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News

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LIAISON TEAM MEETING WITH CVS HEALTH ON 2020 BENEFITS AND RATES

On September 16, 2019, the ARA Liaison Team met with CVS Health representatives to learn about changes to the Retiree Health programs to become effective January 1, 2020.

UPDATE ON CVS/AETNA INTEGRATION

We were brought up to date on where the integration of CVS and Aetna stands as well as where it is headed. Shortly after the deal was closed (November 28, 2018), CVS quickly committed to maintaining grandfathered Aetna retiree group subsidies. Further, retiree benefits will now be offered to the combined organization including former CVS employees (now known by the term “colleagues”) to whom retiree benefits had not been available in the past. CVS Health will be used where appropriate in all enrollment materials.

The integration is continuing to go smoothly; however, there could potentially be some bumps in the road as is common with any large-scale integration.

ADMINISTRATIVE PROCESS

Annual enrollment kits will be mailed on October 14, 2019. The annual enrollment will then take place beginning October 28, 2019 and end on November 15, 2019. As in past years, you will have the opportunity to modify your plan choice(s) beginning November 16, 2019 and ending December 31, 2019. The full timeline as well as information concerning ID cards is shown later in this article.

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PRE-MEDICARE PLANS

There will be a complete overhaul on the pre-Medicare plans so that they match the plans available to active colleagues.

Three HSA options will replace the HSA80 and HRA80 plans. The new plans will be known as HSP1, HSP2 and HSP3. The largest change in coverage will be the introduction of “Caremark Value Formulary” Rx plan. Details on this plan will be contained in the annual enrollment materials.

Overall, retirees will experience a 20% to 40% reduction in premium based upon the options selected. Complete pricing information will be contained in the annual enrollment materials.

2020 MEDICARE PLANS AND PRICING

There will be no plan or coverage changes from either CMS (Center for Medicare and Medicaid Services) or CVS Health.

A new Value PPO Option will be introduced for 2020. This new plan offers a significantly reduced premium; however, the coverage and coverage limits will be greatly reduced as well (example, the maximum out-of-pocket limit will be \$6,700 as compared to \$3,000 under the current PPO plans). Complete plan and pricing details for the Value PPO will be in the annual enrollment materials.

When considering your plan choices for 2020, we strongly encourage you to look carefully at the plan/coverage details and to not make your decision solely on the premium rate. In past newsletters, we have pointed out the potential pitfalls of choosing a plan solely on premium (example, a \$0 deductible, \$0 premium rate HMO which you commonly see advertised may look attractive but, after examining the levels of coverage, one finds the plan does not cover nearly as much as plans similar to those we are currently offered; in addition, there tends to be additional copays or coinsurance amounts which could add up fairly fast). So, the bottom line is that you should carefully and fully examine the coverage levels of each plan you may be considering and then weigh that against the premium rates.

(continued on next page)

2020 MEDICARE PLANS (CONTINUED)

Under the Rx plans, the same plans offered in the past will still be available. In addition, a new Value Rx option will be available but only when paired with the new Value PPO option. The Value Rx plan is similar to the Rx Standard plan but with higher deductibles and slightly less coverage in the gap (sometimes referred to the donut hole).

Stand-alone Rx and Rx options linked to the Indemnity Medical plan will move to the SilverScripts platform; there will be no change in the plan or the pricing but the SilverScripts logo will now appear on the ID card. SilverScripts is a pharmacy company specializing in prescription drugs and works in concert with CVS Caremark.

With respect to the Medicare pricing for the PPO with Rx Standard and the PPO with Rx Plus, the reimposition of the Health Insurer's Fee (HIF) will occur effective January 1, 2020. You will recall that this fee has been included in some year's pricing and excluded from other year's pricing depending on what decision the Federal Government made at that time. As a reminder, the HIF is a 3% tax on insurer's fully insured business and was initially a major feature of the Affordable Care Act (ObamaCare) and it provided funds to help subsidize those seeking insurance from the open markets.

The changes in total premium for the two most popular plans (PPO with Rx Standard and PPO with Plus Rx) are as follows: PPO with Rx standard is being reduced approximately 1% while the PPO with Plus Rx is being increased approximately 18.6%. Again, as mentioned earlier, please examine all features and premium rates of all plans available to you before making your coverage decision for 2020.

2020 DENTAL PLANS AND PRICING

Beginning January 1, 2020, retiree Dental plans will mirror those provided for active colleagues. There will be three dental plan options, a high (Enhanced) plan, a low (Basic) plan and a DMO plan. The new Basic Dental PPO will provide coverage for cleanings, x-rays and basic dentistry but will provide no coverage for major dentistry or orthodontia,

The premium rates for the various Dental options are as follows:

Current Rates (2019): PPO \$56.20 and DMO \$21.18

Renewal Rates (2020): Enhanced PPO \$57.36, Basic PPO \$38.83 and \$19.25 DMO

PPO Dental participants will be defaulted into the Enhanced PPO while DMO participants will default to the DMO.

INFORMATION CONCERNING LTD PARTICIPANTS

Information on Long Term Disability will be included in the annual enrollment kit.

RETIREE LIFE INSURANCE

There will be no changes to retiree life insurance for existing retirees.

2020 ANNUAL ENROLLMENT AND COMMUNICATIONS TIMELINE

<u>Communication/Event</u>	<u>Timing</u>
Targeted Communications to: <ul style="list-style-type: none">- LTD Participants- Retirees with Domestic Partners in Coverage- Deferred Participants with DPs on file- ESA to PPO and PPO to ESA participants- CVS Employees that retired post close	September to early October
Annual enrollment mailed (full kits)	October 14
Annual enrollment opens (passive with defaults)	October 28
Open Enrollment Ends	November 15
Silent Correction Period	November 16 to December 31
ID cards mailed	Mid December

The following table indicates which plans will receive new ID cards as well as those who will not receive new cards (only the current PPO/ESA with Rx participants).

Plan	New ID Card
Pre-Medicare Medical/Rx (will include Dental)	Yes
Limited HRA	Yes
Medicare Advantage PPO/ESA with Rx	No
Medicare Indemnity	Yes
Stand-Alone Medicare Rx	Yes
Medicare Rx Paired with Indemnity	Yes
Value PPO/ESA with Value Rx	Yes (new)
Retiree Dental Plans (all)	Yes

As in the past, the Annual Notice of Change Letter will be mailed as required by the Federal Government. This letter 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 2020 enrollment will 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 2019.

At our meeting, we discussed the contents of the annual enrollment kits. You may recall that, in the past couple of years, there was far less in the kit than had been the case in prior years. The kits you will be receiving this year will have a good deal more detailed information than the past few years. Accordingly, we encourage you to carefully and thoroughly examine the material you receive so you will be in a position to make the most appropriate benefit choices for you and your family.

As always, please check your mailboxes often, thoroughly read all material you receive and contact Aetna Retirement Service Center with any questions before completing your enrollment. The phone number to use is 1-800-AETNA-HR (1-800-238-6247). If after attempting to rectify any issues on your own, you still need assistance, you may contact us at ARA.

COST OF LIVING (COLA) INCREASE FOR 2020

Statistics necessary to compute the COLA for 2020 are not yet available in final form. However, preliminary figures indicate that there will be very modest increases in both the Aetna COLA and that associated with Social Security. Once we have the final numbers for 2020 COLA, we will publish another newsletter.

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.

Sharon Reed, Editor

Marilyn Wilson, Editor Emeritus