



**TO:** City of Memphis Retirees

**FROM:** Quintin Robinson, Human Resources Director

**Re:** Open Enrollment

**DATE:** June 27, 2014

Dear City of Memphis Retiree:

This letter is to provide you with some important information concerning what's being done by the City of Memphis and what you need to do to ensure you continue to have affordable medical insurance coverage for yourself and your family.

Since the passing of the FY15 Budget there is a lot of misinformation floating around about coverage options and eligibility.

Please know that the City is committed to ensuring that you get the most accurate information, and that everyone gets assistance enrolling in the most affordable plan that meets their health care needs.

Here are some key things to note:

- There will be a **Special Open Enrollment Period July 21 – August 1, 2014**. This enrollment is to allow you, if you desire, to make any changes to your medical coverage in light of the 24% increase in premiums. You will receive information in the mail soon with details.
- We will host a series of **Benefits Forums beginning in August**. During these forums, we will make available to you experts from the Social Security Administration to explain the qualifications for Medicare Coverage, as well as the various Medicare and Medicare Supplemental plans. The specific dates, times and locations will be announced soon.
- The City's **Designated Annual Open Enrollment Period will be November 3 –21, 2014**. During this time **ALL RETIREES MUST PARTICIPATE**. You will have an opportunity to elect the medical insurance coverage you will have going forward. Until then, here are some things to start thinking about:
  - If you choose to remain in the city's plan and pay 100% of the premiums, we will help you enroll. You must submit the required affidavit(s) regarding spousal coverage and the tobacco surcharge.

- If you choose to pursue coverage through a current employer or join the plan offered by your spouse's employer, we will help you compare the cost and coverage offered by your spouse's employer to the City's plans.
- For those who elect to seek coverage through the Healthcare Exchange, we will have specialists (Navigators) to work with you to compare the coverage offered, and advise you of federal subsidies that you may be entitled to, based on your income.
- We also will be sharing information via social media including Facebook, Twitter and YouTube Videos to assist you with understanding your medical coverage options and how to access them.
- You can check your City of Memphis medical premium subsidy eligibility by going to <http://www.memphistn.gov/Government/HumanResources/MedicareandNonMedicareRetireeLookup.aspx>.
- To learn more about how and when to enroll in Medicare, go to <http://www.medicare.gov/people-like-me/new-to-medicare/getting-started-with-medicare.html>.
- We have posted frequently asked questions on the city's website [www.memphistn.gov](http://www.memphistn.gov). If you have further questions, you may reach the City's Health, Wellness and Benefits office by email [benefitsquestions@memphistn.gov](mailto:benefitsquestions@memphistn.gov) or to speak to a representative call 901-636-6800 or 1-866-543-4367.

Thank you for being patient as we pull together resources and make them available during the above mentioned Benefits Forums to begin in August, and will include Medicare experts, Healthcare Exchange navigators, City of Memphis Benefits staff, and Department of Veteran Affairs representatives.

Sincerely



Quintin Robinson  
Human Resources, Director



## **FACTS ABOUT MEDICAL INSURANCE COVERAGE**

*Since the passing of the FY 2015 Budget, a lot of misinformation is being spread regarding health insurance coverage and eligibility. The City of Memphis is committed to ensuring that you get the most accurate information, and that everyone gets assistance enrolling in the most affordable plan that meets their health care needs. Below are some of the myths and the facts pertaining to each.*

### **ELIGIBILITY**

**MYTH** I'm not covered by Medicare and not eligible for the health insurance under the Affordable Care Act because of my income.

**FACT** The ACA provides everyone access to coverage on the healthcare market exchange regardless of age or income. Your income is only considered when determining if you qualify for a federal subsidy.

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**MYTH** I'm over 65, not eligible for Medicare and will have to pay 100% for the City's coverage.

**FACT** If you are post-65 and not eligible for Medicare, the City will continue to provide the 70% premium subsidy for your medical insurance coverage.

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**MYTH** I'm a retiree under 65 and not eligible for Medicare, so I have no coverage options.

**FACT** The ACA provides everyone access to coverage on the healthcare market exchange regardless of age or income.

### **AFFORDABILITY**

**MYTH** Without the City's 70% subsidy, I will be priced out of the City's insurance making it impossible for me to get a Medicare Supplement plan without medical underwriting.

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**FACT** The City is offering group Medigap/Part D and Medicare Advantage plans that are 'guaranteed issue,' therefore, the pricing is not based on your individual medical status and you cannot be denied coverage.

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**MYTH** I am under 65, retired and I can't afford to pay 100% of the City's plan premium. I have no options.

**FACT** In addition to the many options available through the healthcare market exchange, individuals can also purchase coverage directly through insurance companies. Some pre-65 retirees will be able to join the plans offered by their current employer or through their spouses' employer. For

veterans of the U.S. Armed Forces, there may also be benefits offered through the Department of Veterans Affairs.

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**MYTH** Most of my pension benefits will have to go to pay for my medical coverage and I'll be left destitute.

**FACT** If the City's plan is no longer affordable, there are other options. If you are a post-65 retiree with Medicare, you will want to look at the 25% City subsidized Medigap/Part D and Medicare Advantage plans. In addition, you may find these plans at more favorable pricing by purchasing directly from one of the many insurance companies.

For pre-65 retirees who are not eligible for coverage through an existing employer or spouse's employer, the healthcare market exchange could very well meet your needs. Depending on your household income, you could also qualify for a federal subsidy.

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**MYTH** Once I pay my insurance premiums, I won't be able to afford out-of-pocket costs such as co-pays for minor medical office visits and the cost of prescriptions.

**FACT** The City of Memphis On-Site Health Clinic is open to employees, retirees and eligible dependents. The facility is staffed and operated by Methodist Healthcare as an added benefit to our employees and retirees. The retiree and dependent copayment is reduced to \$15 to use the facility. Also, in many instances, medications are dispensed at the clinic at no charge. We are looking to expand the hours of operations and exploring additional locations as demand for the service increases. The hours of operation are currently 9 a.m. to 1 p.m. Monday, Wednesday and Friday. No appointment is necessary, but it is advisable that an appointment be made to avoid wait time. You will also need to arrive no later than 12:45 in order to be seen the same day.

## **AVAILABILITY**

**MYTH** I can drop my Medicare Part B Coverage, keep the 70% subsidy and remain in the City's medical plan.

**FACT** Anyone who drops Medicare Part B coverage after 1/1/2014 will continue to be treated as if they have full Medicare and will only qualify to enroll in the City's 'access only' medical plan.

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**MYTH** My spouse died in the line of duty and now I won't have any healthcare.

**FACT** All widows/widowers/dependents of employees who die in the line of duty will continue to receive the 70% premium subsidy as long as they remain eligible for the Line of Duty pension benefit.

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**MYTH** The Healthcare Exchange is complicated to figure out and I risk making a bad choice because I don't understand how the exchange works and how to shop for affordable coverage that fits my needs.

**FACT** The City will provide trained experts "Navigators" who will assist you during Open Enrollment. They will show you the various plan types, benefits offered, premiums charged, out-of-pocket expenses, and let you know if you qualify for a federal subsidy that would reduce your premium costs.