



# Retiring Times

## New Directions for MCPS Retirees

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### Diabetic Supplies

As the prevalence of diabetes in the population has grown, so too has the awareness of inconsistency and confusion on how diabetic supplies are covered by the various medical plans offered to Montgomery County Public Schools (MCPS) employees and retirees.

Over the past several months, MCPS and the Joint Employee Benefits Committee, a joint labor-management committee with representatives from all three employee organizations, and the MCPS Retiree Association have evaluated cover-

age of diabetic supplies.

We are pleased to announce that, effective January 1, 2008, diabetic supplies will be covered by the prescription drug plan for retirees enrolled in the Caremark prescription plan. Because the retiree plan year begins July 1, retirees may use either the Caremark prescription plan or the diabetic supplies coverage provided by their existing health plan from January 1 through June 30, 2008. There are no changes to coverage for diabetic

supplies for Kaiser Permanente plan participants.

The Caremark plan allows retirees to receive up to a 30-day supply of diabetic supplies at a retail pharmacy with no co-pay. Simply present your Caremark prescription drug card at any of the more than 60,000 pharmacies that participate in Caremark's retail network.

You may purchase up to a 90-day supply through the mail-order program, also at no co-pay, by completing the

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### Retiree Life Insurance

MCPS offers retirees "term" life insurance. Term life insurance provides protection against financial loss if an insured employee or retiree dies. Term life insurance pays a death benefit to the named beneficiary in the event the insured dies. Term life insurance does not accumulate cash value. As an active employee, you had coverage equal to two times your annual salary. For example, if your annual salary was \$50,000, you had \$100,000 of coverage. When you retired, you had the option to continue life insurance coverage at a reduced amount equal to 42.5 percent of the coverage in force while you were an active employee. In the example, your life insurance coverage is reduced to \$42,500 (42.5 percent of your active life amount

—\$100,000) at retirement. On the anniversary of your retirement date, and for each of the next four years thereafter, your life insurance coverage will be further reduced by 7.5 percent of your active life insurance amount. After the final reduction, your life insurance amount will equal 12.5 percent of your coverage as an active employee. It will never reduce below this amount.

Please review the example below, keeping in mind that the example is based on the active life amount of \$100,000.

If you retired prior to July 1, 2000, you will continue to receive life insurance benefits at no charge. If you retired after July 1, 2000, you will pay 36 percent of the cost of coverage, and MCPS will pay the remaining 64 percent of the cost. Life insurance premiums are deducted directly from your retirement check. Premium rates are subject to change from time to time.

Since the face value of the policy is paid to your designated beneficiary, it is important to keep your beneficiary forms up to date. ■

*Please use MCPS Form 455-2A to update your life insurance beneficiaries and return the form to the Employee and Retiree Service Center.*

#### Amount of Insurance and Reduction Factor (Based on a final average salary of \$50,000)

| Insurance as of                            | Amount    | Monthly Cost | Year                  |
|--|-----------|--------------|-----------------------|
| July 1, 2007                               | \$42,500  | \$18.00      | at time of retirement |
| July 1, 2008                               | \$35,000  | \$14.83      | 1                     |
| July 1, 2009                               | \$27,500  | \$11.65      | 2                     |
| July 1, 2010                               | \$20,000  | \$ 8.47      | 3                     |
| July 1, 2011                               | \$12,500* | \$ 5.30      | 4                     |
| *Your final reduction amount at retirement |           |              |                       |

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### *Diabetic Supplies...from page 1*

Caremark mail order application and submitting the form along with your prescription. Mail order applications are available at both the Employee & Retiree Service Center (ERSC) and the Caremark Web sites ([www.caremark.com](http://www.caremark.com)). Coverage includes, but is not limited to test strips, syringes, lancets and lancet devices, and glucose monitoring meters.

Insulin pumps and supplies related to the use of an insulin pump are not considered diabetic supplies and will continue to be covered under the durable medical equipment provisions of your medical plan. Insulin will continue to be covered under the Caremark program at the regular co-pay.

Plan participants newly diagnosed with diabetes or interested in switching to an Accu-Chek or One Touch meter may receive a free glucose-monitoring meter by calling Caremark at 1-800-588-4456.

If you have questions regarding your prescription coverage, please visit the Caremark Web site. You also may contact Caremark Customer Care toll-free at 1-800-966-5772, 24 hours a day, seven days a week. Plan participants requiring telecommunications device (TDY) assistance may call toll-free 1-800-231-4403. ■

#### FOR YOUR INFORMATION

Open Enrollment for MCPS Retirees begins on Monday, April 28, and continues through Friday, May 16, 2008. Any changes made during open enrollment are effective July 1, 2008.

Changes to the upcoming open enrollment plan include the elimination of referrals for the HMO plans, uniform coverage of diabetic supplies covered under the Caremark prescription plan, and a name change for the Optimum Choice HMO plan. Watch your mail in March for open enrollment details.

## Important Health Terms

It is not uncommon for the ERSC to hear from employees and retirees who say “this benefits stuff is just too confusing!” The meaning of terms like deductible, POS plan, Medicare Part B, and Medicare supplement may be obvious to those of us who work with these words every day, but as our friends with the Montgomery County Public Schools Retired Employees Association remind us, insurance terms can seem like another language to many retirees.

Perhaps a little tutorial will help.

### **What Is Medicare?**

Medicare is federal health insurance for people age 65 or older, under age 65 with certain disabilities, and any age with end-stage renal disease (permanent kidney failure requiring dialysis or a kidney transplant). There are several different parts of Medicare. It is important to learn what Medicare covers so you can benefit from all that Medicare has to offer. Detailed information can be found on the Medicare Web site at [www.medicare.gov](http://www.medicare.gov).

Medicare has the following parts:

**Medicare Part A** (Hospital Insurance) helps cover your inpatient care in

hospitals. Part A also helps cover skilled nursing facility, hospice, and home health care if you meet certain conditions. If you get benefits from Social Security, you automatically receive Part A beginning the first day of the month you turn age 65. If you are under age 65 and disabled, you automatically receive Part A 24 months after you begin disability benefits from Social Security.

**Medicare Part B** (Medical Insurance) helps cover

medically-necessary services like doctors' services and outpatient care. Part B also helps cover some preventive services to help maintain your health and to keep certain illnesses from getting worse. If you receive benefits from Social Security, you have Part B starting the first day of the month you turn age 65, but you must enroll for coverage. If you are under age 65 and disabled, you automatically receive Part B 24 months after you begin disability benefits from Social Security, but you must enroll for coverage. MCPS requires retirees to enroll in Medicare Part B when eligible. If you did not sign up for Part B when you first became eligible, your MCPS benefits may be affected.

**Medicare Part C** (Medicare Advantage Plans) provides another way to obtain your Medicare benefits. Medicare C combines Part A, Part B, and, sometimes, Part D (prescription drug) coverage. Medicare Advantage Plans are managed by private insurance companies approved by Medicare. These plans cover medically-necessary services and can charge different co-payments, coinsurance, or deductibles for these services. The Kaiser Permanente Senior Advantage plan offered to MCPS retirees is such a plan. Kaiser plan participants are required to enroll in the Senior Advantage plan if they want to continue coverage with Kaiser.

**Medicare Part D** (Prescription Drug Coverage) helps cover prescription drugs. MCPS provides equivalent coverage and may help lower your prescription drug costs and help protect against higher costs in the future.

**Medicare Supplement Plan**—A Medicare supplement plan provides coverage that supplements Medicare's standard program. The MCPS Medicare supplement plan pays qualified Medicare expenses that are not covered by Medicare.

**Medicaid**—A joint federal and state program that helps with medical costs for some eligible participants with low incomes and limited resources.

Medicaid programs vary from state to state, but most health care costs are covered if you qualify for both Medicare and Medicaid.

**Deductible**—The amount you must pay for health care or prescriptions before Medicare or your medical plan begins to pay. The Part B deductible for 2008 is \$135. The MCPS Medicare supplement plan covers the cost of the deductible.

**What is a Preferred Provider Organization (PPO) Plan?**—It is a type of health plan where you pay less if you use doctors, hospitals, or providers that belong to the network. You can use doctors, hospitals, and providers outside of the network for an additional cost. The indemnity plan offered to non-Medicare eligible MCPS retirees is a PPO.

**What is an HMO or Health Maintenance Organization?** HMOs are a form of managed care plan. In an HMO, your coverage is paid in advance instead of paying separately for each service received. This is called prepaid care. For a set monthly fee, HMOs offer members a range of health benefits, including preventive care. There are many kinds of HMOs. If doctors are employees of the health plan and you visit a doctor at a central medical office or clinic, it is a staff model HMO. The Kaiser Permanente Health Plan is a staff model HMO.

Other HMOs contract with physician groups or individual doctors who have private offices. These are called individual practice associations (IPAs) or networks. The CareFirst BlueChoice

and Optimum Choice HMOs are IPA models. HMOs will provide a list of doctors to choose a primary care physician. The primary care physician coordinates your care. Typically with HMOs, there is a co-payment for office visits, hospitalizations, and other health services.

**What is a Point-of-Service Plan (POS)?** With a POS plan, your level of coverage is dependent on how and where you choose to receive medical care. You obtain the higher level of benefits at a lower cost when you receive medical care provided by or arranged through your primary care physician. This is called “in-network.” You receive “in-network” benefits for covered services when you go directly to “in-network” doctors. You receive “out-of-network” benefits when you go to non-participating doctors. This is a lower level of benefits with a higher cost to you. MCPS currently offers retirees two POS plans administered by UnitedHealthcare. The POS plans are not available to MCPS plan participants who are eligible for Medicare.

**Co-payment**—Plans often have a set amount that you pay for service, such as a doctor’s visit or prescription. For example, the HMOs offered to MCPS retirees have a \$5 co-pay when you see your primary care doctor. The prescription drug plans have different co-pay amounts that depend on the medication you purchase, and whether you purchase at a retail pharmacy or through the mail order program.

**Assignment of Benefits**—An agreement between a person with Medicare, a doctor or supplier, and Medicare. The person with Medicare agrees to let the doctor or supplier request direct payment from Medicare for covered Part B services, equipment,

and supplies. Doctors who agree (or must by law) to accept assignment from Medicare cannot try to collect more than the Medicare deductible and coinsurance amounts from the person with Medicare, the person’s other insurance (if any), or from anyone else.

#### **What is Medicare Cross-Over?**

Medicare Cross-Over is the process that allows Medicare to automatically forward medical claims to your insurance provider for processing. In effect, a Medicare recipient has one stop shopping for submitting medical claims, and there is not a need for you to file again. With UnitedHealthcare, Cross-Over helps speed up claims payments because UnitedHealthcare will receive claims electronically from Medicare. Cross-Over is only available to MCPS retirees through UnitedHealthcare.

Look for additional definitions of terms in future editions of “Retiring Times.” If you come across a term that you are unfamiliar with, please write to the editor so we can include it in a future edition. ■

## **Cost-of-Living Adjustment**

The MCPS cost-of-living adjustment (COLA) for retirees who receive MCPS Core and/or Supplemental benefits was effective January 1, 2008. The COLA for 2008 is 2.8 percent. Retirees received the increase in their January 2008 check. The COLA for retirees who receive their core benefit from the State Retirement Agency (SRA) is effective July 1, 2008, and is set by SRA.

## Retiring Times

### MCPS and the Retirees Association Would Like to Hear From Our Retirees

When you retired from MCPS, did you receive all the necessary information required to make the proper choices about this once-in-a-lifetime decision?

MCPS and the MCPS Retirees Association (MCPSRA) are working together to ensure that future retirees will receive all necessary information—short of individual counseling—to make retirement decisions that are right for them. Unfortunately, individual counseling is not an option.

If you have suggestions about how either MCPS and/or MCPSRA can provide additional information or experiences in reference to your retirement, please send the suggestions to ERSC by U.S. mail to: **Employee and Retiree Service Center, 7361 Calhoun Place, Suite 190, Rockville, MD 20855-2787,**

Attn: **Stacey Robinson** or via e-mail at **Stacey\_Ehrlich\_Robinson@mcpsmd.org**

We also are looking for volunteers to participate in one or more focus groups that MCPS and MCPSRA plan to hold in the spring. The focus groups will provide an opportunity to explore your ideas and concerns more deeply than just a written statement.

If you would prefer focus group participation, please volunteer in writing to Stacey Robinson at the above U.S. mail or e-mail address. We will contact you about specific dates and meeting places once the focus group subjects and locations have been determined. Please make sure ERSC and/or MCPSRA receives your suggestions or volunteer requests no later than Friday, February 15, 2008. We look forward to hearing from you.

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