



# MCREA

Montgomery County Retired Employees' Association, Inc.

October 2017

**IMPORTANT CALL FOR EXPRESSIONS OF INTEREST, see page 5**

**⇒ The Annual Open Enrollment Period for Retirees is No Longer Needed!**

*You may now change your future health insurance options as needed, see page 3.*

## **MCREA'S 40<sup>th</sup> YEAR CELEBRATION - JUNE 14, 2017**

Held in the Council Office Building Cafeteria this milestone celebration for the Montgomery County Retired Employees' Association (MCREA) was heartily embraced by the attending retirees. The event's menu consisted of sandwiches, veggies/dip, fruits, cookies and drinks and allowed for casual fellowship among all present.

Gifted *Wegman's* shopping bags allowed the collection of information and giveaways from the various organizations present at the Resource Fair. The County's health insurance representatives were also there to address retirees' questions.

The event ended with the giving away of some twenty door prizes collected by board members from local businesses and organizations. The celebration received an enthusiastic ovation at the follow-up Annual Meeting by all present. Many thanks to the event planners: Kathy Best, Michael Dennis and Barbara Kloc and their assistants: all the remaining MCREA Board Members.

## **MCREA ANNUAL MEETING - SUMMARY**

At 7:06 p.m. President Rob Klein called to order the June 14, 2017 MCREA Annual Meeting held in the County Council Hearing Room. He welcomed the approximately 90 attendees, thanked those who made MCREA's 40<sup>th</sup> Year Celebration a success, and noted and thanked the evening's MCERP and OHR guest speakers.

### MCERP's Presentation

**Linda Herman, Executive Director of Employee Retirement Plans (MCERP)**  
**Robert Goff, Retirement Benefits Manager**

The joint presentation included a PowerPoint handout which is available at [www.MCREAonline.com](http://www.MCREAonline.com). Visit the website for more details of the presentation.

- Linda shared that the coming year's cost-of-living adjustment (COLA) is expected to be 0.681% and Employees' Retirement System (ERS) retirees will be informed by letter and should note the increase in their July 1, 2017 pay advisory and bank deposit.
- The current funded status of the Employees' Retirement System (ERS) is 95%, the highest it has been since 1999, when it reached 99%. The ERS includes 3,987 active members and 1,526 members in the Guaranteed Retirement Income Plan (GRIP) as well as 6,453 retirees. The ERS's total assets are \$3.8 billion.
- The ERS' investment program is highly diversified and its performance ranks among the best of comparable retirement plans across the U.S. The Board of Investment Trust, which provides oversight of the ERS, is pleased with the results.
- The Retirement Saving Plan (RSP) has 4,600 active and inactive participants with assets of \$376 million.
- The Deferred Compensation Plan has 3,400 active and inactive participants with assets of \$377 million.
- Fidelity is the recordkeeper for the RSP, GRIP and DCP. Their services can be accessed through the local onsite representative (Ron Seegers, 240 777 8228), calling 1-800-343-0860, visiting any of the Fidelity Regional offices across the U.S. or accessing the Fidelity website at <http://plan.fidelity.com/MCG>. Information available thru the website includes: statements, portfolio/asset allocation, transaction history, and investment performance.
- The Social Security Administration continues to conduct seminars on Social Security and Medicare. The last one for 2017 will be held on Wednesday, November 15, 2017. See page 9 for more details.
- The history and update of Bill 44-16 *Retirement – Fossil Fuel Investments – Restrictions* were provided. The bill was changed to a resolution, which encourages divestment, but does not mandate it by law.

### OHR's Presentation

**Shawn Stokes, Director, Office of Human Resources**  
**Karen Plucinski, Manager, Office of Human Resources**  
**Karen Bass, Health Insurance Team Manager**  
**Liliana Rojas, Wellness Coordinator**

Shawn Stokes introduced herself and reported she has had positive interactions with MCREA board members at meetings that have occurred about every 4 months. She then introduced her staff (above).

Liliana Rojas led the attendees in an edge-of-the-seat stretching exercise in preparation of the next speaker.

Karen Bass presented a PowerPoint (available at [www.MCREAonline.com](http://www.MCREAonline.com)) and made the following points.

- **Reminder: insurance benefits changes for retirees and their beneficiaries can be made at anytime.** There will be **no** annual open enrollment period for retirees.
- OHR will send a letter in late November/early December that will outline any changes to plans along with a rate sheet for each retiree's specific, current cost share (*did this last year*).
- OHR will send a confirmation of elections for 2018 plan year (January –December).
- No plan changes are expected for 2018 at this time.
- The difference in the plans is how you pay for them:
  - High Option = higher monthly premium, lower copayments for medications
  - Standard Option = lower monthly premium, higher copayments for medications
- **Most retirees are better off in the Standard Option Plan!**  
Use the calculator also known as the Caremark Rx Plan Selection Estimator at <http://www2.montgomerycountymd.gov/OHRInsuCalc/EmpRx.aspx> to determine your individual costs. Savings can be substantial!
- **To make a benefit change:** complete a retiree *group insurance election form*, which is available on-line, by calling OHR MC311 Customer Care Center (240-773-6471), or by stopping by the OHR office on the 7thFloor of the EOB (8 a.m. –5 p.m., Monday through Friday). Mail, fax, or drop the *form* off. *Election forms* have to be received by the 10<sup>th</sup> of the month to be effective on the 1<sup>st</sup> of the following month.
- 60-day rule still applies if you have a qualifying event: new baby, new spouse. Appropriate documentation must be provided for adding a new dependent within 60 days of the event.

## **MCREA's ANNUAL BUSINESS MEETING**

### **President's Report –**

Rob Klein summarized the history and actions taken by the County Council and the MCREA Board in regards to Council Bill 44-16, *Retirement – Fossil Fuel Investment – Restrictions* to divest pension and health benefit trust funds from fossil fuels. According to the County's Department of Finance and the Office of Management and Budget, the divestment potentially could have cost the Board of Investment Trust portfolio as much as \$30 million. He acknowledged support from Isaiah Leggett, County Executive, and his administration and thanked MCREA members

for their calls and emails to Council members. The MCREA Board proposed developing a non-binding resolution instead of a bill, which the Council eventually approved on May 16, 2017. The resolution requires the pension and health benefits trust boards to minimize investments in companies with the largest fossil fuel holdings to the extent possible yet to always be mindful of their fiduciary duties to the retirees.

Rob reported on the MCREA's Board luncheon with the County Council in March, 2017. It proved to be a helpful interaction with better understanding of the differing views and concerns.

The Board continues to carefully follow the pension and the health benefits trust funds, funded currently at 95% and 21% respectively. The Council agenda and County budget is carefully watched for anything that could impact the retirees. The newsletter is sent twice per year.

#### Treasurer's Report

John Hansman referred to his financial status handout and reported MCREA is fiscally sound with assets of \$68,000. MCREA is on track to receive its average amount of paid dues (approximately \$9,000). Our organization's largest yearly expenses are the printing, handling and mailing of the newsletters necessary to keep membership informed.

#### MCREA Board Election – Conducted by Lillian Snyder, Vice President

The following board members were requesting reelection to 2-year terms: Chuck Beard, Kathy Best, Barbara Garrard, Rob Klein, Margaret Knill, Deborah Snead, and Rick Sullivan.

A motion was made to accept these individuals as board members for 2-year terms, a vote was taken and the individuals were accepted unanimously.

The following names were presented to serve as presidential appointees: Michael Dennis, and Mary (Nicki) Drotleff. A motion was made to accept these individuals as presidential appointees, a vote was taken and the individuals were accepted unanimously.

#### Q & A

A question was raised about the low funding of the health benefits trust fund (21%). Rob explained that the fund was started much more recently than the pension fund. The issue is to be addressed in the next newsletter.

The Annual Meeting was adjourned at 8 p.m.

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## THE BOARD OF INVESTMENT TRUSTEES' UPCOMING MCREA VACANCY -- A CALL FOR EXPRESSIONS OF INTEREST

Jennifer Barrett's term as MCREA's representative on the Board of Investment Trustees (BIT) and the Board of Trustees for the Consolidated Retiree Health Benefits Trust (CRHBT) will be expiring on March 1, 2018. This is a very important position because: 1) the thirteen-member 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 nineteen-member 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 retirement benefits for about 6,400 retirees and beneficiaries and the RSP and DCP are the source of retirement savings for nearly 6,000 County employees. The County Code requires that one Board member be nominated by MCREA.

In investing the financial assets, an appropriate balance must be made between risk taken and returns sought to ensure the financial wellbeing of the Retirement Trust Funds. The Boards have expert investment, financial and legal advisors to assist with this responsibility. The Boards meet every other month on the third or fourth Friday, beginning in January, from 8:30 am to 1:00 pm. There is a one day retreat the last Friday of October.

This is a 3-year appointment (with a possible 3-year extension) that begins with retirees indicating an interest in serving on the Boards. MCREA will conduct interviews of those responding and select one to recommend to the County Executive. The Executive considers our recommendation and, if approved, the person is then recommended to the County Council for confirmation.

If you have an interest in being considered for this appointment, MCREA 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 and effort. If you wish additional information or wish to apply, please **write to Suzanne Hudson, MCREA Board Member, at P.O. Box 73, Rockville, Maryland 20848-0073; or call 301 946 0571; or send an email to [PresidentMCREA@gmail.com](mailto:PresidentMCREA@gmail.com)**. For additional information, go to the Boards' website at: [www.montgomerycountymd.gov/bit](http://www.montgomerycountymd.gov/bit). The deadline for Expressions of Interest is December 15, 2017.

### LIKE US ON FACEBOOK

MCREA posts items of interest to our Facebook page hoping to keep people informed. We want to encourage retirees to: let others know what they are doing; pass along interesting information; share the trips they have taken; mention volunteer activities,

and so forth. The Facebook page can be used for many forms of communication not just official articles from your Board of Directors. Let's hear from you!

### **SECURITY CHANGES at the COUNCIL OFFICE BUILDING (COB)**

If you plan to go into the COB, please take note of the security changes that went into effect in July.

You will only be able to enter the building through two ADA-accessible entrances, one in front of the building at 100 Maryland Ave. near the second-floor cafeteria and the other adjacent to the first-floor auditorium near the parking garage.

You will pass through a metal detector. Those unable to go through a metal detector will be screened by security personnel using a hand-held electronic wand. You will not be permitted to bring in guns, knives, box cutters, pepper spray and other potentially dangerous items. Your hand-held items (bags, cell phones, containers, laptop computers etc.) will pass through an X-ray machine. You will NOT have to remove your belt, jacket, shoes or watch.

Screening stations will be in operation from 7 a.m. to 10 p.m. Monday through Friday and from 9 a.m. to 7 p.m. on weekends and holidays. Public access to the COB will not be available outside of these hours.

This should be a fairly quick and easy process unless you are attending a meeting or public hearing attended by many visitors. In that case you may experience a line and should plan accordingly.

The County posted a You Tube video of the security process at [goo.gl/j5xyxv](http://goo.gl/j5xyxv) and a press release at [goo.gl/DdcFYC](http://goo.gl/DdcFYC). If you still have questions they may be addressed at [County.Council@montgomerycountymd.gov](mailto:County.Council@montgomerycountymd.gov) or you may call 240-777-7910.

### **MESSAGE FROM OUR President – Rob Klein**

During the last fiscal year MCREA's Board was largely consumed by Council Bill 44-16, Retirement – Fossil Fuel Divestment – Restrictions. Thanks in large part to the lobbying efforts of the Board and hundreds of letters and emails from many of you, the Bill never became law. Instead the Council approved a resolution, first proposed by MCREA, and as noted in my Annual Meeting Report above (page 3). Besides the potential investment impact, MCREA advocated for fiduciary responsibility free of political causes. No Board member doubts the impact of climate change, but this issue requires effective and appropriate national legislative initiatives. Rest assured MCREA will closely follow the outcome of the approved resolution.

On a personal note, my wife and I joined the April 29<sup>th</sup> Peoples' Climate March. Our sign read, "Internalize Externalities". By this, I am referring to the fact that certain costs (such as pollution) and benefits lie outside the (externalities) pricing considerations of producers. Internalizing the environmental impacts of CO2 pollution could entail the application of a carbon tax or a cap and trade program.

A future legislative concern of MCREA relates to retirees' health insurance. The County contributes approximately \$300 million annually for retiree health benefits for all four of its County agencies (County Government, Montgomery County Public Schools, Montgomery College and National Capital Park and Planning Commission). During FY 2018 the County's Office of Legislative Oversight (OLO) will study and prepare a report to provide a comprehensive understanding of current and proposed health benefit costs including comparisons among plans and identification of possible strategies to control the growth of cost. I spoke with Dr. Chris Cihlar, Director of OLO. He welcomed the MCREA contact and promised to bring us into the loop, when the study begins next spring.

Jennifer Barrett, MCREA's representative designee on the Board of Investment Trustees (BIT) and the Board of Trustees for the Consolidated Retiree Health Benefits Trust (CRHBT), will be terming out after six years on the two Boards. Our many thanks go to Jennifer for her excellent job of protecting our investments! We are now looking for a new MCREA designee; please see the related article on page 5.

MCREA's Board is redoubling its efforts to identify organizational goals in line with our by-laws and the shifting needs of our members. We have also begun assessing our information needs, use, and how to take advantage of technology while protecting member information. Clearly, as a totally volunteer organization, there are limits to what we should and can do. That said, the more we hear from you and can tap into your skills, the better we can serve your retirement interests and those of future County retirees.

I invite your comments to me and the Board. Feel free to contact us by email at [PresidentMCREA@gmail.com](mailto:PresidentMCREA@gmail.com) or phone [240-848-4851](tel:240-848-4851). Thank you.

## **NEW BOARD MEMBER INTRODUCTION**

**Mary "Nicki" Drotleff** retired in 2014 as the Manager of Child and Adolescent Behavioral Health Services. In her 26 years of service to the residents of Montgomery County she has held the position of Therapist II, Program Manager, and finally Manager. She had responsibility for an array services and contracts focused on children and adolescents. She has been the County's mental health representative on the Commission on Juvenile Justice, Alcohol and Other Drug Abuse Advisory Council,

Infant Mortality Review Committee, Blueprint Committee for Children’s Mental Health, Juvenile Sex Offender Advisory Task Force, Juvenile Justice Strategic Planning Group, and Juvenile Drug Court. She operationalized the concept of a Home Based Treatment Team to provide mental health services to Child Welfare families. She looks forward to serving as Secretary of the Board and furthering the mission MCREA.

**2017-2018 MCREA BOARD OF DIRECTORS**

Rob Klein – President	Sara Harris
Kathy Best – Vice President	Suzanne Hudson
Nicki Drotleff- Secretary+*	Barbara Kloc
John Hansman - Treasurer	Margaret Knill
Charles (Chuck) Beard	Deborah Snead
Irm Damazo	Lillian Snyder
Michael Dennis *	Rick Sullivan
Barbara Garrard	Robert (Bob) Vettori
<b>+New Board Member</b>	<b>*Presidential Appt.</b>

*NEWS from . . . . .*

**MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS (MCERP)**

**Consolidated Retiree Health Benefits Trust (CRHBT)**

In 2008 the County created the Retiree Health Benefits Trust (RHBT) to set aside funds for County and participating agency retiree health benefits (similar to the Trust established for the County’s pension plan). The RHBT was expanded in 2011 to include funding for Montgomery County Public Schools (MCPS) and Montgomery College (MC) and the name was changed to the Consolidated Retiree Health Benefits Trust (CRHBT). Actuarial valuations are conducted every two years to determine the liability for the County and participating agencies. As of June 30, 2016 the liability for retiree health care was \$2.1 billion with a funded status, meaning the assets available to pay the liability, of 21%. The funded status changes over time not just from contributions but also from investment earnings and changes to the liability of the underlying health care plans.

The premiums paid by employees, retirees and the County are deposited to a fund from which claims are paid. The CRHBT is a mechanism to set aside monies for payment of the liability associated with the County’s health care programs in a similar fashion to what is being done for the County’s pension liability. The investments of the Trust are

overseen by the Board of Trustees comprised of the thirteen members of the Board of Investment Trustees overseeing the County's retirement plans, plus three representatives from MCPS and three representatives from MC. (One of whom is MCREA's representative-see related article on page 5. The targeted investment return is 7.5%. Assets are invested in a similar fashion as the Employees' Retirement System across all the major asset classes: equities, fixed income and real assets. The Trust was valued at \$845 million as of June 30, 2017 (County and participating agency portion is \$426 million). The five year return of the Trust as of June 30, 2017 is 7.93%.

Information on the Trust can be found on the MCERP website at: [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement) under CRHBT OPEB Trust.

### **Social Security/Medicare Seminars**

Social Security Administration (SSA) representatives will be conducting onsite seminars for retirees and employees in the EOB Lobby Level Conference Room. Of special importance to persons soon to turn 65 years of age, information will be provided about Social Security, Medicare, and the SSA's online services; questions will be answered.

Call 240-777-8230 now to register for the Wednesday, November 15, 2017 Seminar to be held from **10:00am – 12:00pm**

All 2018 seminars will held from **3:00pm to 5:00pm**, at the location noted above,

Tuesday, January 9, 2018

Thursday, April 12, 2018

Thursday, June 28, 2018

Wednesday, August 15, 2018

Tuesday, November 13, 2018

Use the link below to register; pick only one date. A reminder email will be sent to you a few days before the event:

Link: <http://www.signupgenius.com/go/5080E4EA4A62AA6F85-social>

Park at the COB Parking Garage. County employees park free with a County ID. Retirees will be provided with a Parking Authorization form at the end of the seminar.

*NEWS from .....*

**OFFICE OF HUMAN RESOURCES (OHR)**

### **Coming in November**

OHR will be mailing to you the 2018 insurance rates for its various medical, dental, prescription, and vision plans. Retirees and beneficiaries will also receive their specific cost share rate sheet. This should allow sufficient time for anyone who wants to make changes for 2018 to complete the forms and get them back to OHR by December 10th so changes can be effective January 1, 2018.

### **Some Medications Require Prior Authorization**

The SilverScript 2018 Abridged Formulary, in the recently mailed SilverScript packet sent to all covered retirees or their beneficiaries, lists drugs that require a prior authorization. The code *PA* (Prior Authorization) is noted in the right-hand *Requirements/Limits* column for each medication in the Formulary requiring prior authorization. If your health care provider prescribes a medication requiring prior authorization **OR** a medication not listed in the 2018 Abridged Formulary, call SilverScript at 1-855-344-0930 (or have your health care provider call) for the “Exception Form” to be completed and faxed by the physician. Please note that PAs are **not** issued by telephone; you will receive a letter in the mail. Most drugs requiring a PA are listed in the 2018 Formulary Guide.

### **You may need to get a PA to get certain prescriptions filled. Why?**

For certain prescription drugs, special rules restrict how and when the plan covers them. A team of doctors and pharmacists developed these rules to help our members use prescription drugs in the most effective ways. These special rules also help control overall drug costs, which keeps your prescription drug coverage more affordable.

In general, the plan’s rules encourage you to get a prescription drug that works for your medical condition and is safe and effective. Whenever a safe, lower-cost drug will work just as well medically as a higher-cost drug, the plan’s rules are designed to encourage you and your provider to use that lower-cost option. In addition, the plan’s rules also need to comply with Medicare’s rules and regulations for prescription drug coverage and cost sharing.

**If there is a restriction for your prescription drug, it usually means that you or your provider will have to take extra steps in order for the drug to be covered.** You may use the coverage decision process to request an exception. Requests will be reviewed and either granted or denied (see Chapter 7, Section 5.2 of the SilverScript 2018 Evidence of Coverage for information about asking for exceptions). Please note that sometimes a prescription drug may appear more than once in the drug list. This is because different restrictions or cost sharing may apply based on factors such as the strength, amount, or form of the drug prescribed by your health care provider (e.g., 10 mg versus 100 mg; one per day versus two per day; tablet versus liquid).

### **Getting plan approval in advance**

For certain prescription drugs, you or your provider need to get approval from the plan before the drug can be covered under the plan. This is called “prior authorization.”

Sometimes the requirement for getting approval in advance helps guide appropriate use of certain prescription drugs. If you do not get this approval, your prescription drug might not be covered by the plan.

### **For Your Information Only: Medicare Part B and Medicare Part D Explained**

#### **Medicare Part B covers 2 types of services**

- **Medically necessary services:** Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice.
- **Preventive services:** Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best. You pay nothing for most preventive services if you get the services from a health care provider who accepts assignment.

#### **Medicare Part B covers things like:**

Clinical research  
Ambulance services  
Durable medical equipment (DME)  
Mental health  
Inpatient  
Outpatient  
Partial hospitalization  
Getting a second opinion before surgery  
Limited outpatient prescription drugs

**Medicare Part D** (Medicare eligible MCREA retirees are covered by SilverScript prescription plans)

**Medicare Part D**, also called the **Medicare prescription drug benefit**, is a United States federal-government program to subsidize the costs of prescription drugs and prescription drug insurance premiums for Medicare beneficiaries. It was enacted as part of the Medicare Modernization Act of 2003 (which also made changes to the public Part C Medicare health plan program) and went into effect on January 1, 2006.

*(Editor's note: the IMPORTANT CONTACT INFORMATION, found on the back page of each new newsletter, is updated for your convenience. Consider saving the page until receipt of the following edition.)*

**IMPORTANT CONTACT INFORMATION**

**MCREA:** 1-866-929-9339 or 301-929-9339; website: [www.MCREAonline.com](http://www.MCREAonline.com) ; email: [MCREAMembership@gmail.com](mailto:MCREAMembership@gmail.com) or [PresidentMCREA@gmail.com](mailto:PresidentMCREA@gmail.com)

**Montgomery County Government MC311:** 1-877-613-5212 or 240-777-0311 or 311 (local)  
*For Montgomery County Employee Retirement Plans:* 1-877-613-5212 or 240-777-8230;  
Fax: 301-279-1424; website: [www.montgomerycountymd.gov/retirement](http://www.montgomerycountymd.gov/retirement)

**Fidelity** (Deferred Compensation Plan): 1-800-343-0860 or 240-777-8228  
**Massachusetts Mutual Life Insurance (Mass Mutual):** 1-800-528-9009  
*For Group/Health Insurance:* MC311 OHR Customer Service: *local:* 240-773-OHR1 (240-773-6471); *toll free:* 1-877-613-5212; *also see:*  
<http://www.montgomerycountymd.gov/HR/Benefits/HealthInsurance.html>

**CareFirst Blue Cross Blue Shield:** Member Services: 1-888-417-8385 [www.Carefirst.com](http://www.Carefirst.com)  
**Kaiser Permanente:** Washington Area: 301-468-6000; Baltimore Area: 1-800-777-7902  
<https://healthy.kaiserpermanente.org>

**United Healthcare:** Member Services: 1-800-638-0014 [www.myuhc.com](http://www.myuhc.com)  
**Caremark:** 1-866-240-4926 [www.caremark.com](http://www.caremark.com)  
**SilverScript** 1-866-249-6167 [www.mcg.silverscript.com](http://www.mcg.silverscript.com)  
**United Concordia (Dental):** 1-866-851-7564 [www.ucci.com/tuctcc](http://www.ucci.com/tuctcc) (enter "Mont")  
**National Vision Administrators (NVA):** 1-800-672-7723 [www.e-nva.com](http://www.e-nva.com)  
**Prudential Long Term Care Insurance:** 1-800-732-0416 [www.Prudential.com](http://www.Prudential.com)  
**ACSIA Long Term Care Insurance:** 410-455-4680 / 443-275-1764; [www.MCG-LTC.com](http://www.MCG-LTC.com)

This newsletter is published by: Montgomery County Retired Employees' Association, Inc. P.O. Box 73, Rockville, Maryland 20848-0073. Editor: Irm Damazo. Comments welcomed.

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