

KENTUCKY TEACHERS' RETIREMENT SYSTEM

2015 UPDATE KTRS

Medicare Eligible Health Plan (MEHP)

(Changes to KEHP for 2015 Are Unknown at This Time)

July 17, 2014

Earlier this year, KTRS issued two Requests for Proposals (RFPs) for the KTRS Medicare Eligible Health Plan (MEHP) for calendar year 2015. The first was for a Medicare Part D Prescription Drug Plan. The second RFP was for an insured Medicare Advantage (medical only) plan. The RFPs were written to help ensure that the existing MEHP plan designs, out-of-pocket costs and physician, hospital and pharmacy access would not materially change. Conducting an RFP every 3-5 years is an industry best practice that helps keep vendors motivated and helps ensure that KTRS is getting the most competitive pricing and innovative solutions.



The KTRS MEHP Part D Prescription Drug Plan bid was awarded once again to Express Scripts for 2015. Remaining with Express Scripts allows KTRS to continue as a member of the Know Your Rx Coalition with access to 6 pharmacists and the ability to leverage the Coalition for future drug pricing.



The KTRS MEHP Medicare Advantage plan was awarded to UnitedHealthcare (UHC) for 2015. UHC is a nationally-recognized company with offices in Louisville and Lexington that employs 700 UHC employees. In addition, UHC will provide a full-time UHC employee to be located in the KTRS Frankfort office.

UHC will provide the same benefits at a significant savings in premium to KTRS. KTRS projects to save \$13 million in 2015 compared to 2014 with a guaranteed, not-to-exceed premium for 2016 and 2017. Saving money will help sustain the Medical Insurance Fund and, as a result, will allow KTRS to continue to provide meaningful health insurance for retired teachers. Also, for 2015, the MEHP premium will be reduced from \$290 per month to \$250 per month.

The UnitedHealthcare Medicare Advantage plan will become effective January 1, 2015. Similar to the current Medicare Advantage plan, it will be a national, passive Preferred Provider Organization (PPO) plan.

What Does NOT Change?



It is important to point out what stays the same for 2015:

- No medical provider network required. Visit any provider that accepts Medicare and agrees to bill UHC.
- No change in co-payments, some co-payments reduced.
- No change in deductible.
- No change in coinsurance.
- No change in out-of-pocket annual maximum.
- No change in plan design elements.
- Participants are still in the Medicare program.
- Participants will still have the same Medicare rights and protections.
- Participants still get all the regular Medicare covered services. Still subject to industry standard care management techniques.
- Participants are still required to pay their monthly Medicare Part B premium to Social Security.
- Participants will still be required to pay their monthly high income premium to Social Security if applicable.
- Participants will still have access to the Silver Sneakers fitness program.
- Participants will still have access to a 24-hour nurse line.
- Participants will still be able to voluntarily enroll in disease management programs.
- The Edumedics Pilot Program will continue.
- **The KTRS Medicare Eligible Prescription Drug Plan, currently administered by Express Scripts, will remain intact.**

What Enhancements for 2015?



In addition, it is important to point out enhancements for 2015:

- For covered spouses and retirees not eligible for the full KTRS contribution, the monthly MEHP premium will be reduced from \$290 to \$250.
- Coverage for a routine hearing exam every 12 months at a \$0 copay.
- A \$500 hearing aid allowance every 36 months (This benefit can coordinate with KRTA's Hear in America Program).
- Some routine podiatry coverage.
- HiHealthInnovations Hearing Aids Discounts.
- Member Rewards Program.
- HouseCalls (in home assessment program).
- QuitPower.
- Solutions for Caregivers (provides care planning and care coordination services designed to relieve some of the burden and stress of caregiving and supports grace the overall well-being of the person receiving care).
- My Path to Health.
- \$125 Outpatient Surgery Co-payment removed.
- \$250 Inpatient Hospital Co-payment reduced to \$200, but now applied at every admittance.
- KTRS On-site UHC Retiree Advocate to answer calls and meet face to face with KTRS visitors.

What Will Change for 2015?

You will get a **NEW UnitedHealthcare Medical Card** in late December 2014 to replace your existing Humana card effective January 1, 2015.



Answers to your common questions:

What do you need to do to enroll?

Nothing. For those currently participating in the KTRS MEHP, you will be automatically enrolled for January 1, 2015. You will not have to complete a paper application.

If you are turning age 65 in the future and you are currently covered through the Kentucky Employees' Health Plan, you will receive a KTRS MEHP enrollment packet that must be completed and submitted to KTRS approximately 30 days before turning 65.

If you are a retiree and wish to enroll during open enrollment for the effective date of January 1, 2015, please request an MEHP open enrollment form between October 15 and December 7. Spouses are only eligible to enroll with a KTRS qualifying event. A list of qualifying events can be obtained at www.ktrs.ky.gov.



When will I get my new ID card?

UnitedHealthcare ID cards will be mailed around the Christmas holiday.

What do I do with my other insurance cards?

Continue to use your Humana card for all doctors and hospital visits through December 31, 2014. Beginning January 1, 2015, use your new UHC insurance card for all doctors and hospital visits.

Continue to use your Express Scripts card now and in 2015 for prescriptions you purchase.

Should I be concerned whether my doctor accepts UHC's Group Medicare Advantage PPO Plan?

A KTRS plan participant may go to any provider that accepts Medicare's fee schedule and agrees to bill UHC, even if they are not in UHC's network. The PPO network is passive, meaning that participants will not be balance billed when visiting medical providers who are out of UHC's PPO network. Also, UHC will conduct a proactive outreach to providers that participants are currently seeing to educate them about how the UHC Group Medicare Advantage PPO works and how providers can file claims on behalf of KTRS participants.

What do I do with the Humana Vitality Bucks and Points that I have accumulated?

Please use the bucks and points before December 31, 2014, and then UHC's Incentive Wellness Program will begin on January 1, 2015.

What to Expect Next?

KTRS understands that you may have additional questions about the UHC Medicare Advantage plan. Here is a general timeline of when you can expect to receive more information:

- **August/September 2014**
KRTA District Workshops will provide KRTA leadership with education and information on the UHC Medicare Advantage plan.
- **September/October 2014**
UHC will send specific plan information to all KTRS Medicare eligible retirees and will include information on upcoming local education meetings.
- **October/November 2014**
Education meetings will be held in key locations throughout the State for KTRS Medicare eligible retirees.
- **December 2014**
A Humana termination notice for the December 31, 2014 termination and UHC Medical ID cards and new member welcome materials will be sent to all MEHP members.

As always, you may contact KTRS if you have any questions or concerns. Our phone number is 800/618-1687, Monday through Friday, 8:00 AM - 5:00 PM EST.