

Retiring Times

New Directions for MCPS Retirees

VOLUME 3 • NUMBER 2

WINTER 2006

Medicare Part D Coverage

In October 2005 the Montgomery County Public Schools (MCPS) wrote to retirees advising them of the new Medicare prescription drug program, referred to as “Medicare Part D,” would be available to Medicare-eligible individuals (generally age 65 and over, but also for the disabled persons or individuals with end-stage renal disease) effective January 1, 2006.

This new benefit provides Medicare-eligible individuals with the option to purchase prescription drug coverage as a separate Medicare benefit. Medicare participants can enroll in a Medicare Part D prescription drug plan from November 15, 2005, through May 15, 2006. Medicare Part D will also affect your dependents.

MCPS retirees who are currently covered under either Caremark or Kaiser Permanente prescription drug programs may continue to participate in the MCPS-sponsored plan, or enroll with a private Medicare Part D vendor. MCPS had several options for dealing with Medicare Part D and decided to allow retirees to choose between the MCPS plan and an individual Medicare Part D plan. You cannot participate in

both plans. Make certain you understand the implications of a decision to enroll with a private Medicare Part D vendor. If you choose to enroll in a Medicare Part D plan, you and your dependents will lose your MCPS prescription drug coverage.

More information about Medicare Part D is available from the following resources: Visit www.medicare.gov, or for personalized help call toll free 1-800-MEDICARE (1-800-633-4227), TDD 1-877-486-2048.

For people with limited income and resources, extra assistance is available to pay for a Medicare Part D plan. Additional information is available from the Social Security Administration (SSA) office. Visit SSA online at www.socialsecurity.gov, or call toll free at 1-800-772-1213, TDD 1-800-325-0778.

If you are currently an MCPS plan participant and have questions about your current prescription drug benefit, contact the Employee and Retiree Service Center at 301-517-8100.

The following is a sample of questions asked and addressed at our recent Medicare D sessions.

Q: What is Medicare Part D coverage?

A: Beginning January 1, 2006, new Medicare Part D plans will be available to participants with Medicare to help cover the cost of prescription drugs. Like other insurance, you may pay a monthly premium and part of the cost of your prescriptions. Costs will vary depending on the drug plan you choose and where you reside.

Q: How do I know if I am eligible for Medicare Part D coverage?

A: You and any of your eligible dependents can join a Medicare Part D plan regardless of income or pre-existing condition, if you currently have Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance).

Q: Who will administer Medicare Part D?

A: Private health plans have contracted with the Centers for Medicare and Medicaid Services (CMS) to administer Medicare Part D coverage to Medicare-eligible individuals who enroll in the plan. These private health plans are also known as prescription drug plans (PDPs). Locally, Blue Cross, MAMSI, UnitedHealthcare, Aetna, and others are offering Medicare Part D coverage to eligible individuals.

Q: Do I have to enroll in Medicare Part D coverage?

A: Enrollment in Medicare Part D coverage is not required. Most MCPS retirees will choose to continue coverage through their MCPS plan.

Q: What happens to my MCPS prescription coverage if I choose a Medicare Part D plan?

A: You cannot remain enrolled in the MCPS plan if you choose private Medicare Part D coverage. In addition, MCPS does not permit retirees and spouses to have different coverage. As a result, your spouse may also lose MCPS

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benefits, even if he or she is not covered by Medicare.

Q: What is creditable coverage?

A: Creditable coverage is employer-provided coverage that is, on average, equal to or better than the Medicare Part D standard plan. All MCPS plans have been certified with CMS for providing creditable coverage.

Q: What happens if I do not enroll in Medicare Part D in 2006?

A: If you do not enroll in Medicare Part D in 2006, you may enroll at a future date. Beginning in 2007, Medicare Part D annual enrollment will be held from November 15 through December 31. Please note: Creditable coverage with MCPS allows you to enroll in Medicare Part D during future annual enrollments without paying a late-enrollment penalty.

Q: I received information in the mail from the Social Security Administration that I might be eligible for financial assistance to pay for prescription drug coverage. Should I apply for this assistance?

A: We recommend that you inquire as to what you are eligible for and how that might be of benefit to you.

Q: Will the same drugs that are covered under MCPS be included under Medicare Part D?

A: Private Medicare Part D plans might not cover some of the drugs that are currently covered under your MCPS prescription plan. You will need to research drug lists and the drugs available under each private Medicare Part D plan you are considering.

Q: Will the retail pharmacy I currently use be a participating Medicare Part D provider?

A: While most retail pharmacies in the area will participate with Medicare Part D, not all pharmacies will participate with all vendors. Your pharmacy could be an approved vendor with one plan and not with others. Check with the plan and your pharmacy.

Q: If I am eligible for Part A & Part B, but did not purchase either, can I sign up for Part D?

A: No. You are eligible for Part D benefits only if you have applied to receive benefits under Part A or are enrolled in Part B. You must take the steps necessary to apply for, and be granted coverage under, Part A and/or Part B, before you are eligible for Part D. Part A is premium-free, but you must have applied for benefits and be granted coverage under Part A. For Part B, you must not only have applied for and enrolled in Part B, but must receive coverage for Part B services (sometimes there is a waiting period between enrollment and entitlement to start receiving benefits under Part B). ■

Cost-of-Living Adjustment

The MCPS cost-of-living adjustment for retirees is effective every January 1. This year the COLA is instituted as follows.

- For retirees enrolled in the old retirement system—5% COLA
- For retirees enrolled in the new pension plan—3% COLA

Retirees will receive this adjustment in the January 1, 2006, check. Reminder—For retirees receiving a benefit from the State Retirement Agency, the COLA is effective July 1, 2006, and is set by the state.

Pre-Diabetes: Are You at Risk?

Type 2 diabetes can develop at any age. Diabetes, while manageable, can put you at risk for a number of health conditions, including kidney disease, vision problems, heart disease, and stroke. Researchers have found that diabetes almost always is preceded by a condition called prediabetes.

In pre-diabetes, blood-glucose levels are higher than normal, but not quite high enough to warrant a diabetes diagnosis. The good news is, if prediabetes is detected early enough, you can take steps to prevent or delay the onset of Type 2 diabetes.

Who Gets Pre-Diabetes?

There are factors that may put some people at a greater risk for pre-diabetes, included are age 45 or older, having a family history of diabetes,

Canada Drug Update

During the past 18 months, the Montgomery County Public Schools (MCPS), our three employee associations, and the Montgomery County Retiree Association have worked with the Montgomery County Council and other Montgomery County agencies to explore the possibility of purchasing prescription drugs from Canada. The Board of Education and unions agreed to consider purchasing drugs from Canada provided such a venture was safe, legal, and cost effective.

MCPS participated in a competitive bid process that evaluated proposals from six vendors who wanted to offer prescription drugs to our employees and retirees. The

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undesirable cholesterol levels, high blood pressure, or being overweight or inactive. Certain ethnic groups seem to have an increased risk as well. Remember, anyone can develop pre-diabetes. Your doctor can help assess your risk factors.

How Is It Diagnosed?

There are two different tests that doctors commonly use to diagnose pre-diabetes. Both generally require that you fast for a period of time. Then, your doctor will check your glucose levels either before you eat or after you drink a sugary substance.

What Can You Do?

Being diagnosed with pre-diabetes gives you the opportunity to take action immediately and delay the onset of Type 2 diabetes. Many people

have great results through lifestyle changes. If you've been diagnosed with pre-diabetes, your doctor may recommend the following:

♥ **Exercise**—Staying active is a great way to turn back the clock on diabetes. Just 30 minutes a day of moderate physical activity can make a difference. Work with your doctor to develop a healthy exercise program.

♥ **Weight Loss**—A 5 to 10 percent reduction in body weight may help significantly to prevent or delay the onset of Type 2 diabetes. Your doctor can help you set a realistic weight-loss goal and provide tips for achieving and maintaining your weight.

♥ **Routine Monitoring**—Regular blood sugar screenings allow your doctor to monitor your diabetes risk. If the condition does develop, you'll have the advantage of early detection. ■

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evaluation included financial and legal review, as well as a site visit to a pharmacy in Windsor, Canada.

In September the Board of Education met to review options and listen to arguments both for and against introducing a Canada drug mail order program. The legal advice the Board of Education received from several attorneys cautioned that such a plan would violate federal law and put the Board of Education at risk for legal action.

As a result, the Board of Education voted to defer action until the County Council and/or county government approves such a plan for its workers or Congress changes the federal law banning importation of drugs from Canada.

In October the County Council passed a bill requiring the county executive put a plan in place to permit employees and

retirees to purchase low-cost prescription drugs from Canada. The county executive responded by requesting a waiver from the U.S. Food and Drug Administration (FDA) to permit county employees to purchase prescription drugs from Canada. The FDA denied the county executive's request, and he has announced that he will take legal action against the federal government to obtain the waiver.

If and when the county government receives a waiver and introduces a plan to grant employees access to drugs from Canada, the Board of Education will reconsider the MCPS position at that time. In the meantime, MCPS employees and retirees continue to have access to prescription drug benefits through the MCPS-sponsored plans. ■

Introducing QuickNotes

The Montgomery County Public Schools (MCPS) has launched a free e-mail service to help parents and retirees keep in touch with the school system.

MCPS QuickNotes is available in six languages: English, Spanish, Chinese, Korean, Vietnamese, and French. The service offers subscribers the following options:

📧 **Newsletter:** MCPS QuickNotes sends a monthly e-mail newsletter with the latest information about the school system. Topics include news about MCPS-sponsored events, dates to remember, links to other publications and Web sites.

📧 **Emergency news:** MCPS QuickNotes transmits emergency e-mail announcements about weather delays and closings.

📧 **Topics of interest:** MCPS QuickNotes offers e-mail news updates about a variety of topics based on subscribers' areas of interest.

You can subscribe to the service by logging on to the MCPS home page at www.montgomeryschoolsmd.org. Click on the QuickNotes box on the left-hand side of the page, or you may access the page directly at www.montgomeryschoolsmd.org/info/quicknotes. ■

IN MEMORIAM RETRACTION:

Our sincere apologies go out to Mrs. Hilda M. Graham and her family. We accidentally included her name in the "In Memoriam" section of the summer issue of Retiring Times. She and her husband were touched by the number of condolence cards sent by her former MCPS peers. Mrs. Graham appreciated your sentiments and assures the RT staff that she is "doing well."

Government Accounting Standards Board (GASB): New Reporting Requirements Related to Health Benefits

Beginning in FY 2008, local governments will be required by the Government Accounting Standards Board (GASB) to disclose the cost of Other Post Employment Benefits (OPEB) in their annual financial statements.

The costs are primarily associated with the value of future health insurance benefits promised to current and future retirees. The information is required to make the financial statements more useful to readers, particularly the agencies that rate the bonds issued by local governments, and is consistent with the way businesses are required to report these commitments.

In recent weeks, the Montgomery County Public Schools (MCPS) has received questions from retirees about the impact of the new GASB requirement on their benefits. No impact is anticipated.

The GASB requirement only requires MCPS to disclose the cost of OPEB. There is no requirement that this obligation will be immediately funded.

The county's future bond rating may be impacted by how the GASB reporting requirement is handled. The County Council, county government agencies, and our actuaries are working to update our OPEB costs and will develop strategies for funding. There will be more information coming as we prepare for FY 2008. ■

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Published by the Department of Communications for the Employee and Retiree Service Center
1799.06 • ELECTRONIC GRAPHICS & PUBLISHING SERVICES • 8.2K • 1.06

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