



MCREA

Montgomery County Retired Employees' Association, Inc.

OCTOBER 2011

ANNUAL MEETING SUMMARY

MCREA's Annual Meeting was held in the Council Office Building on June 1, 2011. President Suzanne Hudson welcomed retirees to the 34th annual meeting and noted that when the association began, it faced issues very similar to today's.

Wes Girling, OHR Benefits Team, provided an update on the County's critical budget issues. The County Executive spared retirees any drastic cuts or changes to their health insurance or pensions. The County Council did likewise as they looked at options for balancing the budget. This past spring, MCREA met with both the Executive and Council to remind them of the financial constraints on retirees.

OHR's Report:

Prescription Coverage: On January 1, 2012, changes to prescription coverage will go into effect:

- Participants using the CVS/Caremark's Mail Order facility will also be able to use CVS pharmacies to purchase maintenance medications at mail order pricing.
- You must use generic drugs if one exists or pay 100% of the difference in cost between generic and brand (in addition to the normal co-pay). If your doctor will certify in writing that a brand name drug is a medical necessity, there will be no penalty for purchasing the brand name. CVS/Caremark will require yearly updates of medical necessity in those cases.
- The co-pays remain the same.
- The Council restored coverage for six ED pills per month.
- Indemnity plan retirees will get an 80/20 card for use with CVS/Caremark, enabling them to pay only 20% when picking up drugs, rather than 100% upfront and having to gain reimbursement later.
- Wes described the prescription plan as the biggest cost driver for the County. There will be ongoing efforts for identifying cost savings.

On April 26, 2011, the County Council created a task force to look at consolidating County benefits across all five County agencies. Task Force recommendations are due to the Council by November 15. MCREA offered to be part of the task force. (See later article on Task Force Open Meetings).

January 2012 is now the projected date when retiree pension checks will be produced by the County (rather than Aetna) as another cost savings. Retirees should not see any changes except improved deduction listings on their monthly statements. All retirees must use direct deposit. Federal and Maryland taxes will be withheld; taxes for other states will not.

The funding of retiree accounts is sound.

MCREA asked OHR to offer a Retiree-only health care benefits session, to allow specific focus on experiences and questions of retirees, and to avoid confusion that can result from sessions held jointly with current employees. (See related article herein.)

As outlined in the last MCREA Newsletter issue, the best way to contact the OHR Benefits team is via email (benefits@montgomerycountymd.gov) or by calling the '311' County call center, which will record your question/concern and forward it to OHR. At some point, the regular 240-777-5120 line may be disconnected. When an individual calls 311, a ticket is created and the response status can be checked online, if desired. There were no budget cuts to OHR's Benefits Team, but there are some new staff members from turnover.

President's Report:

Suzanne thanked Board Members Marilyn Mitchell (Newsletter editor) and Carl Edelin, Joe Sparacino, and Donna Brand (phone response team). MCREA was very active protecting retiree interests this year. A budget committee composed of several members (Suzanne Hudson, Steve Lansing, Barbara Garrard, Deborah Snead, Joe Sparacino, and Margaret Knill) met with the County Executive. A follow-up meeting was later held with the County Council. Elected officials seemed surprised to learn that the average retiree pension is less than \$30,000 before taxes and benefit deductions.

Our Treasurer Bob Wolpert reported income (from dues) of \$9,600 last year. The newsletter continues to be our largest outlay. Our funds reside in checking and money market accounts. (Note: Subsequently, at the September meeting the Board discussed annual dues, and voted not to increase dues for 2012.)

The election of Board Members for 2011-2013 was held with approval for: Carl Edelin, Jr., Barbara Garrard, Margaret Knill, Carol Maryman, Deborah Snead, Joe Sparacino and Kathy Zieger. There were three Presidential appointments: John Hansman (new appointment), Lou Boozer and Lou Smith.

2011 – 2012 MCREA BOARD OF DIRECTORS

With the inclusion of the above members filling 2010-2012 terms, our Board of Directors currently serving are:

Lou Boozer, Brinklow, Md - Pres. Appt	Margaret Knill Spengler, Potomac, Md
Donna Brand, Fairfax, Va	Stephen Lansing, Gaithersburg, Md - VP
Trisha Crew, Potomac, Md	Carol Maryman, Kensington, Md
Carl Edelin, Jr., Middletown, De	Marilyn Mitchell, N. Bethesda, Md
Barbara Garrard, Gaithersburg, Md	Louis Smith, Silver Spring, Md -Pres. Appt
Annie Mae Graham, Rockville, Md	Deborah Snead, Potomac, Md
John Hansman, Rockville, Md - Pres. Appt	Joe Sparacino, Silver Spring, Md
Suzanne Hudson, N. Bethesda, Md – Pres.	Bob Wolpert, Silver Spring, Md -Treasurer

NEW BOARD MEMBER INTRODUCTION

John Hansman worked for the County for 27 years in a variety of positions from 1967 to 1994. He designed the first capital improvements program, worked on public facilities planning and other urban development issues, led the franchising of cable television, and became a division chief in OMB.

He has experience with other non-profit boards. He served 11 years on the board of Montgomery Community Television, including four years as president and two as treasurer. He was vice-chair of the Board of Trustees of River Road Unitarian Universalist Congregation Church and treasurer for ten years. Currently, he is on the board of his homeowners association. John lives in New Mark Commons in Rockville with his wife, artist Jean Hirons, swims most days, and enjoys travel. His two grandchildren and family are in Iowa.

MCREA NEEDS YOU!! Become a Board Member



What could be more important than keeping an eye on your retirement benefits
while having opportunities to:

- Connect with former colleagues and meet new ones at 4 meetings per year
- Talk with OHR staff to learn about changes brewing in benefits
- Exchange information on benefit experiences
- Lunch with County Council members once a year

More Information? Carl Edelin at 302 376 8270 or PPMSFA@verizon.net
Or ask to contact individual Board Members
MCREA website: www.MCREAonline.com

UPCOMING VACANCY ON BIT/CRHBT-CALL FOR EXPRESSIONS OF INTEREST

Board of Investment Trustees (BIT) and Board of Trustees for the Consolidated Retiree Health Benefits Trust (CRHBT): This is a very important position that sits on the two Boards because (1) the BIT oversees the investment programs for the Employees' Retirement System (ERS), the Retirement Savings Plan (RSP), and the County's Deferred Compensation Plan, and (2) the CRHBT oversees the investment of contributions by the County and other agencies to fund future health care costs. The ERS is the plan that pays the retirement benefits for nearly 5,000 retirees and beneficiaries and the RSP is the source of retirement payments for nearly 1,000. The County Code requires that one member representing MCREA retirees serve on the thirteen BIT and the nineteen Board of Trustees of the CRHBT.

In investing the assets of the ERS and the CRHBT, an appropriate balance must be struck between risk taken and returns sought to ensure the financial wellbeing of the ERS and the CRHBT. The Boards have diversified the assets across various asset classes in an attempt to manage the extent of downside risk while maximizing the potential for long-term increases in the value of the assets. The Boards call upon expert financial and legal consultants. The Boards meet once every two months, or six times per year. Generally, meetings are from 8:30 am to 12:00 noon in Rockville.

Our current retiree representative is Meg Menke whose term expires in March 2012. This 3-year appointment starts with retirees indicating an interest in serving on the Boards. MCREA then recommends a nominee to the County Executive. The person who is approved, is then recommended to the County Council for confirmation.

If you have an interest in being considered for this appointment, we would like to hear from you. You do not have to be an investment expert. You do need to be interested in the subject and have a willingness to commit your time to the effort. If you wish additional information, please call or write us and indicate your possible interest by early December. For further information, you can also go to the Boards' website at: www.montgomerycountymd.gov/bit.

UPDATE ON THE COUNTY'S RETIREMENT PLANS

The Employees' Retirement System's investment return for the year that ended June 30, 2011 was a gain of 21.8%, which compares favorably to the 7.5% return assumed in the annual actuarial valuation and our internal policy benchmark of 20.0%. This performance ranks in the top quartile of peer plans, which include hundreds across the country of similar size. For the three and five year periods, the ERS's performance ranked in the top 25% and top 10% of peer plans, respectively. The Board of Trustees continues to focus on diversification of the investment program and on prudent management of risk.

The Board also recently negotiated an average fee reduction of 22% for approximately 75% of participants in the Retirement Savings Plan. In addition, fees were lowered for two funds in the Deferred Compensation Plan. Both of these actions were the result of the Board's strong oversight of Fidelity and ING.

OHR REQUESTS YOUR INPUT ON RETIREE HEALTH INSURANCE SEMINAR

The OHR Benefits Team is in the beginning stages of developing a special health insurance seminar designed for retirees. The seminar will deal with frequently asked retiree questions concerning Medicare and the County's group insurance coverage (medical, prescription drug, dental and life insurance). Your input regarding the contents of the seminar is kindly requested. Please send your ideas via email to benefits@montgomerycountymd.gov or via mail to the OHR Benefits Team, 101 Monroe St., 7th Floor, Rockville, MD 20850. Please title your email or letter "Retiree Health Insurance Seminar Ideas." The deadline to send your feedback is December 1, 2011. Don't miss this opportunity.

TIME TO THINK ABOUT YOUR BENEFITS

Open Enrollment is the time of year you can make group insurance changes for the next calendar year, and it's right around the corner. Open Enrollment for 2012 is from Monday, October 24 at 8:00 a.m. to Monday, November 14, 2011 at 5:00 p.m. Any changes you make during the fall Open Enrollment period will be effective 1/1/2012.

What's new for 2012?

As announced in the flyer you received over the summer, some changes to prescription drug coverage will take effect for 2012. (The same June 2011 flyer, "FAQs Regarding Upcoming Changes to Group Insurance," is available online at www.montgomerycountymd.gov/ohr; click the HR Resource Library tab, then the Benefits Retiree tab and open the Retiree Information folder.) These changes will also be included in the fall Open Enrollment Guide.

Open Enrollment tips

Here are a few tips to consider that will help make Open Enrollment go more smoothly for you and the OHR Benefits Team:

- Open Enrollment information will be mailed to homes the week of October 17th.
- Review your materials carefully, especially the Guide and 2012 Rate Sheets.
- If you are not making any changes for 2012, please do not complete and mail the 2012 Group Insurance Election Form. Note that the option to "Maintain" each benefit is removed from the Election Form this Fall since it is understood that you wish to maintain your current coverage if you do not submit a form.

- If you are making changes for 2012, be sure that you do not fold, crease or bend the Election Form. The OHR Benefits Team must manually enter any forms that are unable to be scanned into the enrollment system.

Upcoming Open Enrollment special events

The OHR Benefits Team will be holding the following events during Open Enrollment. Dates and locations will be announced in future communications:

Open Enrollment Health Fairs

Plan representatives for the County's medical, prescription drug, dental, vision and life insurance plans will be available onsite to answer your questions.

"Making the Most of Your Prescription Plan" Caremark Seminars

These seminars will cover topics such as using the Mail Order Program, taking advantage of cost-saving online tools, and choosing between generic, brand and brand-preferred drugs. Also, Caremark representatives and a pharmacist will be available to answer your questions.

TASK FORCE TO CONSIDER CONSOLIDATING BENEFITS – OPEN MEETINGS

The Task Force that was appointed by the County Council has begun work to look at consolidating County benefits across agencies in order to identify efficiencies. The group meets every Tuesday morning from 8:00-9:30 AM at 401 Hungerford in the Tan Conference Room. Their meetings are open to the public, so feel free to stop in and listen. Work will continue through November or until recommendations are completed.

WHO IS CONEXIS?

A retiree recently said that he pays Conexis for his health insurance but was not sure who this was. Conexis is the County's third party administrator who bills retirees or survivors for premiums. Direct billing applies to those who do not receive a pension, or when a pension is not sufficient to cover the cost of group insurance premiums.

REMINDER FOR ING DEFERRED COMPENSATION PLAN PARTICIPANTS

For those who have an ING deferred compensation plan through the County, remember to periodically review and update your beneficiary forms (as for other benefits). The County is the Plan Administrator for the Plan, and retains the records, including beneficiary forms, for all deferred compensation plan accounts. ING does not keep records of beneficiaries. The MCREA May 2011 Newsletter, pgs 4-5, outlined OHR's simple instructions on how to keep all your beneficiary information up to date.

NON-MEDICARE DOCTORS FOR MEDICARE RECIPIENTS

Some doctors or other medical providers do not accept Medicare. Does this mean that you, as a Medicare recipient, cannot receive any reimbursement for treatment? Not necessarily. A reimbursement could come from your secondary insurance after you receive a denial for payment from Medicare. In response to a question at the annual meeting, here is some basic information that may be helpful.

If you like a particular non-Medicare provider, it is worth investigating the following information for yourself. Read pages 53, 54 and 55 in the booklet titled, Medicare & You 2011. You receive an updated booklet each year if you are Medicare eligible from the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services. You can call 1-800-633-4227 or go to www.medicare.gov for more information.

Recognize that using a non-Medicare provider makes you the claim's processor. Seeking "some" reimbursement for costs will require a lot of on-going patience, paperwork and tracking of forms. Any reimbursement received likely will be less than if you used a Medicare provider. To avoid confusion with claims, process them per appointment rather than as a group of multiple appointments.

Call CareFirst or your other secondary insurer before receiving any service to determine what is covered and how much they will reimburse. Then decide if you want to proceed. A brief summary of the claims process is as follows: After receiving a service, ask your non-Medicare provider if his/her office will process the bill for you through Medicare. If that office will not process the bill, then you must file the claim with Medicare yourself. In either case, Medicare will deny payment. Once you receive denial, you must then send it, along with the bill and a letter to your secondary insurer asking for reimbursement of its covered services.

MEDICARE AND CAREFIRST INSURANCE

OHR indicates they are working with Carefirst in an effort to expand the Medicare section of its booklet to help retirees navigate claims. It is hoped that information can continue to be expanded for retirees to increase their understanding as healthcare continues to get more complex.

IMPORTANT PHONE NUMBERS or visit MCREAonline.com

MCREA Toll Free Phone number: **1-866-929-9339** or **301-929-9339**
Montgomery County's Office of Human Resources at **240-777-5000** or Toll Free
1-877-613-5212; Benefits Team Direct Line 240-777-5120 or (Fax) 240-777-5131 or
email benefits@montgomerycountymd.gov
CareFirst Blue Cross-Blue Shield: Indemnity Plan; HMO; and, Point-of-Service Plan.
Member Services: Toll Free number: **1-888-417-8385** www.Carefirst.com
Kaiser Permanente: Washington Area: **301-468-6000**; Baltimore Area: **1-800-777-7902**
United Healthcare Member Services: **1-800-638-0014** www.myuhc.com
Caremark: **1-866-240-4926** www.caremark.com
United Concordia (Dental): **1-866-851-7564** www.ucci.com
National Vision Administrators (NVA): **1-866-468-2393** www.e-nva.com
Prudential Long Term Care Insurance: **1-800-732-0416** www.Prudential.com
Aetna Toll Free Number: **1-800-952-2700**
ING (MC Deferred Compensation): **240-777-5054** or Toll Free **1-888-240-8080**
Hartford: **240-304-7720** or Toll Free **1-800-255-2464**

This newsletter is published by: Montgomery County Retired Employees' Association, Inc.
P.O. Box 73, Rockville, Maryland 20848-0073. Editor: Marilyn Mitchell. Telephone: 301-929-
9339 <http://www.MCREAonline.com> We welcome your suggestions on our newsletter.

MCREA

P. O. Box 73

Rockville, MD 20848-0073