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News

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Aetna Makes Important Concessions on new Medicare Open Plan

*When providers say "No"
Retirees can return to
Traditional Indemnity Plan*

Rule on Reentry also Waived

After several weeks of extensive and exhaustive talks between representatives of Aetna and ARA, Aetna has made several accommodations to retiree needs. We believe this represents an enormous concession on Aetna's part, for which we are appreciative, because it should greatly diminish the anxiety caused by the abrupt imposition of the Open Plan. ARA officials believe that this will protect retirees during a difficult transition while allowing the company to go forward to launch the new product.

The most important concession will allow retirees with medical providers who refuse to accept the new plan to return to the Traditional Indemnity Plan. Those retirees who have already notified Aetna they are opting out of the plan are being contacted by Aetna and given a chance to reconsider based on this change.

Retirees who do not opt out will automatically be moved to the new Open plan effective April 1. If they find that a provider will not accept the new Aetna Open Plan, they may notify Aetna of that fact. Aetna will then contact the provider in an attempt to reverse the provider's decision. If Aetna is successful in reversing the negative decision of the provider, the retiree may remain in the Open plan and use that provider. If not, the retiree can choose to be moved back to the Traditional Indemnity plan in order to use that provider.

In its initial announcement, Aetna told retirees they would not be allowed to return to the Traditional Indemnity Plan. Aetna is committed to this new Open Plan and intends to make it its basic product for all Medicare-eligible customers. Aetna seems surprised that some providers have exercised their right not to accept the plan.

A New Kind of Medicare Plan

The Aetna Medicare Open Plan is a Private Fee-For-Service Plan (PFFS) allowed by Medicare. Under these plans, the insurer decides how much it will pay and what the participant pays for services. The participant may pay more or less for Medicare covered benefits and may have extra benefits regular Medicare does not cover. Because of this flexibility, some providers have been reluctant to accept the plans.

However, Aetna has launched an outreach effort to educate providers on how Aetna will conduct the plan, and the company reports considerable success. Aetna says it will reimburse providers for all covered services according to the Medicare-allowable rates.

Here is what Aetna promises participating providers:

- All the benefits of original Medicare and more. That includes unlimited hospitalization and full coverage of preventive services.
- Most options include Medicare Prescription Drug coverage.
- No precertification or referrals required for doctor visits.
- Simplified billing – the provider bills Aetna. Aetna reimburses the provider directly with one check.
- No contract required.
- All categories of covered services will be paid according to the Medicare fee schedules as

approved by the Center for Medicare Services (CMS).

Aetna is convinced that the vast majority of providers will participate once they learn all the facts. That's why they are willing to rethink their original position on return to the Traditional Indemnity Plan for what they expect will be a very small number of retirees. This will require some special handling on their part.

The Flip-Back Process

Retirees who find one or more of their providers unwilling to accept the new plan must follow this process:

- Call Member Services – (888-972-3862) -- and advise them of the refusal and provide them with the name, address and phone number of the provider. A trained Aetna representative will contract the provider (or providers). This will be done within 48 hours after your call to Member Services.
- If Member Services is successful in persuading the provider to participate, you will be able to remain in the Open Plan.
- Member Services may recommend an alternative service provider who is willing to accept the Open Plan. You may, if you wish, consider their recommendation. However, you are not obligated to change providers.
- If your provider does not reverse its decision, you may call Aetna Retiree Connection at (800) 238-6247 and request a change back

to the Traditional Choice Indemnity Plan. Your transfer will be effective the first day of the following month. This timing is a Medicare rule. However, you may immediately use the services of the non-participating provider who will be paid by Aetna using standard Medicare rates.

- In the interim, Aetna will pay covered medical expenses according to Medicare allowable rates – you will be covered.

In any case, you may use the services of the non-participating provider immediately, even if you do not realize they will not participate until you are in the office for an appointment. Your Open Plan card will show a number for the provider to call for confirmation of coverage.

Later Plan Reentry

In another important concession, Aetna has agreed to drop its rule that would have prevented retirees from re-enrolling during the year-end 2007 enrollment period if they opted out of all Aetna medical coverage now. In its original announcement, Aetna said that those who opted out of the Aetna Medicare Open plan but who retained prescription drug coverage would be allowed back in. Those who dropped all coverage would not be allowed to do so.

As you probably understand, Aetna does not make any commitments about coverage beyond the current year. Each year, the enrollment offer is made and retirees must either select coverage from plans offered or opt out. That's true with this offer, too. It is for the remainder of 2007. At the end of

the year, we will be presented with the annual enrollment process and will have to make choices as we have done in past years. However, this concession on re-entry gives members more options.

The Card Shuffle

We are very disappointed to report that Aetna will not have the cards for the new plan ready on April 1. We have protested this in the strongest language. Aetna understands the inconvenience this poses to members and providers, but reports an inability to meet the deadline. In the interim, you may continue to use your Medicare and Aetna Indemnity cards, and the Aetna Claim Department has assured us that they will still be able to properly process and pay all your claims.

If you have dental coverage, you will continue to use your present card.

When the new cards come in, they will be a combination card that will cover the Aetna Medicare Open medical plan and the Aetna Rx or Rx Plus Medicare Part D prescription drug coverage. Until they do, we advise you to keep all of your cards until new ones are issued and you are sure which plan you will be under. Under no circumstances should you throw away/destroy your Medicare Card. Please treat it like a Social Security Card, held for identification purposes or future Medicare Coverage.

A temporary card can be printed out from the www.aetnavigators.com site at any time. Once you are logged on, click on ID Card. However, we realize that many retirees do not have the means or experience to do this.

If you have not received your new ID Card by April 6, please contact Aetna Member Services at 1-888-972-3862.

Rates & Premiums

Aetna has still not told us what our premiums will be under the new coverage. Original material said it would be somewhat less, but no specific numbers have yet been forthcoming. Our expectation is that you will be notified before April 1.

You will continue to pay your same monthly premium to the Social Security Administration, deducted from your monthly Social Security payment. Social Security will pay Aetna a monthly fee for each participant to cover claims, expenses and profit.

Members Played a Major Role

We are especially indebted to ARA members who asked questions, dug deep, and let us know what they were hearing from their medical providers and from Aetna. They set off alarm bells, the sounds of which were

soon heard at 151 Farmington Avenue. Those emails from ARA members were a big help to ARA management in demonstrating problems to Aetna. Many ARA members are very sophisticated in such matters. Congratulations to all those who contributed.

Help Aetna Make It Work!

The changes Aetna has agreed to, plus the complexity of the roll-out of an important new product, will put a strain on their training, printing, communications and service units. While we cannot and should not relieve Aetna of its responsibilities, we can be sensitive to their burden. We can be patient and understanding that they really want to get things right, but may not have the tools at hand to provide service that is quick, flexible and right.

We suggest that you might want to avoid making calls to the company during peak traffic hours – 8:00 AM to 2:00 PM. Monday is the busiest day. Late afternoon but before dinner is usually a slack period.

CONTACT ARA!

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

Dave Smith, Editor



Steps to follow if your provider does not accept the Aetna Medicare OpenSM Plan

Please follow these steps if you have checked with your provider and he or she is not familiar with or does not accept the Aetna Medicare OpenSM Plan:

Step 1:

Call Member Services at 1-888-97-AETNA (1-888-972-3862). Member Services will take your provider information, name, address and phone number. A trained provider relations representative will call your provider(s) and educate them about how the plan works and highlight the advantages of the Aetna Medicare Open Plan. This will be completed within 48 hours after receipt of your provider information.

Step 2:

Member Services will call you with an update about their discussion with your provider and one of the following actions will be taken:

- If your provider has agreed to accept the plan, then you can remain in Aetna Medicare Open Plan and you will not need to do anything further. If Member Services has identified a provider that accepts the Aetna Medicare Open Plan and offers the medical services that meet your needs **and is acceptable to you**, then you may change to the new provider and you can remain in the Aetna Medicare Open Plan.
- If your provider has decided not to accept the Aetna Medicare Open Plan at this time and it is important to you to continue to use that provider, **then you must** call the Aetna Retiree ConnectionTM to request to be returned to the Traditional Choice[®] Indemnity Plan that you were previously enrolled in for 2007. Your plan change will become effective the first of the month following the provider relations representative's outreach to the provider and your phone call to Aetna Retiree Connection.

Step 3

During the interim, while you are returning to the Traditional Choice Indemnity Plan and prescription coverage (if applicable), you should continue to seek needed medical care from your health care providers and Aetna will pay claims for covered services according to Medicare allowable rates. The attached letter should be given to your provider for this purpose. During this period, your Aetna Medicare Open Plan card will continue to be your identification card for medical care and pharmacy purposes.

If you are already in your provider's office when you learn that he or she is not familiar with or does not accept the Aetna Medicare OpenSM Plan, you may receive medical services from that provider at that time, and Aetna will pay for the services. The provider non-acceptance letter should be given to your provider for this purpose.

If you have any questions about this process, please contact Aetna Retiree Connection at 1-800-AETNA-HR (1-800-238-6247).