

# SRSRA NEWSLETTER

For SRS Retiree Association Members

Bob & Pat Stokes, Editors

Volume 26 August 2005

## 897 SRSRA Members in 2005!!! (Can you help us reach 900? ...1000?)

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### CHAIRMAN'S LETTER

Lots to talk about this month, folks, but I'll try to keep it brief and to the point. The first week of August we participated as a Community Leader in the Aiken County Economic Development Partnership at a presentation to the NuStart Energy Development, LLC Site Selection Team, to sell SRS as a location for pending nuclear power generation reactors. NuStart is a consortium of Nuclear Utilities and reactor vendors that Westinghouse and General Electric formed to select two sites for either two Westinghouse or GE advanced reactors. (These reactors are a new generation passive design to prevent any TMI or Chernobyl accident. We will provide more information on these reactors in the near future.)

Congressman Barrett took the lead organizing and supporting the local effort at the State level (including SC Governor, DHEC, local politicians, and SC Utilities) and making appropriate national nuclear utility contacts. His efforts culminated at the aforementioned August 2 meeting in Aiken. Two sites will be selected, and it is expected that both the Westinghouse Pressurized Reactor and the GE Boiling Water Reactor will be constructed at different sites. Six sites and states are in the hunt. Most of them are at existing nuclear power plants. The exception is Bellefonte, which is the TVA reactor aborted in the construction phase several years ago. It has been 30 years since a nuclear power plant construction was initiated in the USA.

On another important issue, your Board met with WSRC Benefits Management to discuss Blue Cross/ Blue Shield Medicare carve out issues. WSRC is working to solve system problems, but some issues are still not worked out. For example, the carve out will no longer include the provider-discounted fees as the reference in

the carve out; and we continue to seek answers regarding BC/BS coverage for providers who drop Medicare. All involved in the discussion agree that the BC/BS Network fee schedule should apply. (See more discussion later in this Newsletter issue about Blue Cross changing their method of calculating reimbursements.)

We also have an initiative to convince DOE not to fragment the pending re-bid SRS contract. Our efforts on this matter were recently communicated to the public by an article in The Aiken Standard. Your Board attended the DOE information seminar last month where DOE described the scope of the SRS re-bid contract. The presentation revealed the potential for several contracts in the makeup of the 2006 SRS management contract. We took our concerns to Washington, DC, last March; and, most recently, we took our concerns to the Aiken Standard Editorial Staff. We are developing a letter to be signed by the entire Board of Directors for submittal and, hopefully, publication in The Augusta Chronicle. Our key concern is that communicating with several contractors will be impossible. The history of the SRS pension fund suggests that we will need to keep an open dialog with the contractor. The recent benefit reduction at Hanford reinforces our concern. Fluor Daniel (a pending bidder for the SRS contract) announced a significant reduction in retiree life insurance. The change capped all insurance at \$20,000 next year and \$15,000 the following year. This reduction would result in more than a 50% reduction.

Starting in November, you will be asked to make a decision to sign up for the new Medicare Part D, the prescription drug program. Our position is that Medicare Part D coverage is not in your best interest--that our current prescription drug plan is superior to Medicare Part D. The following excerpt from the Medicare bill says that **“if you do not join a Medicare prescription drug plan before May 15, 2006, you will pay a higher premium when you join later unless you have drug coverage that, on average, is at least as good as Medicare prescription drug coverage (such as from your former employer or union). Your insurer will notify you before fall to let you know if your coverage, on average, is at least as good as standard Medicare prescription drug coverage”**. Our dilemma is that we must get the word out to all of our retirees concerning the ramifications of their decision should they join the Medicare prescription drug plan. **WSRC has committed to maintain status quo regarding our current prescription drug plan.** *The Medicare drug bill provides incentives to employers who maintain prescription drug programs. Where employer programs are superior to Medicare Part D, employees are advised **not** to sign up for Part D because the employer will lose the incentive or at least some funding for each employee signing up for Part D.* Look for more information on this issue later in this Newsletter. This is a heads-up on what is coming.

Dave Cowfer, Chairman  
Savannah River Site Retiree Association

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## **FY-06 Pension Shortfall**

The Pension Plan is experiencing deficits requiring significant cash contributions. This dilemma is the result of a combination of weak asset performance and historically low discount rates used to calculate pension liability. Of the two factors, assets and liabilities, the recalculation of current liability using the lowered discount rate is the main reason for our Pension Plan being underfunded.

Simply stated, we are aware of a projected \$80 -100 million shortfall for the WSRC Pension Fund in FY-06. We have been informed that the problem is still “being worked” by DOE and WSRC and progress is being made. The issue should be resolved before the end of FY-05, September 30, 2005. We have been told that this

issue should not be of “major concern” to us because by federal “ERISA law”, DOE is obligated to budget the full amount to keep our pension funded at the legally required level. However, the additional amount required will most likely come out of the FY-06 WSRC operating budget, with implications on staffing levels, subcontractor support, and potential project delays. This is a problem for most sites in the DOE complex.

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## **Consolidation of Washington Group Benefit Programs**

On July 25, 2005, the Washington Group International (WGI), which is the parent company of WSRC, announced that it will consolidate all of its employee benefit programs – **except those currently covered by DOE site-specific programs such as WSRC** – under a common corporate benefit program. In an e-mail to all employees, WSRC President Bob Pedde emphasized that **“this action does not affect WSRC employees, and your benefits will remain consistent with the terms of our contract with DOE, as reflected in your current Benefit Handbooks.”** SRSRA was informed of this action the same day by WSRC senior management, who emphasized that our (retiree) benefits would not be changed by this action either.

Subsequently, the WSRC Benefits Manager attended our August monthly meeting and briefed the members of our Board of Directors with regard to this issue and other benefits matters. This is another example of our continuing, good working relationship with WSRC.

**The SRSRA has been assured that WSRC retiree benefits are not impacted by this WGI action.**

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## **SRS Re-Bid for Site Management & Operation Contractor(s)**

### **DOE/SRS Acquisition Informational Meeting**

On July 6, Chairman Dave Cowfer, Mike French, and Bob Stokes were invited to attend the DOE/SRS “Acquisition Informational Meeting” in Aiken. This was the first step of the re-bid process for selecting the new management contractor(s) to run SRS starting January 1, 2007. The DOE briefings were designed to “provide a framework of general procurement and site descriptive information to be used by participants in the upcoming one-on-one pre-solicitation at DOE headquarters”. Some 245 people attended the 4-hour briefing representing over 70 different companies, with some 50 of the latter requesting one-on-one meetings at DOE/HQ. The SRSRA representatives came away from the meeting feeling that DOE wants to go the multi-contractor approach as well as cutting SRS operating costs. If implemented, both of these could have a significant, negative impact on our SRSRA benefits. We took our concerns regarding these potential DOE actions to Washington DC last March and requested members of the two local state delegations to intervene on our behalf.

### **Meeting with the Aiken Standard Newspaper**

On July 14, four members of the BOD were invited to meet with the Aiken Standard Publisher, Scott Hunter, and two of his senior editing staff to brief them regarding our concerns for potential problems with a multi-contractor approach in the pending FY-2006 SRS re-bid RFP. This is part of our ongoing initiative to convince DOE not to fragment the re-bid contract. Mr. Hunter and his colleagues were impressed with our briefing, asked numerous questions, and indicated that they would be pleased to publish an Editorial on “Single

contractor needed for SRS". Not only did they publish the Editorial, but those who read the Aiken Standard will have seen an additional article in the July 21 edition entitled "Retiree Group believes SRS needs only one contract". (Both Aiken Standard articles are printed below for those who may not have seen them.) We plan to meet with the Augusta Chronicle Editors to brief them on this same subject and are developing a letter to be signed by the Board of Directors to be presented to them and others.

July 21 article  
By J.C. LEXOW  
Staff writer

SRS Retiree Association officials traveled to Washington in March to talk to members of Congress and the Department of Energy about the next Savannah River Site operating contract. The group believes DOE should maintain the single manager approach to running the site - like the arrangement it now has with Westinghouse Savannah River Co. - rather than award multiple contracts as it does at other sites and is considering here. At most, the retirees say, they could accept separate contractors for the Savannah River National Laboratory and SRS operations. Much of the association's concerns have to do, not surprisingly, with pension and insurance benefits for current and future **SRS retirees**.

Not only do they see the potential for confusion and complications with claims if more than one company operates at the site, but they also worry benefits could be slashed or even eliminated in an effort to provide the lowest bid. "If somebody wants to play games to cut costs, that (could be seen as) fair game," said Mike French, SRSRA vice-chairman.

The retirees want to see a continuity of benefits clause in DOE's request for proposals with the stipulation that failure to comply would eliminate a bidder from being considered for an SRS contract. French said he and SRSRA Chairman Dave Cowfer were well received when they met with Richard Hopf, director of DOE's Office of Procurement and Assistance Management, but nothing was settled during the visit. "(DOE) headquarters is trying to wrap their arms around (the benefits issue)," French said. "I'll say (Hopf) is receptive, but there are no guarantees."

SRSRA also believes multiple contractors at the site would adversely affect both current operations and the effort to secure future missions. They envision work delays, budget overruns and diluted accountability that could lead to safety problems. They say, too, that the ability to rotate staff between programs would be lost if each one were operated by a different contractor. French says he believes companies in a multi-contract environment would be content to draw the funding already promised for current projects and be less inclined to work collectively in a search for new missions.

Fred Cavanaugh, SRSRA Public Relations Committee chair, said multiple contractors might be less concerned about establishing and maintaining positive relations with surrounding communities. "If we've got individual contractors, chances are they're not going to take a whole lot of interest in the community like (current operator) Westinghouse does," Cavanaugh said. "From a community standpoint, it's much easier to communicate with one rather than three, four or five."

The SRSRA was established in 1998 and currently has 860 members. The group maintains an Internet Web site, [www.srsretirees.org](http://www.srsretirees.org).

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July 26 editorial  
Single contractor needed for SRS

The contract for the Savannah River Site is up for rebid, and there are several companies lining up expressing their interest in pursuing this business.

Westinghouse Savannah River Company currently has the contract and is sure to be one of those in the running for the contract or contracts that may be offered by the Department of Energy. Prior to Westinghouse winning the contract, the facility was operated by the DuPont company. In its more than five decades of existence, SRS has had a primary contractor which has been in charge of the overall mission of the facility.

Even though other companies have worked alongside the prime contractor, it was that single firm which reported to the Department of Energy and answered for all that occurred on the Site both good and bad.

There is some discussion over whether the new contract, which is scheduled to be awarded sometime in late 2006, should continue having a primary contractor or have the contract divided among two or more companies without having any firm responsible to DOE for the overall performance of the Site.

It is best for one company to answer to DOE and to bear responsibility for meeting the terms of the contract, regardless of who that company might be. A single contractor brings with it cost efficiencies and the ability to shift employees from one area to another as needs change. A single contractor is also best for retirees who should expect that their benefits do not diminish with a new contract. And a single contractor is best for the communities that are nearby and receive benefits from a single large company that has an interest in being a giving community neighbor.

The missions of SRS are varied and have evolved over the years. They will continue to do so in the future. It is vital that a single lead contractor be in charge to ensure the best interests of the Site, its present and past employees and the towns and cities that are its neighbors.

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## **MEMBERSHIP**

**Current membership is at 897 and growing!** But, we still have 51 past members from 2004 who overlooked their opportunity to re-join this year. Please help the SRSRA with recruiting by talking to your friends and neighbors who are retirees or those who are receiving SRS benefits (like Medical benefits) since they are all candidates for membership in the SRSRA. Some of them may be those 2004 members who forgot to join this year or some who have never been a member. You can be their conscience and **help them help you and your SRSRA retiree organization at the same time!**

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## **NEWSLETTER MAILING**

With this current edition, we are implementing a revised method of e-mail transmission of the Newsletter. We will, hopefully, be able to send personalized e-mails to each of our internet members. If all goes as planned, when you are reading this it will be addressed directly to you and you will know it is working. In any case, we'll report on it in our November issue and let you know how it all worked out.

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## **SRSRA OFFICERS AND ORGANIZATION**

At the July and August Board of Directors meetings the board confirmed the slate of officers for SRSRA and restructured the association to bring additional focus on our activities. Dave Cowfer was re-elected as Chairman for 2005-2006. The BOD thanked Dave for his continued willingness to serve in this critical capacity at this vital time in the life of SRS. Other positions confirmed were: Nick Kuehn, 1<sup>st</sup> Vice Chairman Administration; Mike French, 2<sup>nd</sup> Vice Chairman Public Relations; Bob Stokes, Vice Chairman Communications; Stan Smith, Treasurer; and Carl Hirst, Secretary. All these positions are members of an executive committee lead by the Chairman. Others may be appointed to the committee at the Chairman's request. These positions and the board structure will be discussed more fully at the next Annual Meeting of the membership.

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## **SRS ACTIVITIES**

The Federal Center for Disease Control (CDC), Atlanta, Georgia, issued a 13-year study of the possible effects of Savannah River Site (SRS) chemical and radiological contamination on the overall health of the population living in the area surrounding the SRS. The study covered the years from the early 1950's through 1992 and included over 50,000 boxes of personnel and medical records. The study concluded that incidences of increased cancer and other disease risks to the public were small and not significant.

F-Area's deinventory and deactivation work recently met a major milestone when the last container of Depleted Uranyl Nitrate (DUN) was shipped from the area. A total of 132,379 gallons of DUN have been shipped out of F-Area over the past year. Americium/curium solutions, plutonium solutions, organic solvents, and other materials were previously removed. F-Area is proceeding toward closure in May 2006, six months ahead of schedule, resulting in a savings of about \$25 million.

On June 23, 2005, Bechtel Savannah River Inc. Construction employees set both the Bechtel United States and Savannah River Site construction safety record by working 7 years (16 million man-hours) without a lost work-

day due to a job-related injury.

A Savannah River National Laboratory (SRNL) research project has been selected by DOE to support national objectives to make hydrogen fuel cell vehicles and refueling stations practical for public use by 2020. The SRNL project will explore the use of metal-doped, carbon-tube nanotechnology for hydrogen storage. Funding for the project is estimated at \$500,000 dollars/year for the next three years.

### **Potential use of unused SRS gloveboxes for the new MOX facility**

Last December several retirees toured the F-Area to identify artifacts that should be saved for display in the planned SRS museum. During the tour, we saw several unused gloveboxes which were in excellent condition in the NSR/PSF facility. We felt there was a potential that some could be used in the new \$3 billion MOX facility scheduled to be built at SRS. This would result in saving a significant amount of taxpayers' money. WSRC employees toured relevant parts of the Site and identified three other areas where there were also unused, stored gloveboxes in good condition. On April 12, representatives from DOE, WSRC, DCS, and SRSRA visited these areas to evaluate the potential for using some of the gloveboxes in the MOX facility. Earlier this month, it became apparent that DCS is not interested in these excess gloveboxes because they believe that the cost of removal, storage, and paperwork, along with the cost of modification, would exceed the cost of buying new gloveboxes! **(At least we tried to save some significant taxpayers' dollars!)**

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### **BOARD MEETING DATES AND LOCATION**

The SRSRA Board of Directors is meeting in the Conference Room of the Hampton Inn on Whiskey Road/Route 19 South, near the Aiken Mall. The remaining meeting dates for 2005 are: Sept 13, Oct 4, Nov 1, and Dec 6. Association members may attend and participate but may not vote on Board issues. Be sure to contact a BOD member to confirm the meeting date, if you plan to attend.

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### **EEOICP MANAGEMENT CHANGE**

In June Dr. James Kirr retired as Site Manager of the Energy Employees Resource Center in North Augusta. Jim has been a good friend to members of the SRSRA, and we wish him well in his retirement. His successor is Larry Warren, who is obviously very keen to continue providing support and guidance to impacted families, as well as giving updates to our BOD. The phone number for the Center is (803) 279-2728, or Toll Free (866) 666-4606. The Department of Labor (DOL) is now in charge of the program, which is starting to pick up a little speed. Effective April 2005, DOL has paid out over \$1 billion in compensation, and more than \$58 million in medical benefits under the EEOICP. Fifty-three million has been paid to South Carolina claimants.

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### **SRS MUSEUM**

The inauguration of the SRS Heritage Foundation for the development of the SRS Heritage Center, which will house the Visitor's Center and Museum, was held at the Aiken County Museum on August 11. Several Members of the Board of Directors of SRSRA attended this important event in SRS history.

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**TREASURER'S REPORT** - Stan Smith, Treasurer

June 30, 2005 closed out the 2004-2005 fiscal year. The data below summarizes finances for that period.

BALANCE	6/30/2004	\$16,612
INCOME	7/01/2004-6/30/2005	\$11,645
EXPENSES		\$7,855

General Overhead	\$3,065
Newsletters	\$1,924
Annual Meeting	\$1,451
Membership Enlistment	\$840
Security Deposits/Cash/Dues Overpay*	\$575

BALANCE	6/30/2005	\$20,402
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\*Security deposits and cash for the annual meeting were re-deposited in our account and are included in income. Several members overpaid dues and these funds were deposited in our account and later refunded to the members.

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**ORA ITEMS OF INTEREST**

**Looking for a new or used car?** The ORA has made arrangements for special pricing at some CSRA dealers:

**Thomson Motor Centre, Inc.** (Dodge, Chrysler, Jeep) Bring your ORA card, talk to Allen Lokey (800-533-7243, 706-597-0062, Ext 214) or Robert Law (Ext. 246) and receive a deal at 1.75% below dealer invoice on any NEW vehicle in stock. No hassles or haggling. You may also take advantage of all qualifying rebates. The discount is not applicable to Chrysler 300 series cars. You are also eligible for a 10% discount on all service and parts (except advertised specials). REMEMBER, you must ask for Allen Lokey or Robert Law.

**Bobby Jones Ford & Bobby Jones Suzuki LLC** -- Bobby Jones Ford is now offering ORA members their fleet and commercial prices on all new vehicles through use of the Bobby Jones Ford Gold Card Program. You will pay invoice prices just like other fleet and commercial buyers. You are also eligible for offered rebates. To receive these discounts, you must contact Terry Benstead (706-627-2198) Monday through Friday, or Susan Page (706-825-3299) on Saturdays. This offer extends to their used cars as well and a 10% discount on parts, service, and body shop repairs. Remember, you must talk to Terry or Suzan before you talk to a salesman; or they won't be able to give you the discounts.

**Family Summer Fun:**

- Six Flag Tickets – Regular \$43.99 Adults, \$26.99 Kids--ORA Rate \$25.00 for either Adults or Kids
- White Water Tickets – Regular \$31.99 Adults, \$21.99 Kids--ORA Rate \$23.00 for either Adults or Kids
- Carowinds Tickets – Regular \$44.99 Adults, \$27.99 Kids-- ORA Rate \$22.00 for either Adults or Kids

Tickets are available at the ORA Store, 766-H, or the ORA Recreation Site. Call 642-0314 to arrange a pickup time.

**Other ORA discounts are available on the ORA off site web page. Go to [www.srs-ora.com](http://www.srs-ora.com).**

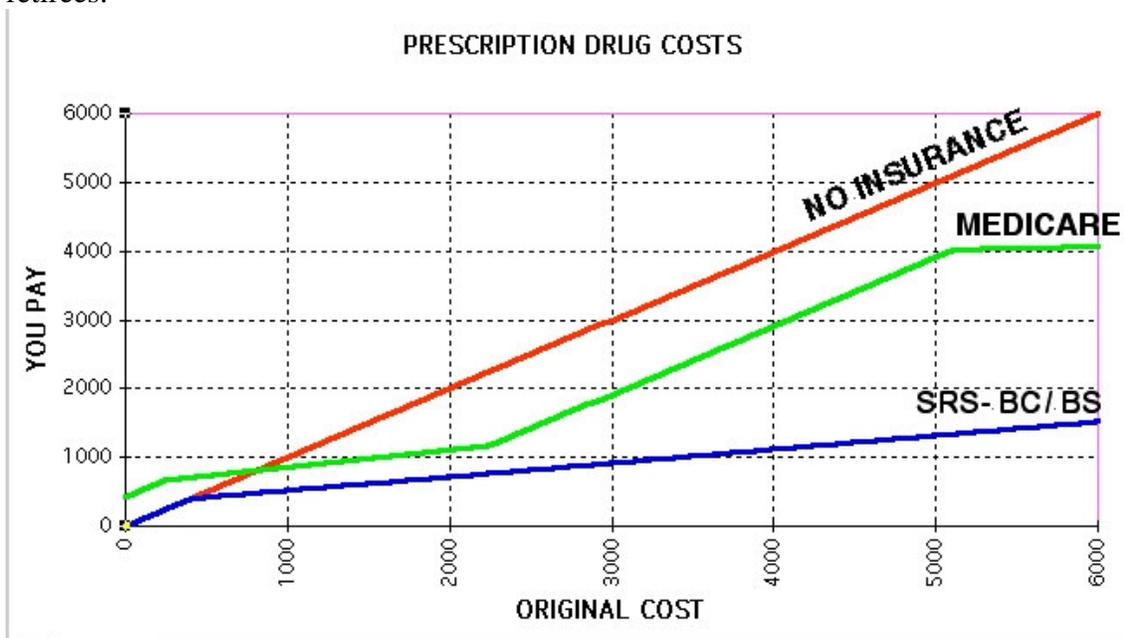
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## MEDICARE PRESCRIPTION DRUG COVERAGE OPTION

**SRSRA recommends keeping your current WSRC/BSRI prescription drug coverage. Do not elect the Medicare Prescription Drug Program.**

But before you act either way, please read further in this article.

The SRSRA is monitoring developments related to the impending Part D, Medicare Prescription Drug Coverage, option. We are recommending the nominal best choice when comparing the current Retiree WSRC/BSRI Health Choice Medical Plan to the new Medicare Part D Prescription Drug Coverage. The SRSRA thinks that it is very important to reach all retirees faced with this important choice, both SRSRA members and non-members alike. We encourage SRSRA members to become well informed about Medicare Part D as compared to the WSRC/BSRI Health Choice Medical Plan and to share that information with all retirees.



### Facts:

- You decide if you want to join a Medicare prescription drug plan
- Signup will be from November 15, 2005, through May 15, 2006
- **Medicare will help pay for employer retiree drug coverage** that meets Medicare's standards for their retirees with Medicare
- **Medicare will charge you a premium for Part D coverage if you elect Part D coverage**

### Choose to either:

- keep your current drug plan. *If you choose to join a Medicare prescription drug plan later (after May 15, 2006) your monthly Part D premium won't be higher (no surcharge), or*
- drop your current drug plan and join a Medicare prescription drug plan, *but you may not be able to get your WSRC/BSRI drug plan back.*

You may want to begin looking at your current retiree health insurance coverage and see what prescription drugs aren't covered or what part of the costs you pay yourself. Medicare is working with employers to help

you keep your current drug coverage. Medicare has a handy downloadable chart (PDF) to record ongoing prescription medications that you currently use. <http://www.medicare.gov/MPCO/Include/chart.pdf>

Medicare will help pay for employer retiree drug coverage that meets Medicare's standards for their retirees who are on Medicare by giving the employer incentives to retain their program.

In a recent meeting with WSRC Benefits personnel, your SRSRA Benefits Committee members learned that the Site plans to mail all retirees information they need concerning prescription drug benefits under the current WSRC/BSRI Health Benefit and how it may relate to the new Medicare Part D.

Additionally, the SRSRA has been informed that WSRC/BSRI has already initiated the appropriate actions to determine if our Prescription Drug coverage under the WSRC Team Health Choice Plan already meets Medicare's standards for retirees on Medicare. The outcome of those actions will be passed on to all retirees via future direct communications from WSRC/BSRI to you. The SRSRA membership will also address this information in the next Newsletter (November 2005). This will still allow time for you to sign-up for Medicare Part D if that is necessary. That Newsletter will be issued near the start of the Part D sign-up period on November 15, 2005, and following the WSRC and Medicare mail-outs to retirees.

On-line tools that you may want to use are at:

#### **Your Medicare Prescription Drug Coverage Options:**

<http://www.medicare.gov/MPCO/Include/DataSection/Questions/SearchCriteria.asp?version=default&browser=IE%7C%7CWinXP&Language=English&Defaultstatus=0&pagelist=Home>

#### **Prescription Drug Coverage Frequently Asked Questions:**

[http://questions.medicare.gov/cgi-bin/medicare.cfg/php/enduser/std\\_alp.php?p\\_lva=&p\\_li=&p\\_page=1&p\\_cat\\_lv11=46&p\\_cat\\_lv12=58&p\\_search\\_text=&p\\_new\\_search=1](http://questions.medicare.gov/cgi-bin/medicare.cfg/php/enduser/std_alp.php?p_lva=&p_li=&p_page=1&p_cat_lv11=46&p_cat_lv12=58&p_search_text=&p_new_search=1)

**Question: (If by chance you already have a Medicare Drug Card.) Can I still use any credits left on my Medicare-approved drug discount card after December 31, 2005?**

Yes. You can continue to use your Medicare-approved drug discount card and your credit until May 15, 2006, or until you join a Medicare prescription drug plan, whichever is first. After you join a Medicare prescription drug plan, you can't use your Medicare-approved drug discount card. Also, you can't use any of the credit you have left.

[http://questions.medicare.gov/cgi-bin/medicare.cfg/php/enduser/std\\_adp.php?p\\_faqid=1600&p\\_created=1108059301&p\\_sid=U4ygP4Mh&p\\_lva=&p\\_sp=cF9zcmNoPTEmcF9zb3J0X2J5PSZwX2dyaWRzb3J0PSZwX3Jvd19jbnQ9MTEmcF9jYXRfbHZsMT00NiZwX2NhdF9sdmwyPTU4JnBfcGFnZT0x](http://questions.medicare.gov/cgi-bin/medicare.cfg/php/enduser/std_adp.php?p_faqid=1600&p_created=1108059301&p_sid=U4ygP4Mh&p_lva=&p_sp=cF9zcmNoPTEmcF9zb3J0X2J5PSZwX2dyaWRzb3J0PSZwX3Jvd19jbnQ9MTEmcF9jYXRfbHZsMT00NiZwX2NhdF9sdmwyPTU4JnBfcGFnZT0x)

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## **BC/BS IDENTIFICATION CARDS**

Responding to the enormous increase in the threat of identity theft, new BC/BS Identification Cards are being issued that have new patient ID numbers. **Patients' Social Security numbers will NOT be on the cards.** BC of South Carolina will be issuing the new non Social Security ID Numbers to WSRC Medical Plan participants by the end of August to participants who reside in South Carolina. Participants should replace their old ID card with the one containing their new ID number. This project has already been completed in Georgia. Eight other States, including California and Texas, have state mandates to eliminate the use of Social Security numbers as ID numbers. Eventually BC will issue non Social Security ID numbers to all participants in their plans. If you do not have your new card by the end of August, please contact the Site. Current Explanation of Benefits (EOB) statements should already reflect this important change if you have not already noticed it.

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## **BC/BS AND MEDICARE COORDINATION ISSUES**

### **WSRC/BC CHANGES METHOD OF CALCULATING REIMBURSEMENT FOR CERTAIN MEDICAL PROCEDURES**

As a result of questions raised by the SRSRA and several discussions with WSRC management, WSRC gave clarification in March to BC/BS regarding the calculation of certain claims for Medicare participants.

These cases involve medical charges where Medicare has made a lump sum reimbursement to a provider often with the notation on their EOB that "The (Medicare) approved amount is based on a special payment method". When BC calculated what WSRC would have reimbursed if the participant was not on Medicare they sought to include what Medicare would have paid if the "special payment method (SPM)" had not been used. By using this procedure BC assumed that Medicare had paid a higher amount than was actually paid under SPM and increased the amount owed by the participant.

Blue Cross (BC) has agreed to a request by WSRC and SRSRA to conduct an audit of claims for WSRC Medicare participants retroactive to January 1, 2004. This audit was designed to identify and recalculate any previously processed claims that would have resulted in a participant refund based upon the clarified calculation protocol. Preliminary feedback from this audit indicates that several hundred medical procedures have been recalculated. This audit, which started in late June, is to be completed during the month of August.

BC will send a revised EOB to the participant when the audit determines that their medical claim was recalculated. The revised BC EOB is expected to include the following wording: **This is an ADJUSTMENT to a claim we processed previously** and will show the original date in the "Dates of Service" box. Any additional owed amount by BC (WSRC) will be paid directly to the medical provider as required by the BC provider network agreements. If an adjusted EOB is received, showing an additional payment to the provider, it will be the responsibility of the participant to contact their medical provider to secure a refund, provided the adjustment creates a credit in their account with that provider.

Preliminary results indicate that the majority of adjustments will be in cases where Medicare has established a flat rate for all steps involved in certain specific medical procedures. Many of these medical procedures are performed in a hospital, either as an admitted patient or an outpatient. We have been cautioned that many

providers, hospitals for example, will not automatically issue refunds to participants. **Medicare participants are strongly urged not to rely on the medical provider to voluntarily issue a refund.** BC started to mail adjusted EOBs in June and has advised that the final adjusted EOB from this audit should be mailed to participants before the end of August.

BC has suggested that participants allow about a week after receiving an adjusted EOB before they contact their medical provider to request a refund. The participant should have available a copy of their adjusted EOB and the date and amount of their original payment when contacting their medical provider.

Since it is appears that the **Aiken Regional Medical Center (ARMC)** will receive a substantial number of adjustment payments, **we have identified a person in their Billing Department to contact if a participant receives an adjusted EOB from ARMC. Participants may contact Alberta Adams at (803) 641-5088 for assistance with their refund request.**

Participants who receive an adjusted EOB from other providers should contact that provider directly. **If they are not able to make arrangements with their medical provider for their adjustment refund they may call Kathy Glazier or Nysha Bostick of BC at (803) 264-4148 for assistance.**

### **Preventive Care Coverage**

SRSRA has again brought up **the issue of Blue Cross (BC) computer software automatically rejecting preventive care medical claims** when they are forwarded by Medicare. We have been advised that BC will not be able change this software in the near future. **When BC issues a claim denial based on a Medicare action, it is recommended that a claim should be filed with BC and identify that the claim is for preventive care by a BC network provider.**

Preventive care covers; routine physical exams including clinical tests ordered by a Doctor and tetanus-diphtheria booster shots in Doctor's office subject to \$250 maximum benefit per year subject to copay. Other services are covered, not subject to \$250 limit, include preventive mammograms, pap smears, sigmoidoscopies and the PSA lab tests, at 90% of the approved BC network charge. These later preventive services are also covered by Medicare, therefore, any reimbursement by BC would be subject to the Medicare carve out.

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## BC/BS SERVICE CONCERNS

We have many letters from retirees trying to get proper Blue Cross/Blue Shield reimbursement for their medical bills. Most of the problems occur when the retiree/patient lives out-of-state (i.e., no longer in SC). If you have records of BC/BS service problems to share with SRSRA members, please **send a letter outlining your case to both:**

**John Church, Medical Benefits Committee**  
SRS Retiree Association  
P. O. Box 5686  
Aiken, SC 29804

and to: **Kaye Bozeman, Major Service Representative**  
I-20 at Alpine Road AV-100  
Columbia, SC 29219

or e-mail your information to: [KAYE.BOZEMAN@bcbsc.com](mailto:KAYE.BOZEMAN@bcbsc.com), or fax: 1-803-264-9353. You can also call toll-free at: 1-800-288-2227 x44452, or as a last resort, call her at 803-264-4452

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## BENEFITS CONTACTS

**People Support Service Center (a one-stop service for most HR and payroll activities and questions).**

- ◆ **803-725-7772 (local area SC and GA)**
- ◆ **800-368-7333 (long distance)**
- ◆ [service-center@srs.gov](mailto:service-center@srs.gov) (e-mail contact for this new service)

◇ **Life, Health, Dental**

Becky Proveaux PS Svc. Ctr. #  
Rosalee Bennett PS Svc. Ctr. #  
Greg Murray 803-725-0531  
Cindy McClintock 803-725-7004

◇ **Pension**

John Felkel 803-725-7722  
Viola Best 803-725-1900

◇ **Internal Medicine Partners** 706-792-5075  
(Annual Physical Examinations)

◇ **Metropolitan Life** 800-360-2747  
(WSRC/BSRI SIP Funds Program)

◇ **BAC (Westinghouse Corporate Pension)**  
800-581-4222

◇ **Safety Eyeglass Office**

Tom Cuny 803-725-3379

◇ **Blue Cross/Blue Shield of SC**

1-800-325-6596

[www.southcarolinablues.com](http://www.southcarolinablues.com)

Option 1 for Medical

Option 2 for Dental

Option 3 for Pre-Cert/Med Authorization

◇ **SC Medicare Web Site** (Hospital Insurance Part A; Medical Insurance Part B; Home Medical Equipment Beneficiaries)

1-800-583-2236

[www2.palmettogba.com/ems/login.jsp](http://www2.palmettogba.com/ems/login.jsp)

◇ **Value Options** (mental health & substance abuse assistance) 800-333-6557

Carolina Medical Review (CMR) is the Quality Improvement Organization for South Carolina's Medicare program. They have a variety of useful data available either at their web site <http://www.MRNC.org> or by calling the national 24-hour customer service number **1-800-MEDICARE (1-800-633-4227)**. There is a QIO in every state, and that listing is at: <http://www.medqic.org/content/qio/qio.jsp?pageID=4> Members on the Internet can also visit <http://www.medicare.gov>. If members have a state-specific question, the customer service representative at that number should be able to refer members to the state-specific Medicare number. (**The one for South Carolina is 1-800-583-2236.**) This may be a useful starting contact to resolve Medicare issues if the regular Medicare office of your state is not providing satisfactory service. For further information, contact:

Andrea Fuller, Outreach Specialist

Carolina Medical Review

250 Berryhill Road, Suite 101

Columbia, SC 29210

Telephone: 800-922-3089 (Toll Free); local 803-731-8225; Fax: 803-731-8687

e-mail: [afuller@SCOIO.sdps.org](mailto:afuller@SCOIO.sdps.org)