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News

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Hard Questions and Candid Answers

Aetna Gives Reassurances at March 5 Meeting with ARA

Initial announcement material made the new Aetna Medicare Open Plan sound pretty rosy. Retirees would be moved automatically to the new plan that would provide greater benefits and lower premiums.

But, circumstances of the rollout were disquieting. Three months after enrolling retirees for 2007, the deck was being reshuffled. The old plan was being eliminated; the new plan was on a take-it-or-leave-it basis. There was precious little detail and, as we know, the devil is always in the details.

When announcement materials were released, a number of members started asking questions, and a number were told that their doctors would not accept this new insurance. That, of course, would make the product clearly unacceptable. ARA's position is that the new Open Plan must be equal or better than the present Indemnity Plan in every way.

On March 5, an ARA team consisting of Chairman Emeritus John Dwyer, Vice Chairman Jean Waggett, and Carl Galinsky met for almost four hours with a team from Aetna headed by Gary Thomas, General Manager of Retiree Markets. Hard questions were asked and candid answers given.

Aetna Surprised by Rejections

The resistance to the plan by hospitals and doctors seems to have caught Aetna by surprise. Perhaps the company did not anticipate it or invest enough effort in advance to fully explain workings of the plan. Initially, two Connecticut hospitals – St. Francis and UConn Medical Dental – as well as the Hartford Medical Group said they would not accept the plan. However, after Aetna officials provided more information about the Aetna strategy versus the strategy of others, those institutions reversed themselves. So did a hospital in Sarasota, Florida. Hartford Hospital has agreed to the

plan. Aetna is now running an elaborate outreach program and has been somewhat successful in reversing earlier negative decisions. However, there are still some important holdouts including Memorial-Sloan Kettering in New York. It is also possible that doctors and hospitals that initially agree to the plan may, later, opt out. If your hospital or any of your doctors informs you that they will not accept this plan, please notify Aetna immediately so they can contact them,

This is a very important new plan for Aetna, and they are heavily invested in a successful rollout. It is a Private Fee for Service (PFFS) type plan. Other companies will be marketing similar plans, and they probably will not differ substantially because they must conform to CMS Guidelines established by the Social Security Administration. This product is not just for Aetna's own retirees. It will be their offering for all Medicare retirees, so they have to get it right. They recognize that they cannot afford to have their own retirees unhappy with it. Aetna now covers about 6500 retirees and another 4000 dependents in the Indemnity plan. Moving them successfully to this new plan is an important business objective. The most critical element will be the acceptance of the plan by the medical community.

Your Need for Coverage

Aetna understands that some retirees may be tempted to opt out at this time. Company officials told ARA that they believe the new plan will be a winner, and they hope no one will drop the coverage. ARA takes the position that catastrophic coverage is an important protection for virtually all retirees. If not obtained through a former employer on a favorable (subsidized) basis, then it probably should be purchased individually.

If a retiree opts out of the new Open plan but retains Aetna prescription drug coverage, then he or she will be able to enroll in the Open plan at a later date. However, if all medical coverage is dropped, the retiree will not be eligible to buy coverage later.

The shortness of time and the newness of the product pose a twin difficulty for Aetna retirees. As one member put it, before I can make a decision about accepting or rejecting the new coverage, I must go to each medical provider I now use **or may use in the future** to determine if the new plan will be accepted.

Aetna contributed to the problem by painting a rosy picture in the announcement materials rather than being more realistic and forthcoming. While there may be compelling business reasons for the company to want to make the transition quickly, the confusion created may well contribute to a perception of ineptitude or evasiveness.

Trying to Get It Right

However, after the most recent session, your ARA feels that Aetna officials are genuinely concerned and want to get it right. They have gone so far as to consider a dedicated email/voice mail/live phone line for retirees to contact them directly with questions.

ARA has submitted a series of questions to Aetna. Some are based on questions members have asked ARA, and some are aimed at a better understanding of this

complex new product. As soon as they are ready, Aetna will post them, and others, on their "aetnaretireconnection.com" web site.

While this has been yet another frustrating experience, ARA urges members to be patient and read all available information carefully. It is our hope that the new plan will be the best answer for most retirees.

When You Call Aetna

ARA and Aetna want to know, in detail, what your experience is when you call Aetna for help. Please keep a note pad by the phone and record your experience. Here's what we'd like you to tell us:

- What number did you call?
- What information or service were you after?
- The date and time you initiated the call.
- How long it took you to reach a service representative.
- Name/names of those you talked to.
- Your level of satisfaction/dissatisfaction and why.

Please send us this information via mail or email. We will share it with Aetna, and you will be playing an important role in getting better service for yourself.

CONTACT ARA!

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

Dave Smith, Editor