



City of Seattle

Seattle City Employees' Retirement System
Board of Administration

Kenneth J. Nakatsu, Interim Executive Director

October 21, 2016

Subject: City of Seattle Retiree Medical Annual Enrollment

Dear City of Seattle Retiree:

I hope this letter finds you well and enjoying the fall. This letter contains information about the City of Seattle's Annual Enrollment for retiree medical plans. Annual Enrollment runs Tuesday, November 1 through Wednesday, November 23, 2016; changes you make will go into effect on January 1, 2017.

If you want to **stay** in your current medical plan, **no action is necessary**. The new premium deduction amount will start with your December 30, 2016 pension check, and you will remain on your current medical plan.

Note to Medicare-eligible retirees on the Group Health MAPD Plan: to provide you with choices regarding the rate increase for 2017, the City is offering an additional Group Health plan. Please see next page.

If you want to **change** medical coverage effective January 1, 2017, **here's what you need to do:**

- **If you are changing medical plans offered through the City**, you must fill out an enrollment form and submit it to the Retirement Office postmarked no later than **Wednesday, November 23, 2016**. Call our office at (206) 386-1293 or toll free at 1-877-865-0079 to request an enrollment form to be emailed or mailed to you. Any customer service representative will be able to assist you. If you need to speak with someone in a language other than English, we will help you access Language Line services. Your new coverage will go into effect January 1, 2017.
- **If you want to drop/cancel your City retiree medical plan coverage effective January 1, 2017**, you must notify the Retirement Office **in writing** by Friday, December 9, 2016.

Please read this letter and the enclosed information to understand your options and upcoming plan changes. The 2017 benefit comparisons and rate sheets and the detailed plan booklets are also available online at seattle.gov/retirement/medical_info.htm

Other Retiree Medical Insurance Options

The plans offered by the City are chosen to approximate coverage offered to active employees. We encourage retirees to explore all options available to them to ensure they have medical coverage that best meets their health and financial needs.

- **Retirees Under Age 65** – You may have options available to you through the state Health Insurance Exchange at <http://wahealthplanfinder.org>. These plans are “guaranteed issue”: they cannot deny you coverage. The standard plan designs make it easy to compare pricing, and may better meet your financial requirements than City plans. Their Open Enrollment is November 1, 2016 – January 31, 2017.
- **Retirees Age 65 and Over** (Medicare eligible retirees) – While there are no Medicare options available on the state Health Insurance Exchange, remember that you have access to many other individual Medicare plans that may be more suitable for your financial situation than the City’s plan. And, like the Health Insurance Exchange plans, you cannot be denied coverage, and can change plans annually during Medicare’s open enrollment. We encourage you to explore these other options directly with the providers of those plans. Contact the Retirement Office before making any changes, to ensure continued coverage for your spouse and/or dependents.

If you purchase medical coverage through a Health Insurance Exchange or obtain an individual Medicare Supplement or Medicare Advantage plan, **you will not be able to return to City coverage** in the future, because these plans are not group/employer health plans. However, as indicated above, you can change plans annually during open enrollment, and many choices are available that might be more suitable for you.

Medical Plans for Retirees and Dependents Under Age 65

The City will offer the same four medical plans as last year to retirees and dependents under age 65. See the enclosed rates and comparison charts for more information. The following are changes to the Aetna plans.

Aetna Preventive and Traditional Medical Plans

- **Managed behavioral health:** Adding review, approval and coordination of care in complex mental health and substance abuse situations (such as residential treatment and psychological and neurological testing). For routine situations, condition management support is now available.
- **Short-term rehabilitation:** Increasing the maximum number of visits for physical therapy and occupational therapy from 25 per episode to 25 per calendar year. Additional visits may be covered, if they are determined to be medically necessary.

Aetna Preventive Medical Plan

- **Acupuncture:** Increasing to 20 visits per calendar year.

Please call the medical plans directly with your specific questions:

- City of Seattle Preventive or Traditional (Aetna): 1-877-292-2480
- Group Health Deductible: 1-888-901-4636 (Group #0961100)
- Group Health Standard: 1-888-901-4636 (Group # 1004400)

Medicare Advantage Medical Plans: Retirees and Dependents Age 65 and Over

The City will now offer four Medicare Advantage plans to Medicare-eligible retirees and dependents in 2017. The Aetna and United Healthcare plans are essentially the same, other than the customary drug formulary updates and any changes required by Medicare. Because of a significant Group Health rate increase, the City is now offering an additional Group Health Medicare option: the MAPD4 plan. See below and the enclosed comparison chart for more information. The rates are on page 5 of the chart.

New Group Health option: Even after negotiation and discussion with Group Health, the 2017 rate increase for the current MAPD 3 plan was 41%, a \$115.88 per month increase over the current rate. To provide you with options in meeting your health care needs, the City is offering a second Group Health plan. Though the new Group Health MAPD 4 plan has a reduced plan design and a lower rate than the current plan, it also requires a significant rate increase – 32% over the current plan, a \$90.03 increase per month.

Coverage for some services in the new Group Health MAPD 4 Medicare plan is lower than the current plan. Here are the most significant differences.

- **Hospital Inpatient Copay:** Increases from \$0 to \$100 per admittance
- **Office Visit Copay:** Increases from \$10 to \$15
- **Outpatient Surgery Copay:** Increases from \$10 to \$50
- **Durable Medical Equipment Coinsurance:** Increases from 0% to 20%
- **Prosthetics Coinsurance:** Increases from 0% to 20%
- **Vision Hardware Allowance:** Changes from \$150 per 12 months to Not Covered
- **Hearing Aid Allowance:** Changes from \$250 per 24 months to Not Covered.

Please call the medical plans directly with your questions: For further information about any formulary changes or those required by Medicare, or to obtain information about the individual Medicare plans they offer, please contact the medical plans directly:

- Aetna Medicare Plan (PPO): 1-800-307-4830 (AE #430517)
 - <https://www.aetna.com/>
- Group Health Medicare Advantage Plans with Part D: MAPD 3 (current plan) or MAPD 4 (new plan): 1-888-901-4636 (Group # 0335500)
 - <http://www.ghc.org/>
- United Healthcare Medicare Complete HMO: 1-866-622-8055 (Group # 801855)
 - <http://www.uhc.com/>

Again, to ensure you are enrolled in a plan that meets your specific health and financial needs, you may wish to explore other options to the City's plans directly with the providers of those other plans – Medicare Supplement and Individual Medicare Advantage plans. If you are considering a switch to a **non-City plan**, contact the Retirement Office to ensure continued coverage for your spouse and/or dependents. The City will continue to explore options for helping Medicare-eligible retirees meet their health needs in the future.

Re-Enrollment Option Reminder

All retirees currently enrolled in a City medical plan have a drop/re-enroll option, which may be exercised at any time. You may drop your City retiree medical coverage and have the option of re-enrolling in a City plan at a future date as long as you meet these conditions.

- **You must maintain continuous coverage under another group medical plan** for the entire time you are not enrolled in a City plan. "Continuous coverage" means there are NO gaps in medical coverage. "Another group medical plan" means a plan offered through another employer, either your own employer or the employer of your spouse or domestic partner. Individual medical plans -- whether obtained through a broker, insurer, HMO, Medicaid, the State High Risk Pool, Health Insurance Exchanges or other entities -- DO NOT qualify as continuous group coverage, and DO NOT meet the requirements for re-enrollment.
- **You may re-enroll in a City plan only if you lose eligibility for the other employer group coverage**, such as due to your or your spouse's job loss or retirement, or aging out of coverage (as documented by the Human Resources staff of the other employer).
- **You must re-enroll in a City Plan within 30 days** of losing your other coverage.

Enrollment Process Summary

Annual Enrollment ends Wednesday, November 23, 2016. Your completed enrollment form must be postmarked on or before November 23. If your forms are postmarked after November 23, 2016, changes will not be made and you will remain on your current plan in 2017. If you have questions, call: (206) 386-1293 (toll free 1-877-865-0079). If you need to speak with someone in a language other than English, we will help you access Language Line services.

Please note: Benefits Unit and Retirement Office staff cannot counsel you on your medical coverage choice. We are not licensed insurance agents; we cannot offer financial advice.

We appreciate you taking the time to look at your coverage needs and making any necessary changes by the end of Annual Enrollment.

Sincerely,



Kenneth J. Nakatsu
Interim Executive Director