



Aetna Retirees Association, Inc
PO Box 280165
East Hartford, CT 06128

News

VOLUME XIII, EDITION 2

OCTOBER 2017

AETNA ANNUAL MEETING AND POSITIVE RELATIONSHIP

The Aetna Retirees Association has always been focused on “Helping Aetna Keep Its Promises.” To that end, we have worked to develop a positive working relationship with Aetna benefits and legal departments, all the while staying focused on the need to represent the needs of Aetna retirees. Through regular communications and our annual fall meeting to review the coming year’s benefits plans, many issues are resolved.

We also attend every Aetna Annual Meeting. John Lang, our usual representative at these meetings, conveyed your Board’s message that we appreciate the effective relationship we have with Aetna at the moment. This was received very positively by Aetna’s Board of Directors and was communicated to the benefits people who told of us of their appreciation for our comments.

Remembering Bob Hall

With much sadness, we want to let you know of the passing of Bob Hall, one of our most thoughtful and helpful Board members. Bob will be missed, both for his friendship and his contributions to the Aetna Retirees Association. For those of you who knew him from his career as an actuary in the Employee Benefits Division, you will recognize these traits as well as his ability to consider, discuss and suggest solutions to knotty problems in a very gentlemanly way. Thank you, Bob, for all you did for us.

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LIAISON TEAM MEETING WITH AETNA ON 2018 BENEFITS AND RATES

On September 26, 2017, the ARA Liaison Team met with Aetna representatives to learn about changes to the Retiree Health programs to become effective January 1, 2018. In addition, we learned about some administrative changes also becoming effective January 1, 2018. As in past years, Aetna will provide comprehensive materials concerning the 2018 plans, contribution rates and administration in the annual enrollment materials to be mailed out by the end of October, 2017.

ADMINISTRATIVE CHANGES

For all benefits effective January 1, 2018, Aetna is moving the administration of non-pension benefits to bswift, an Aetna-owned administration company. Enrollment support as well as pre-65 and Medicare member service will be administered by “bswift/Aetna exchange solutions” for 2018. All pre-Medicare and Medicare enrollment can now be done online. During enrollment for 2018 benefits, you will be required to set a new user name and password on the bswift/Retiree Health Access (RHA) website (a complete set of instructions on how to accomplish this will be contained in the annual enrollment materials).

bswift will be a “retiree portal” with year-round benefit information (plans, rates, etc.). Aetna Navigator will still be available and will contain the same type of information that it has in the past (claims, EOBs, Doc Find, etc.).

Aon Hewitt sold their benefits administration division to Blackstone in May and has reorganized under the name “Alright Solutions.” Alright will continue to administer benefit enrollments for 2017 benefits through December and changes to 2017 benefits to December 29th. Pension administration will remain with Alright.

Enrollment materials will have a different look and feel for 2018. Instructions contained in the enrollment materials will help you to navigate the new forms.

PRE-MEDICARE PLANS

There will be minimal plan changes for 2018. The OA Select 80 plan is being eliminated due to declining enrollment. Participants in this plan will be defaulted into the HRA 80 plan. The HRA 80 plan is being improved, reducing the deductible from \$1,500 individual to \$1,200 with a \$400 HRA fund. In addition, there will be some very minor changes to the Rx program and these will be explained in the enrollment materials.

The renewal rates for the HRA 80 plan will be reduced approximately 1%. There will be an increase of about 5% in the rates for the HSA 80 plan. Rates for the Select 80 plan will increase approximately 1%.

2018 MEDICARE PLANS

Network improvements in the 4 remaining “ESA exception” states allow for implementation of a Medicare PPO in these areas. Retirees in the ESA plan in these states that are in areas served by a PPO network will be defaulted into the PPO plan (there is approximately a 90% match between the ESA and PPO networks).

There will be a number of enhancements to the Medicare plans for 2018. These will be highlighted in the enrollment materials. Briefly, however, here are a few of the modifications:

- LifeScan glucometer program will be included (LifeScan is Aetna’s exclusive vendor for glucose monitors)
- The frequency limit for annual routine physicals is being changed from once per year to as needed on a medical necessity basis
- Resources for Living (roughly equivalent to the current Employee Assistance Program, EAP), will be included in all Medicare plans
- Healthy Lifestyle coaching and High Blood Pressure Programs are being removed due to very low or no utilization
- Beginning in 2018, spouses may elect a different Medicare Rx plan than the retiree

With respect to pricing for the Medicare plans, the claim experience used in determining the rates for 2018 was very favorable and, under ordinary circumstances, would result in a reduction in rates. However, the Health Insurance Fee (HIF), which was suspended for 2017 pricing, is being reintroduced by the Federal Government for 2018 pricing. Based on this, rather than seeing a reduction in rates, there will be relatively modest increases of 5.5% for PPO/ESA with Rx Plus and 9.6% for PPO/ESA with Rx Standard. The rates for either of these plans will increase by \$14.75 per member per month. The rates for the Indemnity plan will increase by 8%.

DENTAL PLANS AND PRICING

There will be no changes in the plan design for the Dental programs. The rates for the Dental PPO will increase 1.5% (about \$0.84 per month) while the rates for the DMO will increase 19.7% (\$3.68 per month).

2018 ANNUAL ENROLLMENT AND COMMUNICATIONS TIMELINE

<u>Communication/Event</u>	<u>Timing</u>
Annual enrollment kits mailed	End of October
bswift benefits portal available – Enrollment preview	November 1
Annual enrollment period begins Aetna HR Contact Center begins taking Enrollment questions	November 6
Annual enrollment period ends	November 17
Confirmation statements mailed	End of November
Annual Notice of Change Letter	December
ID cards mailed *	Late December

* new ID cards will be issued if you change plans or if Aetna changes your coverage from ESA to PPO

As in the past, the Annual Notice of Change Letter will be mailed as required by the Federal Government. This usually causes some confusion; however, as we have indicated in the past, this letter has no effect on your enrollment process. Accordingly, please proceed with your enrollment without regard to this letter.

The 2018 enrollment will again be passive; i.e., if you are not making any plan changes, you will automatically be enrolled in the same plan in which you were enrolled in 2017.

As always, please check your mailboxes often, thoroughly read all material you receive and contact the Aetna Retirement Service Center with any questions before completing your enrollment.

2018 COLA INCREASE 2.3% AETNA, 2.0% SOCIAL SECURITY

The September, 2017 Consumer Price Index (CPI) figure was released by the US Department of Labor Bureau of Labor Statistics (BLS) on October 13, 2017. Therefore, we can calculate the 2018 Cost of Living Adjustment (COLA) for Aetna and for Social Security.

Both Aetna and Social Security utilize Consumer Price Index CPI-W for Urban Wage Earners and Clerical Workers to calculate the COLA. However, they utilize a somewhat different methodology, which can produce differences in the COLA:

- Aetna compares the current year [2017] standalone month of September CPI to the prior year [2016] standalone month of September CPI, whereas
- Social Security compares the current year [2017] average for the 3rd Quarter (July, August & September) CPI to the prior year [2016] 3rd Quarter (July, August & September) average.

Utilizing the standalone month of September vs. a three month average usually produces different COLA increases. Because the September, 2017 CPI was the highest for the year, the Aetna COLA will slightly exceed the Social Security increase. The 2018 COLA increase calculations show increases of **2.3% for Aetna** and **2.0% for Social Security**.

The Social Security increase may be largely offset by increases in Medicare Part B premiums for 2018; the monthly premiums vary according to income level, and the 2018 Part B premiums should be announced in the next several weeks.

As you communicate with a retiree, retiree group or a colleague, we encourage you to provide them with information and the benefits of joining ARA. Please refer any prospective members to our website at www.aetnaretirees.com for additional information and an application form. Further, you may encourage prospective members to contact any Board Member for additional information. If, however, a retiree or colleague does not wish to become an active member and would still like to hear what we are doing, please have them state “communications only” on the application. We will send them our communications.

CONTACT ARA!

We welcome your comments, questions, ideas and letters to the editor. See mail and website addresses on page 1.

Marilyn Wilson, Editor