ASRS Health Insurance Premiums to Increase

The ASRS Health Benefits Committee members were informed in August that ASRS had been in negotiations with United Healthcare since April over changes to the health benefits for retirees for 2011. As part of the process ASRS did an analysis of each plan to determine cost, trends, and the claims expenses to revenues ratio. They found that Medicare Advantage plans are going to receive 15% less revenue from CMS, non-Medicare enrollees have increase substantially, medical and brand name drug expenses have increased, and that United Healthcare is discontinuing the PacifiCare HMO provider network.

ASRS has modified some of the plans and agreed to an increase in premiums.

	Medicare Eligible Premiums			Non-Medicare Eligible Premiums			
	MedicareComplete		Senior Supplement	HMO	PPO		
	Urban	Rural			Urban	Rural	Out of State
2010 Monthly Premiums	$158	$230	$342	$498	$662	$448	$700
2011 Final Proposal	$190	$260	$342	$583*	$583*	$583*	$817
% Increase	20.2%	13.0%	0%	17.1%	-11.9%	30.1%	16.7%

*Becomes same plan.

The three non-Medicare plans (HMO, Urban PPO, Rural PPO) will be merged into one plan. The major change for HMO members will be more choice (any doctor in network) and the PPO members will not be able to go out of network. This plan will be called the United Healthcare Choice open access plan. The network will be the same for current PPO members and has a 92% crossover for current HMO members. There are a number of improvements for in-state and out-of-state members involving additional cover ages and copays instead of percentage coverage. Generic drug copays will be lowered, brand name copays raised, and injectable drugs raised substantially. Out of state coverage will include out of network provisions.

The MedicareComplete (Advantage) plan has added a maximum out of pocket provision (good) and has no other changes. The Senior Supplement plan will have more copays than in the past. ASRS also got UHC to agree that excess profits will be returned to ASRS in the future.

These changes will be announced during Open Enrollment, **October 25 to November 19**. No one will have to re-enroll. Non-Medicare retirees will be automatically moved to the new UnitedHealthcare Choice Plan & Choice Plus PPO plan effective January 1, 2011. ASRS is requesting members who may **not** want the Choice Plan to complete an enrollment form to “decline coverage”. Those enrolled ASRS retirees who are happy with the coverage they have with the MedicareComplete HMO plan and the Senior Supplement plan will not have to complete an enrollment form to keep their coverage. Only those who wish to enroll for the first time, those Medicare eligible retirees who wish to change from one ASRS Medicare plan to the other, those wishing to add or delete dependents, those wishing to add or delete dental coverage, and those retirees who will be turning age 65 in January, 2011 will need to complete a new enrollment form selecting an ASRS Medicare eligible medical plan.

In future years ASRS will consider adding Alternate High Deductible Plans for healthy members. This will lower their premiums, but probably raise other members’ premiums.