

# Take Charge of Your Health — Open Enrollment Overview



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## Open Enrollment:

# October 15 – November 15, 2011

## LACERS 2012 Health Plans and Health Benefits

Your LACERS Open Enrollment packet contains your Health Plan Member Statement and the 2012 Health Benefits Guide. Please review these materials so that you are aware of any changes to your health plan, copayments, premiums, subsidies, and/or monthly premium payroll deductions. Changes become effective January 1, 2012, and any monthly payroll deduction changes will begin with your December 2011 paycheck. (Please refer to the ERRP defrayal article on page 4 of this Overview.)

### Remember

If you wish to keep your current medical and dental plans for you and your dependent(s) for 2012, no action is required by you. Your current LACERS health plan choices will remain in effect for the 2012 plan year.

However, if you do wish to make health plan changes or add dependents, then you must submit the appropriate forms, located in the back of your Health Benefits Guide, to LACERS by November 15, 2011.

### 2012 Premium Rates

On August 23, 2011, the LACERS Board of Administration approved the final health plan premiums, plan design changes, and health subsidies for 2012. Although LACERS' 2012 health plan premium costs were initially projected to increase 6.5%, the successful negotiating efforts of LACERS Benefits Administration Committee (led by Commissioner Ken Spiker), LACERS staff, and Towers Watson (LACERS' health and welfare consultant) resulted in an estimated increase in total program (i.e., medical, vision, and dental) premium costs of just 2.3% above LACERS 2011 premium costs.

For 2012, it is projected that LACERS will subsidize about 91% of its medical plan premiums and about 75% of LACERS Retired Members will be fully subsidized. Based on 2011 health plan enrollment numbers, 13% of Retired Members will see a decrease in their monthly medical premium payroll deductions, while 12% will see an increase. However, with LACERS' participation in the Early Retiree Reinsurance Program (ERRP), LACERS will continue to temporarily defray monthly medical premium payroll deduction increases, as long as the ERRP reimbursements received from the federal government are available.

## 2012 Maximum Medical Plan Premium Subsidy

The Los Angeles Administrative Code (LAAC) mandates that the increase in LACERS maximum medical subsidy cannot exceed the increase in the Kaiser Permanente two-party non-Medicare plan premium. Because the Kaiser Permanente two-party non-Medicare plan premium will not increase in 2012, LACERS maximum medical subsidy remains at \$1,190 per month for plan year 2012.

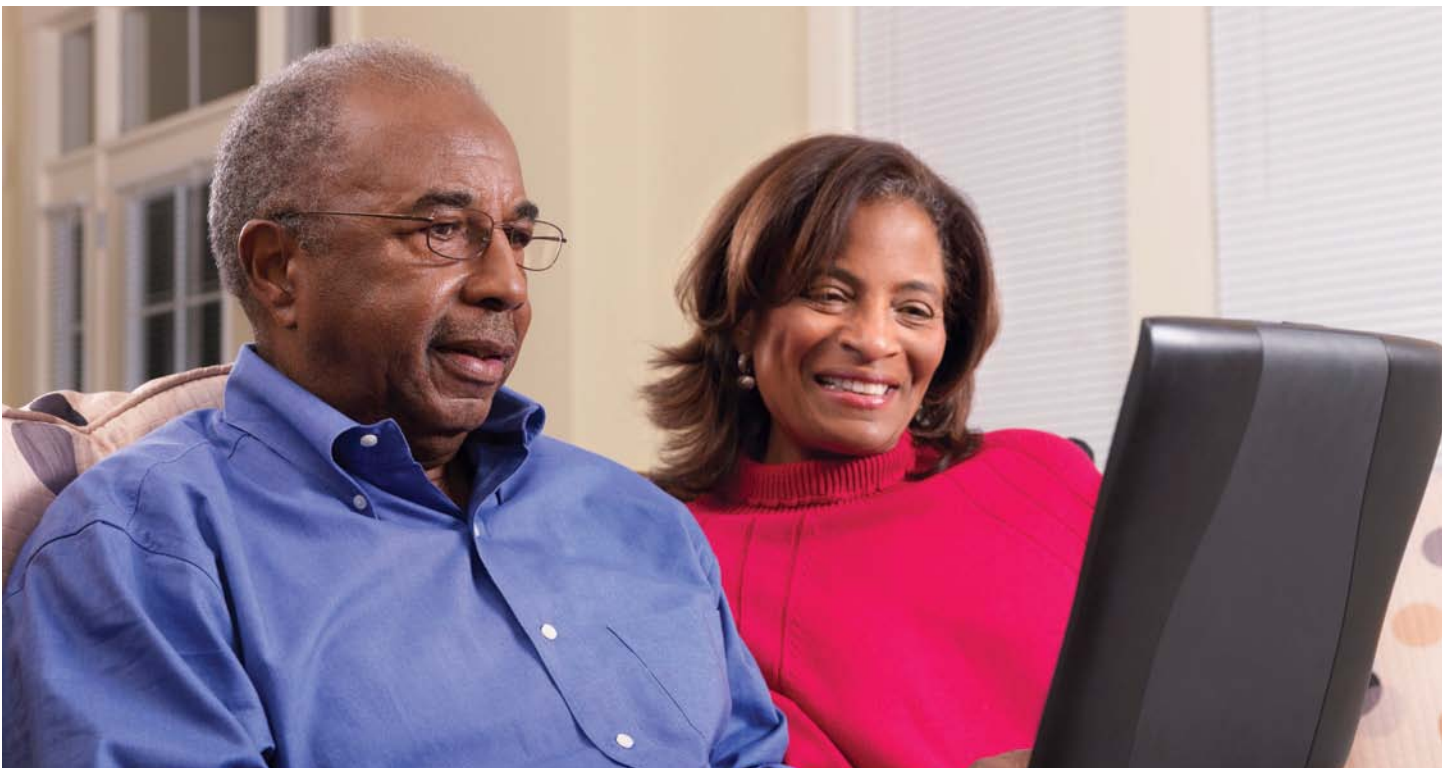
## 2012 Maximum Dental Plan Premium Subsidy

LAAC Section 4.1105.1 allows the LACERS Board to increase or decrease the retiree maximum dental subsidy to reflect the maximum dental subsidy set by City Council for LACERS Active Members. The 2012 maximum dental subsidy for Active Members is \$44.14. The LACERS Board increased the 2012 maximum dental subsidy for Retired Members to \$44.14, the maximum allowable.

LACERS highest-cost 2012 dental plan premium for a Retired Member is \$48.79 per month for the MetLife Dental PPO plan. If you are enrolled in this plan, you will have a monthly payroll deduction because the dental premium is higher than the maximum dental subsidy (e.g., \$48.79 one-party dental premium – \$44.14 maximum dental subsidy = \$4.65 monthly payroll deduction).

### For More Info

For more information about the 2012 premium rates, subsidies and design changes, refer to your 2012 Health Benefits Guide or visit LACERS' website at [www.lacers.org/retired](http://www.lacers.org/retired).



## Summary of 2012 Health Plan Premium Subsidies

Complete benefit information can be found in your 2012 Health Benefits Guide.

LACERS Maximum Health Plan Premium Subsidies <sup>1</sup>	2012
Medical Plan Premium Subsidy <sup>2</sup>	\$1,190.00
Surviving Spouse/Domestic Partner Medical Plan Premium Subsidy	\$593.62
Medical Premium Reimbursement Program (MPRP) Limit For those enrolled in both A and B of Medicare	\$423.45
Dental Plan Premium Subsidy	\$44.14

<sup>1</sup> For those LACERS Members who retired on or after July 1, 2011 and who have not made additional retirement contributions pursuant to Los Angeles Administrative Code 4.1031.2(c), please refer to the 2012 Health Benefits Guide Supplement for your health plan premium subsidy information.

<sup>2</sup> For members and MPRP participants under age 65 or over age 65 with only Medicare Part B.

Summary of Plan Design Changes For 2012	
<b>Anthem Blue Cross HMO</b>	No plan design changes.
<b>Anthem Blue Cross PPO</b>	No plan design changes.
<b>Anthem Blue Cross Medicare Supplement</b>	Replaced by Anthem Blue Cross Medicare Advantage LPPO, which has \$0 copays for most services, same benefit offerings as the Anthem Blue Cross Medicare Supplement plan, improved coordination of benefits, and access to care management.
<b>Kaiser Permanente HMO</b>	No plan design changes.
<b>Kaiser Senior Advantage</b>	No charge for Medicare-covered preventive services.
<b>SCAN</b>	Medicare-covered eyewear covered at 100% up to the Medicare Allowance.
<b>UnitedHealthcare® Group Medicare Advantage HMO (formerly UHC SecureHorizons)</b>	No plan design changes.
<b>MetLife Dental PPO</b>	Out-of-network coverage for basic services (including crowns) changed from 80% to 70% of R&C <sup>3</sup> . Crown replacement changed from every 5 years to every 7 years.
<b>SafeGuard Dental HMO</b>	No plan design changes.
<b>Vision Service Plan (VSP)</b>	Network of providers will be slightly smaller and subscribers will receive less of a discount for non-covered items.
<b>Evercare™ - Solutions for Caregivers</b>	Will only be available to <i>UnitedHealthcare® Group Medicare Advantage HMO</i> subscribers.

<sup>3</sup> R & C = Reasonable and Customary rates, which is the usual charge for specific services in the geographic area where treated.

## What's New For 2012

### **ERRP Defrayals of Monthly Medical Premium Payroll Deductions are Temporary**

If you are currently receiving a defrayal of your monthly medical premium payroll deductions as a result of LACERS' participation in the Early Retiree Reinsurance Program (ERRP), be reminded that these defrayals are temporary and will only continue as long as LACERS has ERRP reimbursement funds available. Once the ERRP funds run out, your monthly deductions will resume and reflect your actual medical monthly payroll deduction amount. Please be aware of this amount for the coming plan year.

*For more information about ERRP and your monthly deductions, visit the Retired Members section of the LACERS website at [www.lacers.org/retired](http://www.lacers.org/retired).*

### **New Anthem Blue Cross Medicare Advantage LPPO Plan Means \$0 Copays and More Care Management Programs**

Beginning in 2012, LACERS will replace the Anthem Blue Cross Medicare Supplement plan with the Anthem Blue Cross Medicare Advantage LPPO plan. If you are currently enrolled in the Anthem Blue Cross Medicare Supplement plan, you will be automatically enrolled in the Anthem Blue Cross Medicare Advantage LPPO plan for 2012. Under this plan, you may continue to receive services from any in-network or out-of-network physician/medical facility that accepts Medicare. The difference is that you will now have \$0 copays for many of the same services previously offered under the Anthem Blue Cross Medicare Supplement plan.

In addition, once you are enrolled, your Medicare benefits will be assigned to the Anthem Blue Cross Medicare Advantage LPPO plan and you will be issued a new ID card. An advantage of being in this plan is that you will only need one ID card instead of three (a Medicare ID card, an Anthem ID card, and a prescription drug plan ID card) to access your medical benefits. Other advantages include improved coordination of benefits, plan oversight by the Centers for Medicare and Medicaid Services, and integrated care management programs.

*See pages 26-27 of the 2012 Health Benefits Guide for an overview of your benefits and copays.*

### **MetLife Dental PPO: Some Out-of-Network Costs to Increase**

If you are in the MetLife Dental PPO plan and are seeing a non-network dental provider, your out-of-pocket costs for some services may increase (see the Summary of 2012 Health Plan Premium Subsidies on page 3 of this Overview). Here are some tips on how you can save money:

- Consider using a MetLife Dental PPO in-network dentist
- Ask your non-network dentist to become a MetLife Dental PPO in-network provider
- Use an in-network dentist for more costly services to reduce your out-of-pocket costs

## Vision Service Plan: Slightly Smaller Network, Added Affiliate Providers

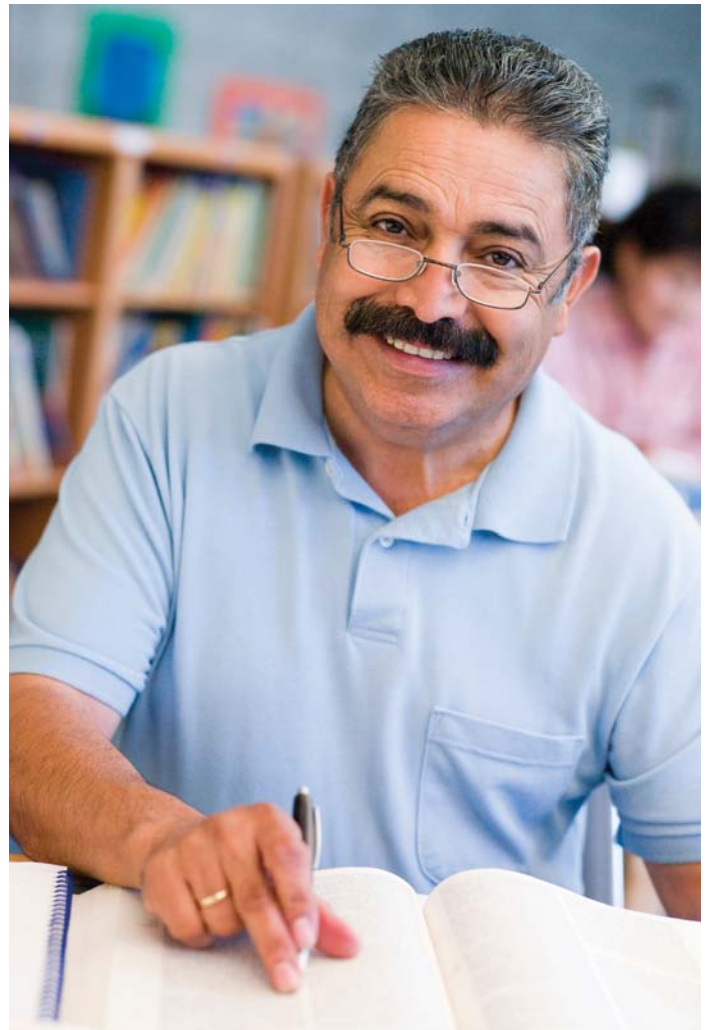
In order to reduce the 2012 premium increase for Vision Service Plan (VSP), LACERS VSP plan is switching to a slightly smaller network of providers (Choice network). About 99% of VSP subscribers will not be impacted by this change because their in-network vision provider is already part of the new network. For a small number of VSP subscribers, their current in-network vision provider will be out-of-network beginning in 2012.

To confirm if your provider is part of the VSP's Choice network, visit the VSP website at [www.vsp.com](http://www.vsp.com) or contact them directly at (800) 877-7195 or TDD (800) 428-4833.

Although the number of in-network VSP providers will decrease slightly, LACERS has arranged to allow you to seek in-network services from affiliate providers (such as Costco) beginning in 2012. If you are considering changing VSP providers or using one of the affiliate providers, here are some simple steps to take:

- **Find an eyecare provider who's right for you.** To find a VSP provider or an affiliate provider, visit the VSP website or contact them directly.
- **Review your benefit information.** Visit the VSP website to review your plan coverage along with the details about how your coverage differs with affiliate and other providers.
- **At your appointment, tell them you have VSP.** There's no ID card necessary.

That's it. VSP will handle the rest—there are no claim forms to complete when you see a VSP provider or affiliate provider.



## **Evercare™ – Solutions for Caregivers Available Only to UnitedHealthcare Subscribers**

Beginning in 2012, LACERS will no longer offer the basic Evercare™ – Solutions for Caregivers program along with all of its medical plans. If you haven't utilized the services of this program, be sure you do so before the end of this year.

The Evercare™ – Solutions for Caregivers program puts you in touch with available caregiving services nationwide, whether you are giving or receiving care. It also provides you with basic legal services, such as help in preparing a Power of Attorney, a Living Will, or an Advanced Healthcare Directive. Call the Solutions for Caregivers program for more information at (866) 896-1895, or TTY users call 711, or visit their website at [www.liveandworkwell.com](http://www.liveandworkwell.com), click on "Click here to enter using only an Access Code" and enter "Evercare" as the access code.

Because this program is managed by UnitedHealthcare, it will continue to be available to only LACERS UnitedHealthcare® Group Medicare Advantage HMO subscribers. To assist you in seeking caregiver services, here are some additional resources available to the public:

### **Eldercare Locator**

(800) 677-1116

[www.eldercare.gov](http://www.eldercare.gov)

### **California Department of Aging**

(800) 510-2020

[www.aging.ca.gov](http://www.aging.ca.gov)

### **Los Angeles Department of Aging**

(213) 252-4030

[www.aging.lacity.org](http://www.aging.lacity.org)

You can also call your state or local public agency (such as your city or county) to find out what caregiving programs and resources are available in your area.

## **UHC SecureHorizons is now UnitedHealthcare® Group Medicare Advantage HMO**

Beginning January 1, 2012, SecureHorizons Medicare Advantage HMO will be known as the UnitedHealthcare® Group Medicare Advantage HMO plan. Plan benefits for 2012 are the same as in 2011. It's the same medical plan, only the name has changed.

If you are currently in UHC SecureHorizons, UnitedHealthcare will notify you of this name change and send you a new ID card. The ID card will have a new customer service phone number. Until then, the LACERS UHC SecureHorizons customer service phone number will continue to work, but calls will be rerouted to the new number.

## Open Enrollment Reminders

### Not Enrolled?

If you decide to change your medical or dental plan or enroll in one, then you must complete the appropriate enrollment forms located in the back of the Health Benefits Guide or online at [www.lacers.org/retired/forms.html](http://www.lacers.org/retired/forms.html).

If you are enrolling in a LACERS Senior plan, contact LACERS to receive a Senior plan enrollment form.

### Do You Want to Cancel Your Plan?

If you are terminating your medical or dental plan, contact LACERS for the appropriate form.

### Do You Have Enough Prescription Medications?

If you are changing your LACERS medical plan, make sure you have enough medication to cover at least the first two weeks of January 2012.

### Are You Undergoing Treatment?

If you are changing a medical and/or dental plan and you have a scheduled procedure, hospitalization, or are undergoing treatment, notify your current and new plan carriers to coordinate your benefits.

### Confused about Vision Care?

When you enroll in a LACERS medical plan, you are covered automatically for vision benefits. Kaiser Permanente subscribers are covered directly through Kaiser Permanente. Contact Kaiser Permanente at (800) 464-4000 or Kaiser Permanente Senior Advantage at (800) 443-0815 for more information.

Anthem Blue Cross, SCAN and UnitedHealthcare (formerly SecureHorizons) subscribers are covered through Vision Service Plan (VSP). Call VSP at (800) 877-7195 to learn how to access their services.

### When Will the Deductions Appear on Your Check?

Any new deductions reflecting your health plan choices for 2012 will appear on your December 2011 paycheck. Please note that as long as ERRP funds are available, deduction increases will be temporarily defrayed.

### How Long Are Your Decisions Effective?

The 2012 plan decisions you make during this Open Enrollment period are effective for the entire plan year, from January 1 through December 31, 2012. You may not change your health plan choices until the next Open Enrollment period in October of 2012, unless you have a family status change.

### What If Your Family Status Changes During the Year?

If your family status changes (e.g., marriage, domestic partnership, divorce, birth/adoption), you may adjust your coverage level without waiting until the next Open Enrollment period.

- If you would like to add a dependent due to a change in your family status, you must contact LACERS within 30 days of that change or you will have to wait until the next Open Enrollment period to add a dependent.
- You may delete eligible dependents at any time.
- Your net retirement allowance must be sufficient to cover any premium deductions. If not, call LACERS to discuss your options.
- You are required to complete the *Certification of Dependent or Survivor Status for Health Coverage* if you are adding a dependent.

### ID Cards

LACERS' medical plans and the SafeGuard HMO dental plan issue ID cards to Retired Members. MetLife Dental PPO plan and Vision Service Plan do not issue ID cards. However, LACERS can provide you with a generic MetLife Dental PPO card, by request.

## Questions?

**LACERS representatives are available Monday - Friday, 8 am to 5 pm PST**

(800) 779-8328 • (888) 349-3996 TDD • (213) 473-7284 FAX

### LACERS

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