulting monthly premium rates for 2014.

2014 Premiums

Plan – Single Membership	2013 Premium	2014 Premium Effective 1/1/14	Percent Change
Advantage 65—Medical Only	\$139	\$131	-5.8%
Advantage 65—Medical Only + Dental/Vision	\$173	\$164	-5.2%

All State Medicare-coordinating plan medical and vision benefits are administered by Anthem Blue Cross and Blue Shield. Dental benefits are administered by Delta Dental of Virginia.

▪ **When will I begin paying my new 2014 premium?**

For participants whose premiums are deducted from a VRS retirement benefit, the new January 2014 premium will be deducted from the February retirement benefit payment. If a premium increase means that your retirement benefit is no longer enough to support the deduction, you will be moved to direct billing from Anthem Blue Cross and Blue Shield. It is important to note that direct billing is mailed before the coverage month while deduction occurs at the end of the coverage month.

For those who already pay through direct billing, the new premium will be billed in December. If you have requested a change in coverage, the premium change may take place later depending on the date of your request. For those who are paying through automatic bank draft, your first deduction in the new premium amount will take place in your January draft.

Your 2014 Benefits

▪ **Will my medical benefits change for 2014?**

The Medicare supplemental benefit under any Advantage 65 Plan will not change for 2014.

Consult your “*Medicare and You 2014*” publication to determine if there are any changes to your primary Medicare coverage for 2014.

▪ **Will my dental and vision benefits change for 2014?**

Effective January 1, 2014, participants enrolled in the routine dental/vision option can receive a routine eye exam, frames and lenses once every plan year (January 1 through December 31) instead of once every 12 months. This will provide more flexibility for using your vision benefit.

There are no changes to the optional routine dental benefit for 2014.

Your Options for 2014 – What You Need To Do

If you wish to maintain your current benefit plan, no action on your part is necessary. If you continue to be eligible, your new monthly premium for your current plan will automatically be deducted or billed.

If you wish to make an allowable plan change for January 1, 2014, you must request the change by taking one of the following actions:

- Obtain an enrollment form from your Benefits Administrator (see page 11), or from the web at www.dhrm.virginia.gov and submit your request to your Benefits Administrator no later than December 2, 2013. (Requests received after December 2, 2013, but before January 1, 2014, will be effective on January 1, but there may be a delay in implementing the change and updating your premium.)
- Request changes online no later than December 31, 2013, by using EmployeeDirect at www.dhrm.virginia.gov (click on the EmployeeDirect link).
 - To use EmployeeDirect, you must have a personal e-mail address listed in the state's eligibility system. (A state e-mail address will not allow access to EmployeeDirect for retiree group participants.) If you do not already have an e-mail address in your eligibility file, you may contact your Benefits Administrator to update your record.
 - Your ID number appears on your plan ID cards and is a seven-digit number, which is followed by XU. For EmployeeDirect, use only the seven-digit number, not the three-letter prefix that appears on your Anthem ID card or the XU.
 - NOTE: January 1 changes using EmployeeDirect must be requested during the month of December. If you request an allowable change through EmployeeDirect in November, it will generally become effective on December 1.

Allowable changes requested after December 31, 2013, will be effective the first of the month after the request is received per program policy. **All Enrollment Forms must be signed by the Enrollee (Retiree, Survivor or LTD Participant); forms signed by a covered family member will not be accepted.**

The following options are available to you for January 1:

- **You may keep your current benefit plan as long as you remain eligible (no action required).**
- You may make a plan change as follows:
 - Enrollees in the Advantage 65—Medical Only Plan who have not previously elected the Dental/Vision option may add Dental/Vision coverage one time and terminate it one time. Once you have terminated Dental/Vision coverage, you may not add it again.
- Retirees, Survivors and LTD Participants may cancel a family member's coverage at any time on a prospective basis. However, once family members of a Medicare-eligible participant have been cancelled, they may only be added within 60 days of the occurrence of a consistent qualifying mid-year event (e.g., loss of eligibility for other group coverage) that would allow the addition. Medicare-eligible Enrollees do not have an annual Open Enrollment opportunity. Open Enrollment to increase membership is not available based on non-Medicare-eligible family participants.
- All Medicare-eligible covered family members (e.g., retiree and spouse) may have separate plan elections, but only the Enrollee can request a change.
- State coverage as an Enrollee may be cancelled completely, but you will not have an opportunity to return to the program at any time in the future. This will also result in the cancellation of any covered family members.

NOTE: Medical-Only Plan participants may not enroll in any state-program-sponsored Medicare-coordinating plan that includes outpatient prescription drug coverage.

Other Important Retiree Program Information

▪ **As a Medicare Beneficiary, will my benefits change due to the introduction of the Health Insurance Marketplace?**

You have probably heard about the Health Insurance Marketplace, which is a key part of the Affordable Care Act that will take effect in 2014. Regardless of how you get Medicare (Original Medicare or a Medicare Advantage Plan), you still have the same Medicare benefits you have now, and you won't have to make any changes. If you want additional information about the Marketplace, visit www.HealthCare.gov.

▪ **Can I enroll in a Medicare Advantage Plan?**

The state's Medicare-coordinating plans specifically exclude services or supplies that are received through Medicare Advantage Plans, so enrolling in a Medicare Advantage Plan, if allowed by Medicare, will generally result in loss of benefits under the state program's Medicare-coordinating plans. State program participants may terminate their state program Medicare-coordinating coverage prospectively at any time (no return to the program). If you wish to enroll in a Medicare Advantage Plan, consider cancelling your coverage in the state program. (This would also result in termination of any covered family members.) If you enroll in a Medicare Advantage Plan and do not cancel your state coverage, consider carefully whether you wish to continue paying for coverage that may provide minimal, if any, medical benefits. ***Please note that the Advantage 65 Plans are not Medicare Advantage plans.***

A new plan year and Medicare enrollment period are good times to review all plan options available to you as a Medicare beneficiary. There could be a plan outside of the state program that better meets your needs, either in benefit, cost level or both. However, be sure that you understand the impact of enrolling in other plans if you still want to keep your state plan coverage

▪ **Will I get a new ID card for 2014?**

New cards will only be issued if there is a plan change that requires a change to your existing ID card/cards or you are enrolling in a new plan. Otherwise, you may continue to use your current cards for covered services in 2014.

▪ **Will I get a new Member Handbook for 2014?**

Your January 2011 Medicare-Coordinating Plans Member Handbook was updated online in July 2011 as noted in your printed handbook. A handbook amendment to include this update is available online at www.dhrm.virginia.gov or by calling your Benefits Administrator.

Those Enrollees in the Dental/Vision option will find enclosed an amendment to their handbook insert. This will reflect the change in the vision benefit discussed on page two of this booklet.

- **What resources are available for information about the State Retiree Health Benefits Program?**

In addition to your Benefits Administrator and your Member Handbook (and applicable insert/s), there are many resources available at the Department of Human Resource Management's Web site to provide information to retiree group participants about their State Retiree Health Benefits Program coverage.

Go to <http://www.dhrm.virginia.gov/hbenefits/retirees/medicareretiree.html>.

- **How does Medicare eligibility prior to age 65 affect program participation?**

When an Enrollee (Retiree, Survivor, LTD participant) or a covered family member becomes eligible for Medicare prior to age 65, an enrollment form should be submitted immediately to elect a Medicare-coordinating plan. While this letter is being directed to Enrollees and/or their family members already enrolled in Medicare-coordinating plans, this information is provided to ensure that other covered family members who may be in non-Medicare plans are also moved to Medicare-coordinating coverage immediately upon eligibility. It is the responsibility of the Enrollee to ensure adherence to this provision. Failure to do so could result in significant coverage deficits.

This is an important provision of the State Retiree Health Benefits Program. All participants who are eligible for Medicare, regardless of age, must enroll in both Parts A and B (Original Medicare) in order to get the full benefit of any state program Medicare-coordinating plan since Medicare becomes the primary payer of claims for those who are no longer covered based on current employment.

If it is determined that a retiree group participant is eligible for Medicare and has not enrolled in a Medicare-coordinating plan, he or she will be placed in the Advantage 65 with Dental/Vision plan immediately. If participants have declined Medicare coverage, it could result in a delay in enrollment and a critical gap in coverage until Medicare goes into effect. The state program will not pay any claims that should have been paid by Medicare had the participant been properly enrolled in Medicare coverage. The state program tracks Medicare eligibility due to age and can generally identify eligibility prior to age 65, but it is in the best interest of the Enrollee to report eligibility as soon as it is determined.

- **What happens if I fail to pay my premium?**

Plan participants are responsible for timely payment of their monthly premiums (either through retirement benefit deduction or by direct payment to the billing administrator). Monthly premiums that remain unpaid for 31 days after the due date will be processed for termination of coverage. Once an Enrollee and his/her family members have been terminated for non-payment of premiums, re-enrollment in the program is at the discretion of the Department of Human Resource Management.

Direct-bill participants may enroll for automatic deduction of their monthly premium from their bank accounts and may make online check payments. Contact Anthem for more information. Participants are responsible for understanding their premium obligation and for notifying the program within 60 days of any qualifying mid-year event that affects eligibility and/or membership level. Premium overpayments due to failure of the Enrollee (Retiree, Survivor, LTD Participant) to advise the program of membership reductions may result in loss of the overpaid premium amount.

- **What should I do if my address changes?**

Was this package forwarded to you from an old address? If so, be sure to contact your Benefits Administrator immediately to make an address correction. Failure to update your address can result in your missing important information about your health benefits program. The Department of Human Resource Management will not be responsible for information that participants miss because their address of record

has not been corrected. The Department's only means of communicating important information to retiree group enrollees is through the mail. You can update personal information by using EmployeeDirect online (see page three for more information about EmployeeDirect). Please let your Benefits Administrator know when you move!

▪ **How can I get information about HIPAA Privacy Protections?**

The Office of Health Benefits Notice of Privacy Practice describes how the health plan can use and disclose your health information and how you can get access to this information. Participants can obtain a copy of the privacy notice at www.dhrm.virginia.gov.

▪ **Who is my Benefits Administrator?**

If you have questions about eligibility and enrollment, contact:

<i>If You Are A:</i>	<i>Contact This Benefits Administrator</i>
Virginia Retirement System Retiree/Survivor or a VSDP Long Term Disability Program Enrollee	The Virginia Retirement System 1-888-827-3847 www.varetire.org
Local or Optional Retirement Plan Retiree/ Survivor or a non-VSDP LTD participant	Your Pre-Retirement Agency Benefits Administrator
Non-Annuitant Survivor (surviving spouse or child of an employee or retiree—not receiving a VRS benefit)	The Department of Human Resource Management 1-888-642-4414 www.dhrm.virginia.gov