



ACRE Newsletter

<http://www.acrememphis.org>

Association of
City Retired Employees

Volume 2, Issue 3

May 2015

A Message from Our President

"The shortfall of \$13 million is the result of keeping pre-65 retirees on our old Retiree Health Care system until January 1, 2016". Thus begins the Mayor's Introduction to his 2016 Fiscal Year Proposed Operating Budget.

With that the FY 2016 Budget Process began. On Tuesday May 12, 2015 Human Resources will present the Health Care Fund and the OPEB Fund requested budgets for FY 2016 between 10 am and 10:30 am in the City Council Conference Room on the 5th floor of City Hall. We must reach out to the Council members before that date requesting that they look to alternatives rather than raising a Single monthly rate from \$228 to \$836, and a Family monthly rate from \$452 to \$1655. 100% Access only is not a viable alternative for those making \$3,000 a month in pension. No one can give up 50% or more of their income and survive. Decisions are made long before you enter the Council Chambers downstairs, wait until then to take action and you've lost.

We still believe that there are valid alternatives to cutting the Unfunded Liability than just costing 1,100 Pre-65 retirees and their families out of the healthcare. It is going to be important that the Council members are asked to view alternatives before the final vote is taken. Our PR Officer Tim Cook will be posting updates on our website and sending out emails with the most current information. If he does not have your correct email you won't be getting his updates. Everybody needs to stay focused on this issue - the Pre-65's are going to be destroyed if minds aren't changed.

Don't wait until the last minute to start looking at other insurance. Go to Healthcare.Gov. Check local companies for the kind of policies they can offer you. Look at costs, deductibles, out of pocket, and what is their standing

in the Insurance Market of Tennessee. Don't forget the Aging Commission of the Mid-South at 901-222-4111 as a source. The BBB might also have information.

By now you should all know that the Chancery Court Judge refused to allow the MPA/MFFA/ACRE lawsuit to be certified as a Class Action, which means all of you who feel grieved will have to file suit on your own. All of us still need a document that is pre-1967 stating that all retirees are entitled to subsidized Health Insurance in their retirement. This Court will not accept Oral Statements made to each of us over our years of service.

The City Council hired the Segal Company to "conduct a strategic benefits review" of the City Healthcare Plan from January 2010 to present. All of us have desired an Audit for several years, now
[continued on page 2: President's Message]

Mike Lee, President

Vice President's Message

The City's Health Care Audit being conducted through BMI is underway. Please complete the Audit in a timely manner when received. The return date for the Audit has been extended to May 30, 2015. All who received the Health Care Audit please comply with the new deadline. This Audit is very important to you and needs to be returned as quickly as possible. Thanks for your prompt attention to the Audit.

I am asking each member to continue to check with other retirees that are not members and to encourage them to join.

If you have any questions, comments, or ideas you may contact me at my ACRE email address:

vice.president@acrememphis.org or leave me a message at the ACRE Office at (901) 525-2615.

Richard McBryde, Vice President

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ACRE Officers:

- President: Mike Lee
- V. President: Richard McBryde
- Secretary: John Johnson
- Treasurer: Jim Nichols
- Chaplain: Donne Walden
- Chaplain: Jimmy Smith
- Public Relations: Tim Cook
- Sgt At Arms Darrell White
- Legal Advisor: Clyde Keenan
- Healthcare: Francis Bradley
- Healthcare: Don Lewis
- Pensions: Dan Melancon
- Membership: Darrell White
- Membership: Doug Sanders
- Set-up: Gary James
- Bob McCulley
- George Harris, Jr.
- Webmaster: Tim Cook



President's Message continued

we are getting this, but in fairness it is too early to dismiss what may come out of this benefit review, time will tell.

At the close of FY 2014 there were 4,016 Retirees in the City Health plans, not counting family members. When the enrollments ended and the new plans began that number dropped to 3,295. 721 either went on their own second job insurance, their spouses, or those with Medicare A & B elected to buy a Supplemental policy elsewhere. 27 chose to pay the 100% Access Only premiums.

At the City Council Healthcare Oversight committee meeting Monday April 27, 2015 it was reported that the use of Emergency Rooms have fallen significantly in January 2014 572 people went to the ER but in January 2015 only 277 went. In February 2014 524 used the ER, but in February 2015 only 146 people went. Just the February numbers saved the health plan nearly \$300,000. Usage of the City of Memphis Employee/Retiree Wellness Clinic at 1803 Union Avenue phone number 722-3177 has increased and that is saving time and money for a lot of our members. Remember if you can't get to the City's Clinic you can check with Cigna for an approved Clinic near you.

Along that same line a Resolution is going to the Council during this budget to require all City of Memphis Retirees and their dependents that become eligible to participate in Medicare A & B on or after July 1, 2015 to do so regardless of the date of retirement. Remember as of now if you are in the Basic/Premier Plans you are in a self-insured plan. In a Supplemental Plan you are in a fully in-

sured plan. This does not apply to you who never qualified for Medicare or only took out Medicare Part A; you stay grandfathered in the plan.

Two terms you will see elsewhere in this newsletter are "Observation vs Admission" and "Precertification" don't ignore these since they could cost you thousands of dollars in bills.

The City Council authorized an extension for the BMI Audit deadline until May 30, 2015 for those who may be having problems getting all their paperwork together. Any questions must be directed to the BMI Audit Services at 1-877-634-7780.

If you know of the death of a retiree please share it with us so we can contact the family. We have a Packet with helpful information for the survivors during this period of sorrow. You can find it on the ACRE website "What to do upon the death of an Employee/Retiree"; you might want to put a copy with your will or other important documents.

Elections are fast coming upon us. The well to do are already having their fund raisers so they can put people in positions that can do the most to save them taxes, give them breaks, and do their general bidding. Seems to me King George did something like that which led to the Revolutionary War, over taxation without representation. I'm not going to presume to know who you should vote for, I only recommend each of you look at the candidates and listen to what they say, whose money is underwriting them and do they even care about the interests of the middle or poorer classes. Then Vote!!

Mike Lee, President

New Meeting Time 10:00am

The *ACRE Monthly General Meetings* which are scheduled for the 3rd Wednesday of the month, the start time has been changed from 9:30 am to 10:00 am. The scheduling difficulties we were having with SCS concerning conflicting times has been worked out and we are happy to inform everyone of the new time. This will allow our Members who live a little farther out from mid-town to be able to drive in after the main traffic rush in the mornings. This is not to say that in the future we will not encounter more scheduling changes, but for now we are okay. **Remember 10:00 am !!!**

Gary James, Set-up Chairman

Public Relations Message

We **cannot** put everything we would like to in the printed and mailed Newsletter, so we have begun an electronic Newsletter that is emailed to everyone on the Email List & then posted on the ACRE Website. The electronic Newsletter has considerably more information in it for our members. Please sign-up for the emails and check Our Website for more information.



Prescription Information

For those who are in the Caremark Prescription Plan, they have updated their Performance Drug List and many drugs will **no longer** be Preferred. That means to keep taking them you will have to pay a higher copay. Caremark sent a letter advising everyone if one of your medications has changed. You can go to www.caremark.com and pull up the Performance Drug List. These changes took place April 1, 2015. Most of the drugs will have a generic alternative, but if you demand the Brand name you will pay more. Please ask your doctor to call Caremark at 800-626-3046 to see if your compound drug is covered or to request a prior authorization. CVS/Caremark will notify you and your doctor of the coverage determination.

The City has refunded \$55,710 to 590 people erroneously charged the Nicotine surcharge, once they submitted the proper paperwork. The City has also refunded \$24,280 to 298 members for the Spousal Surcharge, again once the proper paperwork was submitted. If you fall into this situation please contact the Benefits Office immediately.

Prescription deductible refunds for 2015:

Retirees who were charged a \$50.00 deductible on the first RX's they had filled on or after January 1, 2015, refunds were being mailed the latter part of the week of April 19, 2015 by CVS Caremark, Inc. For those retirees who still have the CVS Caremark, Inc., RX plan, they will receive a \$25.00 refund because there is a yearly \$25.00 deductible for those who still have the CVS Caremark, Inc. Rx plan. For those retirees who now have the Health Springs RX Plan, they will receive a \$50.00 refund.

Those still in Caremark who have had a RX filled recently need to check and see if you were charged too much for the deductible. It should only be \$25. Let Benefits know so they can help you. Those of you, who are no longer in Caremark but used Caremark's Automatic Refills system, **must call** Caremark and stop any automatic refills. Also make certain your pharmacist knows not to bill Caremark but your new carrier Cigna HealthSpring RX.

There are now 13 groups of Insurance, so if you call the office or email us, be sure to tell us what plan you and or your spouse are in and give us a telephone number where you can be contacted. **There is no one answer fits all anymore.** Remember because of HIPPA we cannot discuss your medical conditions with the City or any Insurance Company. We are limited to issues that affect all the members in the plan you are in. Go to the ACRE website and the telephone numbers you may need are listed. We are trying to convince the City to have Cigna again assign a particular person to the account whereby someone will take ownership of the problem and get a solution which we can then share with all members.

At the last Healthcare Oversight Committee we were advised the City is considering moving 2015's Open Enrollment to August. As the year goes on we will advise you if that is finalized.

Francis Bradley, Healthcare Chairman



ACRE Deaths

In Memory of OUR Retirees, we say goodbye to the following retirees. Their families are in our hearts, our thoughts, and our prayers. Although they have left us, they will never be forgotten:

- Terry Phelps, MPD
- Robert E. Ferguson, MPD
- James A. Morgan, MFD
- Ronald R. Scobey, MFD
- Raymond Hopkins/MPD
- James Fitzpatrick/MPD
- Billy Rogers/MPD

If you know of a City Retiree who has passed away please let us know!



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★ You can usually find a ★
 ★ lot more information ★
 ★ concerning changes to ★
 ★ your HealthCare, Pen- ★
 ★ sions, Legal Matters ★
 ★ and more information ★
 ★ from your Officers on ★
 ★ the ACRE website lo- ★
 ★ cated at: [http://](http://www.acrememphis.org) ★
 ★ www.acrememphis.org ★
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ER Observation vs Admission

Emergency Room Status – Observation vs. Admission

An email was sent to the City of Memphis, Benefits Office by ACRE on 4/13/2015 in regard to this issue: we are concerned about the Observation vs Admission by the local hospitals. Before we obtained the Supplemental Plans, we remember that those who were still in the Basic and Premier Plans did not have to worry about what status because Cigna paid regardless if it was Admission or Observation.

But now that you are our Secondary Insurance to Medicare and do not pay what Medicare does not approve, how are we over 65 with Medicare A & B going to protect ourselves if a hospital refuses to admit us and we enter the 3rd day and have to go to a Rehab Home or Skilled Nursing Facility.

Are there any protections for these elderly patients?

Email response from the City of Memphis, Benefits Office on 4/14/2015: Every circumstance and situation will bring about a different recommendation or change. This is not solely applicable to just the City of Memphis Retirees but with many retirees across the nation. I wish I could have a definite answer but I don't. Although your concerns are legitimate, Cigna nor your employer can make such a guess how each situation will play out. However, I reached out to colleagues and we found an outside source that may be helpful to you and your colleagues.

Source: <http://kaiserhealthnews.org/news/observation-care-faq/>

Q. How do I know if I'm an observation patient and can I change my status?

A. The only way to know for sure is to ask. Medicare does not require hospitals to tell patients that they are in observation status and that will be responsible for paying any non-covered Medicare services. Unless people are in an observation unit, the difference between Observation and Inpatient Care is basically indistinguishable, said Toby Edelman, a Senior Attorney at the Center for Medicare Advocacy.

Francis Bradley, Healthcare Chairman

Class Action lawsuit

The Chancery Court has refused to certify the pending lawsuit as a Class Action suit. This means that only the five initial plaintiffs are currently in the lawsuit. We are evaluating our position and will discuss alternatives once we see what action the City takes with respect to this year's 2015-2016 Budget. We expect the City to end the supplement for all pre-65 retirees but that action is not official yet, so we do not have legal "standing" to pursue that matter in Court at this time. These matters will be fully discussed at the May 20th ACRE Membership Meeting.

Clyde Keenan, Legal Advisor

Abridged Treasurer's Report

The 1st Quarter of 2015 showed us with \$5001.00 budgeted and our expenses were \$4335.90, leaving us \$665.10 in the black. However, if we have to go into our Legal Fund for litigation against the City of Memphis, we could deplete our funds very quickly. So, please keep paying your ACRE Dues and if you can add a little more for our Legal Fund, please do.

If anyone has any information on a retiree in the hospital or who has recently died, please notify the ACRE Office so we can help make sure the widow/widower gets everything they are entitled too. The ACRE Office phone number is (901) 525-2615 and is answered 24/7 by an elected Officer of ACRE unless we are in a Meeting or helping another member, in which case you will be called back as soon as possible!

Jim Nichols, Treasurer



Benevolence Committee steps-up activity

Your Benevolence Committee sends out a Getwell Card when we learn one of our Members is in the hospital. When we learn a Member has died, we immediately try and reach out to the family to offer our help and support. We send out a Sympathy Card from our Officers,

so the family knows we are here. The names of our departed Members are listed on our Website and in this Newsletter so we remember the hard work and sacrifice they gave to their City. If you know or learn of someone who is sick and/or a death, please

call the ACRE Office and let us know. We depend on our members, we can be reached almost anytime at (901) 525-2615 or you can send me an email me at gwh_rah@yahoo.com

*George Harris,
Benevolence Chairman*

MEMBERSHIP CARDS ARE IMPORTANT !!

Every Wednesday your Officers go down to the ACRE Office at 638 Jefferson and go through the mail. After we open and sort the mail, we complete New Membership Cards, stuff the envelopes and put them in the mail to our members. A lot of time and money is spent making the Membership Cards for our Membership

so they will know: 1) when their dues expire and 2) where they can go on the internet to get information (check the backside of your card). Please keep your Membership Card in a safe place and don't just throw it in the trash, as many have done. That's like throwing money down the sewer.

Tim Cook, Public Relations

Very Important Numbers !!!

Many of our Members have had a difficult time during the transition with our New Healthcare. Many are having trouble getting their prescriptions filled or are told they do not have any Health, Dental, or Prescription Insurance. Your ACRE Officers put together a list of important numbers and phone numbers to assist you if you have problems. We do hope this helps.

City H.R. Benefits: (901) 636-6800, (901) 636-6408, or (901) 636-9571

Pre-65 Cigna Group # 3338158: (800) 244-6224

Post-65 Grandfathered, A or B: (800) 244-6224

Caremark Prescriptions: (866) 722-2001

Cigna Vision: (877) 478-7557

United Health Vision # F7PG: (800) 638-3120

MPA Vision & MFFA Vision—Davis Vision: (877) 393-7363

MPA Dental & MFFA Dental—Guardian: (800) 541-7846

Post-65 Health Springs RX: (800) 558-9562

Pharmacy Help Desk: (888) 625-5686

Surround F, G, N: (800) 244-6224

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ **RESET YOUR** ★

★ **ORACLE** ★

★ **PASSWORD** ★

★ You need to go to <https://ebusiness.memphistn.gov> ★

★ Once there you need to set up an account with a user name such as **John.Jones** and a **password**. If you have trouble setting your account up call **901-576-6100** which is the City Help Desk Get the Help Desk to help you in setting up your Oracle Account.

★ Then go back and log into the Open Enrollment Account and use the User Name and Password you just created and it should let you in. You should be able to view all your current information.

★ ★ ★ ★ ★ ★ ★ ★ ★ ★



What to Do upon Employee Death

[Revised April 27, 2015] Pg.1

What to Do.....Upon the death of an Employee/Retiree

Many of us are not prepared to handle the necessary arrangements when a family member or loved one passes. However, the Benefits Office 901-636-6800 is ready and available to assist families whose loved one was a City employee or retiree. Take the following steps **now** to ease the benefits process during such a difficult time:

Establish Eligibility/Beneficiary:

This important step determines who is eligible to receive an employee or retiree's benefits when he or she expires. An employee or retiree's legal spouse is eligible. There is **no longer a time limit for a spouse to be eligible for a retiree's pension**. The eligible spouse is defined as a lawful spouse of a participant, active or retired, as determined by a legally recognized certificate of marriage. Common-law marriage shall not be recognized as valid, regardless of the fact that such marriage may be considered lawful in a state or jurisdiction where the couple lives or formerly lived. A **beneficiary** must be named to receive benefits on Life insurance. Please remember to **keep beneficiary forms current**, failure to do so can cause undue stress and work on your family during a very difficult time.

If there is no legal spouse:

Then a child can benefit, as of any date, if they are the legitimate, legally adopted, or legally recognized son or daughter of a participant who has not reached the age of eighteen (18) and has a legal guardian; or is disabled as defined by medically acceptable clinical and laboratory diagnostic techniques. Regarding eligibility for the purpose of insurance coverage and annuity, he or she must satisfy each of the following conditions:

- Has reached age eighteen (18), but not age twenty five
- Is unmarried
- Is not employed on a full-time basis
- Is in fulltime attendance as a student at an educational institution

Survivors' Pension Percentage:

If the retiree was a member of the 1948 Pension Plan (hired prior to 1978), the eligible surviving legal spouse receives the same 100% amount as the retiree received. If the retiree was a member of the 1978 Pension Plan, the eligible surviving legal spouse receives 75 % of the amount the retiree received.

If you have not established eligibility, contact the **Retirement and Pension Benefits** office at **901-636-6800** to request paperwork be mailed to you.

Other Benefits

As of January 1, 2012 there is a \$5,000 death benefit for retired City Employees. If you choose to fill out the forms and return via mail, they must be notarized. Be prepared to have the participants pension check stopped until all paperwork has been completed, **unless you take a copy of your marriage license to the benefit office at 2714 Union Extended 5th Floor, Room 100**. This will allow the survivor to continue to receive the checks and keep benefits until they can get the Death Certificate and formally move the decease's pension into the survivor's name.

If you don't get the marriage license to Benefits, there will be a short time in which the health insurance will be discontinued to allow for conversion (approximately up to six weeks). If you find that your benefits have been terminated, please contact the Benefits Office at 901-636-6800 and they will have you reinstated until the pension conversion is completed. Once the entire process is completed, you will begin to receive your annuity check with the first one retroactive to include all checks that were missed. Any deductions that were missed will also be deducted from your first check. These deductions will reactivate your insurance back to the death of the participant.



What To Do continued

[Rev. April 27, 2015] Pg.2

The following forms must be completed:

1. Dependent's Affidavit Allowance Form – to change the name on the pension check
2. W4P for taxes contact your tax representative
3. Form to continue Health Insurance
4. Life Insurance Claim Form
5. Retirement Benefit Election Form
6. Documents required to claim any benefits are:
 Original Death Certificate; Copy of Funeral Expenses; Copies of Marriage License; Legal Dependent;
 Birth certificate

Contact the Union Representative

If the retiree was a member of a represented group, contact your representative regarding any benefits that might be available, this would include Memphis Firefighters Association 901-386-3129, Memphis Police Association 901-523-7075, or any other representative group. A certified Death Certificate will be required.

Other Information of Interest:

Contact the Veteran Administration if the deceased was a veteran and provide a copy of the DD214 discharge papers to receive a flag; to see additional benefits go on line to www.usa.gov or call 1-800-333-4636.

If the deceased was receiving **Social Security benefits**, it will stop, however, you could be eligible for benefits. If you both were receiving Social Security checks, you will only be eligible for the higher of the two. Immediately contact Social Security and advise them of the death so you can be informed on the available benefits you may be eligible to receive or go on line to www.socialsecurity.gov or call 1-800-772-1213.

If the deceased and survivor were married and both names were on the title, then the **real estate** passes automatically to the survivor. A copy of the death certificate must be sent to the County register's office for recording. If the parties were married but only the deceased's name is on the deed, then a probate court procedure is required to get title legally transferred. Contact your **automobile insurance company** to delete the deceased name from the policy. If the deceased had any debt, contact those creditors to find out about any outstanding debt and what your liability, if any, is.

Important Phones Number:

City of Memphis Benefits **901-636-6800** [Toll Free **#1-866-543-4367** For Out of Town City Retirees]
(Phone Option #1) If your call is regarding medical, prescription, dental, vision or COBRA Coverage
(Phone Option #2) If you are calling about life insurance, short or long term disability
(Phone Option #3) For retirement, drop plan, pension estimates, or pension disability information
(Phone Option #4) If you are an active or retired employee with payroll, W-2, W-4 or garnishment questions
(Phone Option #5) Oracle Password Reset
(Phone Option #0) Repeat Menu options or stay on line for first available representative

There is only one physical City Benefit Offices: **2714 Union Extended 5th Floor Room 100**, Memphis. Do not go to City Hall for Benefit changes

Nationwide Solutions	901-323-4154	[Sherri Thomas or Jerry Williams]	901-323-4370
AFLAC	901-866-2190	ACRE Office	901-525-2615
MPA Office	901-523-7075	MFFA Office	901-386-3129

Gather and review all your documents now to ensure their accuracy, and place them in a safe and accessible place. Let your family know about all of this, and where these documents are.

Your Pension Information

Currently the City of Memphis Pension Fund has approximately 88% of its funding liabilities which is only (3) three percentage points lower than the State of TN Pension Fund at 91%. Price Waterhouse Corp. (PWC) reported in 2014 the City of Memphis Pension Liabilities at 2.53 billion. If the City of Memphis were to raise its contributions to match the 91% points of Pension funding by the State of TN, then the City of Memphis would need to add an additional (**20 million dollars**) contribution to its Pension Fund not the (**600 million dollars**) as declared by the City of Memphis

It is not reasonable to believe that the State of TN would initiate an ultimatum towards the City of Memphis for being only (3) three percentage points beneath the State's own standards. If you have any questions or concerns please call the office or email me at dmelancon2@gmail.com

Dan Melancon, Pension Chairman

MEMBERSHIP FORM

Send dues to: A.C.R.E.
638 Jefferson Avenue
Memphis, TN 38105

Name _____

Mailing Address _____

City _____ State _____

Zip _____ HPhone _____ Cell _____

Dept. retired from _____ Year _____

(Check one) New Applicant _____ or Renewal _____

Your Spouse's name _____

Email address _____

Extra amount for Legal Fund enclosed _____

Today's Date (MM/DD/YY): _____

DUES: \$25.00 PER FISCAL YEAR
(or \$15.00 for surviving spouse)

THANK YOU FOR YOUR PART IN ACRE!

Association of City Retired Employees
638 Jefferson Avenue
Memphis, TN 38105
(901) 525-2615



MONTHLY ACRE MEETING:
Third Wednesday of every

MONTHLY ACRE MEETING:
Third Wednesday of every month!
10 am at the Board of Education Bldg.