

# ***SRSRA NEWSLETTER***

*For SRS Retiree Association Members*

*Ed Somers, Editor*

*Volume 53 August 2012*

## **ON MEDICARE? YOU NEED TO READ THIS NEWSLETTER!**

### **THIS IS NOT LIKE THE PAST! YOU WILL HAVE TO MAKE DECISIONS THAT AFFECT YOUR HEALTH INSURANCE.**

If you are currently on Medicare or will be eligible to be on Medicare because you turn 65 on or before February 1, 2013, **YOU MUST CHANGE TO A NEW INSURANCE PLAN** sometime between October 15 and December 7.

If you are on Medicare, **YOU MUST TALK TO A REPRESENTATIVE FROM THE COMPANY NAMED *MY MEDICARE ADVOCATE*, AND SIGN UP THROUGH THEM FOR ONE OF THEIR RECOMMENDED POLICIES, if you want to receive the company contribution (stipend). You can use this money to help pay for your medical expenses including your new insurance.**

**To replace your existing coverage you may need one or more of the following:**

- **Medicare Supplement Plan OR Medicare Advantage Plan**
- **Medicare Part D, which will cover some of your expenses for prescription drugs**
- **Dental Plan**

If you are not on Medicare, you will be eligible for the SRNS or SRR Retiree Medical Plan. Please note there are many planned changes for your health insurance in 2013, specifically pertaining to prescription drugs and pre-authorization of major diagnostic procedures. Please read the information about your continued health insurance coverage when you get your Open Enrollment package in October.

**Please Open and read all mail from SRNS, SRR, My Medicare Advocate (MMA) as they will include important information regarding your Health Insurance!**

## CHAIRMAN'S LETTER

It has been a busy summer so far for your Board of Directors. All of us attended one or more of the Town Hall meetings on the new benefits for Medicare-eligible retirees. Members of Rick Geddes' Medical Interface Committee attended more – a lot more. Special thanks to them.

We had a BOD member attending each and every session for four reasons:

- To make sure that SRNS told a consistent story to all retirees. To their credit, they did.
- To be able to provide an independent trusted source of information for retirees – members and non-members – about what they were told and about the bigger picture of the change in our benefits package.
- To gather information so that we could begin to inform our members who couldn't attend the meetings. Ed Somers has included the timeline that was handed out at the Town Hall meetings in this newsletter.
- To sign up new members.

I'm sure the last bullet seems trivial to some of you, but let me assure you that it is just as important as the rest. One of the things we've learned over the course of the last two years is how essential it is to have friends in Congress who will support us. A congressman or senator may ignore one voice; it's much harder to ignore a chorus of over 1500. Rick and his team made a concerted effort that resulted in about 100 new members in the association.

This is important because we must continue the battle for our benefits. We are especially concerned about the long-term impacts of the changes in our health care benefits on the poor, the sick, and the long-retired. Our efforts provided Medicare-eligible retirees with the highest stipend in the DOE Complex and for current Medicare-eligible retirees, a bonus of \$500 per person and provided a five-year period to adjust to higher premiums than the originally planned three years for retirees who are not on Medicare. Thus, we will continue to push for full funding of our pension fund and for an equitable scheme for adjusting the health care stipend as health care costs go up. If we are to be successful, we will need the support of the area Congressional delegation; having more members will give us a greater voice.

Let me urge each of you to pay special attention to the timeline that Ed Somers has included. If you have not received a workbook and PIN from My Medicare Advocate by mid-October, or have not been contacted about enrolling in Medicare by mid-November, contact Kelly Sanders, SRNS Benefits Manager, IMMEDIATELY (**Phone:** 803-725-2135; **email:** [kelly.sanders@srs.gov](mailto:kelly.sanders@srs.gov)). Please let us know as well.

Still battling for your benefits,

John Plodinec, Chair  
SRS Retiree Association

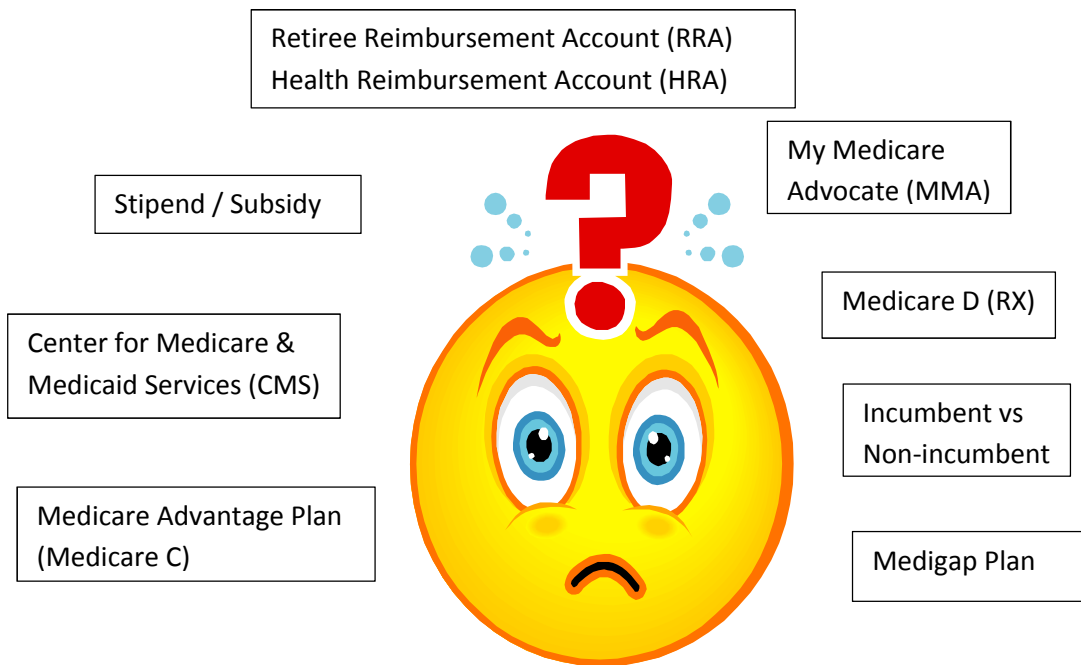
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The remainder of this newsletter contains copies of handouts and information provided by SNRS / SRR at the Town Hall Meetings in late July and early August. If you were unable to attend any of these meetings, this may be the first time you have seen most or all of this information. It includes:

1. A description of the changes that are coming
2. The one-page chart of what the different Medigap policies cover (taken from Medicare & Medicaid Services publication “2012 Choosing a Medigap Policy”).
3. A timeline for implementation of these changes
4. Questions and Answers

Shortly you will receive a package in the mail from SRNS/ SRR / My Medicare Advocate (MMA) that introduces My Medicare Advocate and provides more detail on how the enrollment process will work. Please read this over and contact My Medicare Advocate if you have questions feel that you need more information.

**My Medicare Advocate representatives have started the process by calling retirees. You should expect MMA Enrollment Workbook and PIN Letter by early October. If you have not been contacted, please contact Kelly Sanders by phone: 803-725-2135 or by email: [kelly.sanders@srs.gov](mailto:kelly.sanders@srs.gov)). Please let us know as well.**



### What's Changing?

Coverage	Today	Jan 1, 2013
Inpatient	Medicare A	Medicare A
Outpatient	Medicare B	Medicare B
Pharmacy	SRNS or SRR (Prime / Standard or Basic thru BCBS-SC)	Medicare D (or Medicare Advantage)
Medical Supplement	SRNS or SRR (Prime / Standard or Basic thru BCBS-SC)	Individual Plan
Dental	SRNS or SRR (Prime or Standard thru BCBS-SC)	Individual Plan

***Beginning 01/01/2013, you will purchase as an individual:***

**Both a Medigap Supplement + Medicare D Plans OR a Medicare Advantage Plan**



## Introducing My Medicare Advocate

### Your Transition to new Medicare-Eligible Retiree Benefits

As Medicare-eligible retirees of WSRC, BSRI, BNG, BWXT, SRNS and SRR, we understand that health care coverage is important to you. SRNS and SRR remain committed to making the transition to your new medical coverage as comfortable as possible. We appreciate our retirees and believe your new benefit options will provide you with the health care coverage that is best tailored to your personal needs, is affordable, and is sustainable over time.

**Effective January 1, 2013**, the retiree Medical and Dental plans that the Company currently offers to Medicare-eligible retirees through BCBS of South Carolina will be replaced by a company contribution to a Retiree Reimbursement Account (RRA). SRNS and SRR will provide you with an annual contribution that you can use to purchase individual insurance that coordinates with (or supplements) Medicare Parts A and B and that provides pharmacy coverage.

The RRA will be seeded with an annual contribution of \$2,400 and an initial **one-time** lump sum contribution of \$500 will be given to retirees who are Medicare eligible in 2013.

Coverage Level	Annual Contribution	Initial One-time 2013 Contribution	Total 2013 Contribution
Single (Retiree or Spouse)	\$2,400	\$500	\$2,900
Retiree + 1	\$4,800	\$1,000	\$5,800

SRNS and SRR have selected an Advocacy Service, My Medicare Advocate (MMA), to help you with the process of selecting and enrolling in individual Medicare coverage which best meets your needs. My Medicare Advocate (MMA) will guide you, step-by-step, through the process of understanding the individual Medicare market, evaluating your options and enrolling in the coverage that is tailored to your needs. **This service is provided at no cost to you or your spouse (if he or she is also Medicare eligible).**

To qualify for the Retiree Reimbursement Account (RRA), Retirees will be required to use My Medicare Advocate services to select and enroll in individual Medicare coverage. If you do not enroll in an individual plan using MMA services, you will not have access to the RRA contribution to use for any medical, dental, vision coverage or expenses.

**While SRNS and SRR intend to continue providing comprehensive benefits programs, the companies reserve the right to modify or terminate any of the benefit plans at any time. For more information on the procedures to modify or terminate benefit plans, refer to the Plan Documents. The Companies will provide advance notification of any future benefit changes.**

# What You Can Expect

You will receive more information from My Medicare Advocate in the weeks ahead.

**Note these dates on your calendar:**



Now through Oct. 1, 2012	MMA Call Center is open to answer general questions regarding the enrollment process, SRS plan changes and Medicare. Call MMA at <b>877-591-8904</b> , Monday through Friday from 9 a.m. to 9 p.m., Eastern time.
Now through November	You may receive a welcome phone call from your MMA Advocate to help acquaint you with the decision-making process and resources to help you. If you do not receive a call, we encourage you to call MMA to ensure they have an accurate phone number on file for you.
Early October	An MMA Enrollment Workbook and PIN Letter will be mailed to your home.
Oct. 1	Your personalized plan information available on the MMA website (have your PIN and date of birth handy): <a href="http://www.mymedicareadvocate.com/srs">www.mymedicareadvocate.com/srs</a>
Oct. 1	Personalized plan information available from an MMA Advocate.
<b>Oct. 15 – Dec. 7</b>	<b>Medicare annual election period. Time to enroll for your 2013 coverage. Call MMA Monday through Friday, 9 a.m. – 11 p.m., Eastern time. Log on to <a href="http://www.mymedicareadvocate.com/srs">www.mymedicareadvocate.com/srs</a>.</b>
Dec. 2012	A Welcome Kit will be mailed to your home from WageWorks, the administrator for your Retiree Reimbursement Account.
Dec. 2012 – Jan. 2013	Confirmation from your selected insurance carrier, including plan booklets and ID card, will be mailed to your home.
Jan. 1, 2013	Effective date for your RRA and new individual Medicare plan coverage.

Medigap Plans

**How to read the chart:**

If a check mark appears in a column of this chart, the Medigap policy covers 100% of the described benefit. If a row lists a percentage, the policy covers that percentage of the described benefit. If a row is blank, the policy doesn't cover that benefit. **Note:** The Medigap policy covers coinsurance only after you have paid the deductible (unless the Medigap policy also covers the deductible).

	Medigap Plans													
Medigap Benefits	A	B	C	D	F*	G	K	L	M	N				
Medicare Part A Coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓***				
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓				
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓				
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓				
Medicare Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓				
Medicare Part B Deductible			✓		✓									
Medicare Part B Excess Charges					✓	✓								
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓				

Out-of-Pocket Limit**	
\$4,660	\$2,330

\*Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,070 in 2012 before your Medigap plan pays anything.

\*\* After you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$140 in 2012), the Medigap plan pays 100% of covered services for the rest of the calendar year.

\*\*\*Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.



## 2013 Health & Welfare Benefit Plan Changes

### Glossary of Key My Medicare Advocate Terms

The purpose of this glossary is to standardize the usage of **certain** terms across all communications to ensure consistency and understanding.

- **Advocate** — A trained and licensed My Medicare Advocate (MMA) call center representative. Eligible Retirees and Eligible Dependents will have their own advocate to help them walk through the process of learning about and enrolling in the individual Medicare plan that is best for them.
- **Center for Medicare & Medicaid Services (CMS)** — U.S. federal agency which administers Medicare, Medicaid, and the State Children's Health Insurance Program.
- **Contribution** — The amount of tax-free funds provided to Eligible Retirees/Eligible Dependents via the RRA, previously referred to as “Stipend” or “Subsidy”.
- **Eligible Retirees and Eligible Dependents**— Medicare eligible retirees, and/or their dependents who are Medicare eligible and will no longer be eligible for the client’s group health plans (Medical, Dental and/or Vision) and, as a result will be eligible for MMA services.
- **Medicare Annual Enrollment Period (AEP)** — The time between October 15 and December 7, 2012 (dates will vary based on CMS requirements) when eligible retirees can enroll in Medicare plans.
- **One-Time Contribution** — An initial “seeding” of money in the RRA for Eligible Retirees and/or Eligible Dependents who are enrolled in Medicare Parts A and B during 2013, and who enroll in a supplemental Medicare plan through MMA.
- **Retiree Reimbursement Account (RRA)** — The tax-qualified account (previously referred to as a Health Reimbursement Account,) used by eligible retirees or dependents for disbursement of payments for qualified medical expenses. The employer contribution will be deposited into this account.
- **SRNS / SRR Incumbent Retiree** – Someone who is either:
  - An active participant in the SRNS, LLC Multiple Employer Pension Plan (Pension Plan) and has either met eligibility for the SRNS or SRR Retiree Medical Plans or
  - An active employee still working for SRNS or SRR and accruing additional age and service towards Retiree Medical eligibility.

*(Incumbent employees are primarily employees previously hired by a member of the WSRC Team and (1) rolled over to SRNS on 8/1/2008, (2) were hired by a member of the WSRC Team before 12/9/2009 and rolled over to SRR on 7/1/2009 and (3) a few internal group moves of employees from WSRC to SRNS and SRNS to SRR during the SRR transition.)*

- **SRNS / SRR Non-Incumbent Retiree** – Someone who is either:
  - A deferred vested retiree who left employment before meeting eligibility (age/service) for the SRNS or SRR Retiree Medical Plans or
  - Was hired by SRNS on or after 08/01/2008, or hired by SRR on or after 07/01/2009 or

*(Non-Incumbent employees are primarily employees who did not roll over to SRNS or SRR, (except as noted) and were (1) hired by SRNS on or after 8/1/2008, (2) hired by WSRC on or after 12/9/2008 and rolled over to SRR on 7/1/2009, or (3) hired by SRR on or after 7/1/2009. A retired employee of the WSRC Team, SRNS or SRR hired by either SRNS or SRR is hired as a Non-Incumbent employee for the purposes of benefit eligibility going forward. Any employees transferred in to either SRNS on or after 8/1/2008 or SRR on or after 7/1/2009 from their parent companies or affiliates are also considered Non-Incumbent employees.)*



## Combined Q&As as of 7.1.2012 2013 Health & Welfare Benefit Plan Changes Questions & Answers

### General:

Q1) Who are Incumbent Retirees/Employees and who are Non-Incumbent Retirees/Employees?

A1) An Incumbent Retiree or Employee is someone who is either:

- An active participant in the SRNS, LLC Multiple Employer Pension Plan (Pension Plan) and has either met eligibility for the SRNS or SRR Retiree Medical Plans or
- An active employee still working for SRNS or SRR and accruing additional age and service towards Retiree Medical eligibility.

*(Incumbent employees are primarily employees previously hired by a member of the WSRC Team and (1) rolled over to SRNS on 8/1/2008, (2) were hired by a member of the WSRC Team before 12/9/2009 and rolled over to SRR on 7/1/2009 and (3) a few internal group moves of employees from WSRC to SRNS and SRNS to SRR during the SRR transition.)*

A Non-Incumbent Retiree or Employee is someone who is either:

- A deferred vested retiree who left employment before meeting eligibility (age/service) for the SRNS or SRR Retiree Medical Plans or
- Was hired by SRNS on or after 08/01/2008, or hired by SRR on or after 07/01/2009

*(Non-Incumbent employees are primarily employees who did not roll over to SRNS or SRR, (except as noted) and were (1) hired by SRNS on or after 8/1/2008, (2) hired by WSRC on or after 12/9/2008 and rolled over to SRR on 7/1/2009, or (3) hired by SRR on or after 7/1/2009. A retired employee of the WSRC Team, SRNS or SRR hired by either SRNS or SRR is hired as a Non-Incumbent employee for the purposes of benefit eligibility going forward. Any employees transferred in to either SRNS on or after 8/1/2008 or SRR on or after 7/1/2009 from their parent companies or affiliates are also considered Non-Incumbent employees.)*

Q2) If I am retired and Medicare eligible but my spouse is not Medicare eligible, will my spouse and/or dependent(s) remain in the SRNS or SRR Pre-Medicare Retiree Medical Plan until they become Medicare eligible?

A2) Eligible Dependents (spouse and/or children) will remain in the SRNS or SRR Retiree Medical Plan until they become Medicare eligible or lose eligibility. If your spouse is Medicare eligible before you, your spouse will qualify for the Retiree Reimbursement Account RRA and you will remain in the SRNS or SRR Pre-Medicare Retiree Medical Plan until you become Medicare eligible. Your spouse will work with MMA to obtain individual Medicare coverage.

Q3) Do these changes affect people who retired under DuPont?

A3) **These changes do not impact the DuPont Retiree Programs.** They only impact those individuals who retired under the WSRC Team (including BSRI, BNG, BWXT) who were eligible for retiree medical benefits - which are now the Savannah River Nuclear Solutions, LLC Retiree Medical Plans. The changes also impact those who retired directly from SRNS and SRR and are eligible for retiree medical benefits from SRNS or SRR.

Q4) As a military retiree, I have TRICARE for life. The plan changes state that to qualify for the RRA, retirees will be required to use My Medicare Advocate services to select and enroll in individual Medicare coverage. With TRICARE, am I still eligible for the RRA?

A4) Yes, you will be able to purchase a low (or no) cost premium supplemental Medicare plan through My Medicare Advocate to give you access to the \$2,400 contribution. If you are retired (or retiring in 2012 or 2013) and become Medicare eligible by 12/31/2013, you will be eligible for the initial \$500 Initial One-Time Contribution (which would also apply to a Medicare eligible spouse). The order of payment is Medicare, Medigap Supplement and then Tricare.

Q5) If I am a Non-Incumbent employee, will I be eligible to receive the Contribution?

A5) No, you will not be eligible for the RRA Contribution if you are a Non-Incumbent employee. However, you may still utilize MMA services to help you elect a medical plan if you are/when you become Medicare eligible.

Q6) If I am an Incumbent employee and I terminated employment before acquiring the required age and/or service to retire under the Early, Normal or Optional provisions of the SRNS Defined Benefit Pension Plan, will I be eligible to receive the Contribution?

A6) No, you will not be eligible for the Contribution if you are not eligible for benefits under Normal, Early or Optional retirement provisions of the SRNS Defined Benefit Plan. However, you may still utilize MMA services to help you elect a medical plan if you are/when you become Medicare eligible.

Q7) Does the "Cadillac Plan tax" apply to individual plans like a Medicare F?

A7) No.

## **My Medicare Advocate (MMA)**

Q8) What firm(s) company is My Medicare Advocate (MMA) associated with?

A8) MMA is a product of ASC (Affiliated Computer Services, Inc) a Xerox Company.

My Medicare Advocate combines call center representatives and a Web portal with user-friendly tools, and a range of communication materials, to help retirees evaluate the most appropriate Medicare coverage for their individual situations. MMA has partnered with

- Buck Consultants (Benefits consultants for employers and current pension actuarial consultant for SRNS and SRR. Buck Consultants is also a Xerox Company), and
- WageWorks, Inc. (leading provider for the administration of benefit programs like the Retire Reimbursement Account (RRA) being provided by SRNS and SRR.)

Q9) Do I have to use My Medicare Advocate (MMA) to receive the RRA Contribution?

A9) Yes, Retirees will be **required** to use MMA to receive the RRA contribution and receive the funds. There are many advantages in using MMA such as personalized, confidential and unbiased assistance from licensed MMA Advocates. Your Advocate will help you compare individual Medicare plans from a variety of well-known insurance companies based your specific medical, prescription drug and budgetary needs. Once you select a health plan that's best for you, your Advocate will assist you with enrollment. Through the MMA website, you also can compare supplemental Medicare plans on your own based on your personal situation. Your Advocate will guide you on how to coordinate payment of insurance premiums and other expenses from your RRA.

Q10) What types of questions can an MMA Advocate answer?

A10) The Advocates can answer questions about Medicare, individual Medicare Advantage, Medigap and Medicare prescription drug plans, and the SRNS and SRR Retire Reimbursement Account. They also can help retirees/dependents use the online My Medical Advocate modeling tools, and assist with the enrollment process, choice of providers, pharmacies and much more. After enrollment in a plan through the MMA program, the Advocates will provide ongoing assistance in any questions or issues the retiree may have with the insurance company.

Q11) Can a retiree give another person permission to work with MMA on their behalf?

A11) Yes; if a retiree/covered dependent wants an adult child or other authorized representative to be able to call My Medicare Advocate or visit the website, he or she can provide this permission.

Q12) Do the MMA Customer Service Representatives receive incentive/bonus pay based on the insurance plan I select?

A12) No. The licensed Advocates are trained in the details of the various Medicare Advantage, Medigap and Medicare prescription drug plans. They are not affiliated with or paid by any of the insurance companies offering these plans. The MMA Advocates are trained to provide unbiased assistance to retirees and do not receive commissions or compensation based on which carrier or plan you choose.

Q13) Is there a group of approved providers from which we must choose supplemental coverage or are we free to choose the provider of our choice?

A13) Yes, you are free to choose the plan of your choice offered through MMA. The Advocate will ask you questions about your health care and prescription drug needs to help you compare plan choices. You can request that MMA expand the search to another provider or plan. MMA partners with the majority of high-quality providers offering individual Medicare plans.

Q14) Can My Medicare Advocate (MMA) provide access to a list of Providers/Plans in their network before Open Enrollment? If so, how soon?

A14) No. This year, the Medicare enrollment period begins on October 15 and ends on December 7th. We do know that United Health Care (AARP) Plans as a national carrier will be available as well as BCBS of South Carolina and BCBS of Georgia. However, details of the available insurance companies and their plans for the various zip codes across the country and the cost of those plans will not be available until the first of October after the insurance companies receive approval from Medicare for their 2013 Plans. The decision regarding the individual supplemental Medicare plan selection is a personal choice based on the person's personal situation, healthcare needs, financial situation and location, as well as other factors that are best addressed with the personal assistance of a trained and licensed MMA Advocate during the Medicare enrollment period.

Q15) Can I obtain a dental plan through MMA?

A15) Some Medigap and/or Medicare Advantage Plans may have dental coverage. MMA also has stand-alone dental plans that you may want to consider. You may use your RRA for medical, dental, and vision premium payments, co-pays, co-insurance and any other IRS-allowable expenses (that satisfy IRC Section 213).

Q16) What if the retiree typically spends time in different parts of the country (and/or out of the country) at different times of the year?

A16) My Medicare Advocate can help them take this into account in the plan selection decision-making process.

Q17) What is an HICN and what should I do if MMA asks me to provide them my HICN?

A17) HICN is an acronym for Health Insurance Claim Number. The HICN is assigned by the Social Security Administration when an individual becomes eligible for Medicare and can be found on the back of a retiree's Medicare ID card. In most instances, MMA will already have the retiree's HICN on file (as provided by SRNS, SRR and/or from the Center for Medicare Services), but in some cases they may not and they may need to request it from the retiree. Retirees should feel comfortable responding to requests from MMA about their HICN, as they cannot be enrolled in a plan without that number. However, HICNs are similar to SSNs and retirees should protect them. If a retiree is concerned about providing a HICN over the phone, they can supply their HICN by mail, instead.

## Retiree Reimbursement Account (RRA) Funds / Stipend

Q18) Will I need to pay taxes on the contribution money?

A18) Under current Internal Revenue Code (IRC) rules, the contribution, which will be deposited in a Retiree Reimbursement Account (RRA), is not taxable if used for eligible medical/dental/vision expenses or Medicare premiums. You can get more information about eligible health care expenses from IRS Publication 502, "Medical and Dental Expenses," available by calling 1-800-829-3676 or viewing it online at <http://www.irs.gov/pub/irs-pdf/p502.pdf>.

Q19) Will the RRA contribution be adjusted annually based on inflation?

A19) No, the RRA contribution amount will be reviewed periodically.

Q20) How will I receive my contribution?

A20) The contribution will be deposited in an RRA, which will be set up for you if you enroll in a medical plan through MMA.

Q21) Will I receive an Initial One-Time Contribution of \$500 every year?

A21) No, the RRA will be seeded with an Initial **One-Time** contribution of \$500 lump sum payment, only for Eligible Retirees and/or Eligible Dependents who are enrolled in Medicare Parts A and B during 2013, and who enroll in a supplemental Medicare plan through MMA.

Q22) Can I carry over any remaining funds in my RRA to the next year?

A22) Yes, your unused RRA funds will roll over from year-to-year, in accordance with current IRS rules.

Q23) If both the retiree and spouse are in a joint RRA, can leftover monies from one spouse be used for the other?

A23) Yes, the RRA funding for a married couple reflects two times the individual RRA contribution amount, and can be comingled in a joint account for that couple. Payments from that joint account for premiums and expenses do not have to be individual-specific. Upon the death of the retiree or spouse, the surviving individual (if also in the RRA) would have access to the full remaining balance of the joint account. Upon the death of both the retiree and spouse, the funds will revert back to the employer (SRNS and/or SRR).

Q24) Who administers the reimbursement of premiums and/or claims from the Retiree Reimbursement Account?

A24) WageWorks, Inc. Beginning in 2013, it will be **your responsibility** to pay your insurance premiums promptly each month. Your plan's insurance carrier will send you an invoice each month. **You must then submit the premium payment directly to the insurer.** Your new SRS Retiree Reimbursement Account (RRA) can help you pay for the cost of your health care coverage. The process is similar to that followed by employees using an expense account. You will pay your insurance bill in full each month; you can then request reimbursement from WageWorks, the SRS RRA claims administrator. If your RRA has a sufficient balance, WageWorks will send you a check for the amount you claim.

There are three ways in which you can access the funds in your RRA to reimburse yourself for insurance premiums or medical expenses:

- **Pay Me Back**

- You make payment up front for the insurance premiums or qualified medical expenses;
- You submit a receipt for the premium or expense to WageWorks by mail, fax or online; and
- WageWorks sends you your reimbursement by check or direct deposit into your bank account.
- Under this approach, you must submit a reimbursement request each time you pay a premium or expense.

- **Pay By Auto-Reimbursement**

- You make payment up front for the insurance premium;
- You make a one-time annual request for monthly reimbursement of the amount of your insurance premium; and
- WageWorks sends you a check or direct deposit into your bank account each month.
- Under this approach, you only need to file this single reimbursement request each year.

- **Pay My Provider**

- You make the first month's insurance premium payment to the insurance carrier;
- You submit the insurance premium invoice to WageWorks and authorize them to pay your carrier directly; and
- WageWorks makes subsequent monthly insurance premium payments directly from your RRA to the carrier.
- This approach is similar to online Bill Pay on a bank account.

**Please note:** You also can use your SRS RRA to reimburse yourself for qualified out-of-pocket expenses your selected plan does not cover, such as deductibles, ambulance service and hearing exams.

Q25) Does MMA and/or Wage Works have a fiduciary duty to the individual retiree?

A25) Yes, they have a claims fiduciary duty for reimbursements from the RRA.

### **Medicare, Medigap and Medicare Advantage Plans**

Q26) How does Medicare work?

A26) Medicare is health insurance for the following:

- People 65 or older
- People under 65 with certain disabilities
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

*The different parts of Medicare help cover specific services:*

- Medicare Part A (hospital insurance) helps cover inpatient care in hospitals. It also helps cover skilled nursing care, hospice and home health care.
- Medicare Part B (medical insurance) helps cover doctors' services, outpatient care, and home health care. It also helps cover some preventive services to help maintain health and help keep certain diseases from getting worse.
- Medicare Part D (Medicare prescription drug coverage) is a prescription drug option run by Medicare-approved private insurance companies. It helps cover the cost of prescription drugs and it may help lower prescription drug costs and help protect against higher costs in the future.

Medicare Advantage Plans (like an HMO or PPO) are health plans run by Medicare-approved private insurance companies. Medicare Advantage Plans (also called Part C) include Part A, Part B and usually other coverage like Part D, sometimes for an extra cost.

Q27) Are chemo drugs covered by Medicare B? Medicare D? Medigap Plan?

A27) Typically, infused chemotherapy drugs administered at a doctor's office or infusion center are covered by Medicare Part B. Certain oral chemotherapy drugs like (Tarceva for lung cancer) are covered by Medicare Part D. Medigap plans no longer provide drug coverage of any kind. Because plans can change their formulary every year, My Medicare Advocate's plan comparison technology quickly determines which of the retiree's chemotherapy drugs are covered under Part B or D.

Q28) Where are specialty drugs typically covered under Medicare?

A28) Many specialty drugs are covered under Medicare Part D and have their own co-pay tier.

Q29) If someone elects a Medigap plan for 2013 and then due to a change in health condition switches plans in the future (e.g. 2016) - will there be new underwriting?

A29) With certain exceptions, Medicare beneficiaries are only guaranteed the right under Federal law to buy any of the Medigap plan designs offered during their open enrollment period. This period begins the first month you are age 65 or older and you have Medicare Part B. If someone changes Medigap plans because they need better benefits - for example, they're not as healthy as they were when first purchasing the policy - an insurer can deny coverage or charge a higher premium. Some states and insurance companies do offer guaranteed-issue plans after open enrollment, but this is not true in most cases. The MMA Advocate can

advise you during the enrollment period if a plan you are interested in provides guaranteed issue and/or if plan is based on your age when you enroll or if the premiums will be age based each year.

Q30) Can other Medigap Supplement plans have pre-existing conditions limitations or exclusions (if you never missed being covered)?

A30) Yes. However, you will generally not be subject to these limitations if you properly enroll in a Medigap plan during the Special Enrollment Period following loss of coverage under the group Medicare Supplement Plan.

Q31) Same above scenario for election of a Medicare D plan for 2013 and then changing in the future (e.g. 2016)?

A31) If a Medicare beneficiary finds their Medicare Part D coverage is not meeting their healthcare or financial needs (medications may change from year to year or the Part D Plan may have changed), there is no penalty for switching plans. However, beneficiaries can only switch plans during the Annual Election Period and can only enroll and dis-enroll one time during each year's period.

Q32) Same above scenario for election of a Medicare Advantage plan for 2013 and then switching to a Medigap Plan due to geographic change or personal decision?

A32) A beneficiary in a Medicare Advantage (MA) plan has guaranteed-issue rights to switch to a Medigap plan in certain situations. In these situations, private insurers are required to sell the beneficiary a Medigap policy without a health screening. Beneficiaries cannot be denied a Medigap policy or charged a higher premium due to their current health or history. Beneficiaries have guaranteed-issue rights to a Medigap policy when:

- Their Medicare Advantage plan terminates coverage. In this case, they can return to Original fee-for-service Medicare with Medigap, but you must apply within 123 days of the end of their MA plan benefits.
- They move outside of their MA plan service area. They must apply within 63 days of moving.
- They joined an MA plan when they first became eligible for Medicare and want to switch to a Medigap policy during their first 12 months in the MA plan.
- They switch from a Medigap policy to an MA plan for the first time since becoming eligible for Medicare, and dis-enrolled from the MA plan within the first 12 months.

*Medigap carriers are not required to cover a beneficiary switching from an MA plan to a Medigap policy if they do not fall into one of the above categories.*

Q33) Are there different rates for non-smokers in any of the different categories of plans?

A33) Non-smoker rates typically apply for Medigap plans.

Q34) Where can retirees get more information about Medicare?

A34) For more information, go to [www.mymedicare.gov](http://www.mymedicare.gov). Explore the website for general Medicare information or download (or request) a copy of "Medicare and You."

If you have any questions, contact the SRNS Benefits Solutions Center at (803) 725-7772 or (800) 368-7333 or send an email to <a href="mailto:Service-Center@srs.gov">Service-Center@srs.gov</a> .
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***While SRNS and SRR intend to continue providing comprehensive benefits programs, the companies reserve the right to modify or terminate any of the benefit plans at any time. For more information on the procedures to modify or terminate benefit plans, refer to the Plan Documents. The Companies will provide advance notification of any future benefit changes.***