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News

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Heads-Up

At the suggestion of several ARA members, we have a new feature in this newsletter. It is called "Heads-Up" and consists of vignettes describing events encountered by retirees when navigating the benefits trail. In this edition, we have three of them for you. Our objective is to make you aware of what you might encounter so you can more easily deal with the situation.

WHEN YOU MOVE FROM ONE STATE TO ANOTHER

Our Medicare Advantage Plan is the same throughout the country. BUT, if you move from one State to another, the Medicare rules require that your coverage be terminated in the state from which you move and reestablished in your new state of residence. Your old Medicare Advantage card and ID number will actually be cancelled, and you will be issued a new ID card with a new member number. You need to provide your new healthcare providers with your new ID number.

We received the following actual wording from our contacts at Aetna describing this situation:

> If a member moves from one state to another, this may require a new enrollment within Aetna systems. Aetna must file our Medicare Advantage plans with CMS in every state, and CMS issues a plan or contract in return. While many states share one CMS contract, several have their own. Address changes from one state to another may change the contract or plan member is enrolled in with CMS. CMS requires a new enrollment in these scenarios. Additionally, based on the new state of residence, plan eligibility may change from PPO to ESA or vice versa. This would also require a new enrollment, and will change the member's ID number. When a member re-enrolls and receives a new ID number, the amount they paid towards their deductible must be manually moved from the old ID to the new.
>
> CMS = Centers for Medicare and Medicaid Services
> PPO = Preferred Provider Organization
> ESA = Extended Service Area

In view of the situation described above, you should carefully review your explanation of benefits forms (EOB) to make sure that your benefits are paid correctly. As indicated above, at least a portion of the change in your records will be handled manually. As such, there could be instances where deductibles are taken twice because the amount taken in the first jurisdiction was not transferred to the second jurisdiction. If this happens to you, a call to Aetna Member Services will resolve the problem. Be sure to have both your old and your new Medicare member ID numbers and the transaction numbers of all EOBs handy when you make the call.

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Heads-Up

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IMPORTANT CHANGE IN TERMINOLOGY ANNUAL PHYSICAL EXAM OR ANNUAL WELLNESS EXAM?

We have learned from a number of our members that, under Medicare Advantage plans, the manner in which a doctor submits expenses for your annual exam will have an impact on whether or not the exam is a covered expense.

Centers for Medicare & Medicaid Services (CMS) regulations no longer allow Medicare Advantage plans to cover both the Annual Wellness Visit and an Annual Physical Exam if there is no difference in the services. In 2013, all plans, including Aetna, are required to cover the Annual Wellness Visit at $0 cost share. Because Aetna does not define an Annual Physical Exam as something different from the Annual Wellness Visit, Aetna is not able to offer plans with the Annual Physical Exam. **Aetna had notified providers of this change in late December of 2012.** However, we have learned that not all providers are submitting the claims on the correct basis. Effective January 1, 2013, Aetna Medicare plans include coverage for an Annual Wellness Visit.

If the provider does bill you for an Annual Physical Exam, the provider EOB will indicate a payment required of you and will also indicate that the provider may resubmit the bill to Aetna as an Annual Wellness Visit. If the provider does that, you would then not be responsible for the charges because Aetna covers the Annual Wellness Visit. The provider is responsible to bill for the Annual Wellness Visit, not the routine physical.

When you make an appointment for your annual exam, we encourage you to remind your provider's office of the change in terminology discussed in this article. If you have questions on this subject, you may reach Aetna's Medicare Member Services by logging on to www.aetnanavigator.com and selecting "Contact Us." You may also call the toll-free number on your member ID card.

WHEN YOUR DOCTOR WANTS TO CHANGE ONE OR MORE OF YOUR LONG-TERM MEDICATIONS

Many of us are on long-term maintenance medications. Our plan recommends that we use Aetna Rx Home Delivery for 90-day supplies, and the co-payments are lower if we do. There are many good reasons for changing medications, but sometimes the changes do not work for certain individuals. There are times that an individual cannot tolerate the new medication or the new medication is not as effective as the doctor thought it would be. The recommendation is that you work with your doctor and try a locally purchased 30-day supply of any new medication before a 90-day supply is ordered. Unfortunately, medications are not returnable and, if you find a new medication is not working as anticipated, you are stuck with a supply of medications you cannot use.

ACCOUNTABLE CARE ORGANIZATIONS/PLANS

A recent announcement appeared in the March 12, 2013, edition of ***The Hartford Courant*** in an article entitled **"Aetna, ProHealth Launch Accountable Care Plan in Connecticut."** The text of the article follows.

The specifics of Accountable Care Plans can be fairly confusing; however, below we have attempted to provide highlights discussing the various workings of these plans/organizations.

An accountable care organization (ACO) is a healthcare organization characterized by a payment and care delivery model that seeks to tie provider reimbursements to quality metrics and reductions in the total cost of care for an assigned population of patients. A group of coordinated healthcare providers forms an ACO, which then provides care to a group of patients. The ACO may use a range of payment models including, but not limited to, capitation, fee-for-services or other accepted reimbursement methods used in the marketplace.

The ACO is accountable to the patients and the third-party payer for the quality, appropriateness and efficiency of the healthcare provided. According to the Centers for Medicare and Medicaid Services (CMS), an ACO is "an organization of healthcare providers that agrees to be accountable for the quality, cost, and overall care of Medicare beneficiaries who are enrolled in the traditional fee-for-service program who are assigned to it."

While the ACO model is designed to be flexible, the three core principles for all ACOs are as follows:

1. Provider-led organizations with a strong base of primary care that are collectively accountable for quality and total per capita costs across the full continuum of care for a population of patients;
2. Payments linked to quality improvements that also reduce overall costs; and
3. Reliable and progressively more sophisticated performance measurement to support improvement and provide confidence that savings are achieved through improvements in care.

We recognize that the above material may be complicated and confusing (unfortunately, this is a common thread in today's complex healthcare world). However, we hope this material will be helpful to you in your understanding of a certain aspect of healthcare. In the event you would like additional detail concerning Accountable Care Organizations, you can simply go to Google, type in "accountable care organizations" and look for the **Wikipedia** entry which pops up.

You can expect to be hearing about more Accountable Care Organizations being established. In fact, the March 16, 2013, edition of **The Hartford Courant** contained an article indicating that ConnectiCare and Hartford HealthCare (the parent of Hartford Hospital) had just agreed to a new Accountable Care Organization. The article further stated that this plan would serve about 12,000 Medicare individuals in the Hartford region.

The Hartford Courant

Aetna and ProHealth Physicians Inc. on Monday announced a new accountable care collaboration, which will use technology to better manage the health and medical treatment of a group of patients while trying to reduce medical expenses.

The agreement between the Hartford-based health insurer and the doctors' network is Aetna's first such arrangement in Connecticut. Aetna has accountable care arrangements in Maine, New Jersey and Westchester County, N.Y., but this is the first in Southern New England.

Health insurers increasingly are using accountable care organizations, which often include using electronic medical records and clinical coordinators to follow up on patients.

The arrangement starts with ProHealth's 30,000 Medicare patients in Connecticut and will expand to an additional 23,000 who have Aetna as their health insurer and are patients of ProHealth doctors.

This particular accountable care plan will use some very new and sophisticated technologies to keep track of patients' electronic medical records.

NATIONAL RETIREES LEGISLATIVE NETWORK ANNUAL MEETING FEBRUARY 4-5, 2013

Overview

Warren Azano and Mike Feehan represented ARA at NRLN's Annual Leadership Conference on February 4-5 in Washington, D.C. We were very pleased to see that NRLN is continuing to do an excellent job in advancing retirees' interests in the nation's capital with a relatively small budget. They now have as members 31 retiree associations (*e.g.*, ARA), as well as individual members who have retired from 114 corporations and public entities – in total, NRLN directly or indirectly represents the interests of about two million retirees. About 30-35 people attended the meeting, with especially active participation by retirees from companies that have encountered financial difficulty, *e.g.*, Delta, Eastman Kodak, and United Airlines. In sum, we continue to be impressed with the NRLN's leadership and will continue as an association member, and we recommend that our own individual members do what they can to support them.

NRLN's Legislative Focus/Priorities

Their focus is essentially unchanged from last year: pensions, health care, Social Security, and Medicare. Considerably more information is available on their specific proposals at www.NRLN.org.

ARA Position on NRLN Issues

While ARA generally supports the NRLN legislative agenda, the diverse positions of our own members and the high level of partisanship in our nation's capital will continue to preclude us from taking positions as ARA on most issues. We expect that even legislation that is, on its face, supportive of retirees will be seen as supporting one political party or the other as they maneuver to gain the upper hand on the more macro issues of budget deficit, national debt reduction, and ultimate political advantage in the 2014 elections. Our members must make their own decisions on such bills, so we will in most instances do no more than provide information on the debate in as nonpartisan a way as possible. That said, we encourage our members to join NRLN, or at least become a member of their grassroots network, so as to remain current on legislative matters in the Congress affecting their interests. For more information, go to:

http://www.nrln.org/JoinUs.htm.

Additional high points at the meeting included:

- **"Chapters" - A New Membership Structure** To supplement the retiree association and individual members, NRLN has begun to organize "chapters" around the country. These will primarily be formed in areas where there are an insufficient number of retirees from any one company to form a retiree association but there are a significant number of retirees who are willing to band together to work through NRLN to further their interests. The chapters will rely on NRLN for accounting, website, and e-mail services and will not have to form their own 501(c), considerably facilitating their organization and their ability to focus specifically on legislative matters. Two chapters are up and running, in Washington state and Arizona.

- **Grassroots -** NRLN continues to flesh out its grassroots organizational structure. They have members and state grassroots leaders in every state and congressional district leaders in 60% of the U.S. House of Representatives' Congressional Districts.

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NATIONAL RETIREES LEGISLATIVE NETWORK ANNUAL MEETING

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- **Guest Speakers -** Two presentations focused on the need to protect defined pension plans:

  Diane Oakley, Executive Director of the National Institute on Retirement Security, summarized research highlighting the advantages of defined benefit plans.

  Michael Calebrese, NRLN Legislative Adviser, and Curtis Kennedy, a Denver attorney representing Verizon retirees in a suit against the company, discussed recent company efforts to "de-risk" their pension plan liabilities. De-risking involves company programs to substitute annuities underwritten by outside insurers for their existing plan obligations to their retirees. Although very advantageous to the companies, which can smooth earning and sometimes reduce liabilities, such de-risking leaves the retirees more exposed in the event of a default by the insurer, in that they would no longer be protected by PBGC or ERISA. While insurance guaranty funds would provide some protection, the benefits would not be as high as PBGC's.

  The NRLN is likely to get more actively involved in the de-risking issue, ultimately looking to present legislation to Congress to protect retirees.

  ERISA = Employee Retirement Income Security Act
  PBGC = Pension Benefit Guaranty Corporation

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