

**Note: If you have any questions or concerns about these issues, please call ERS at (512) 867-7711 in Austin or toll free at (877) 275-4377. Please do not call the RSEA office. We cannot answer your questions regarding these important changes.**



## **ERS Updates Retirees on Important Health and Insurance Issues**

Employees Retirement System of Texas (ERS) Executive Director Ann Fuelberg addressed RSEA members at the 2011 annual meeting on three issues:

- Medicare retirees to be enrolled in Humana Medicare Advantage plan effective January 1, 2012;
- Higher premiums for tobacco users start January 1, 2012;
- ERS study to focus on insurance and retirement benefits.

### **Humana Medicare Advantage Plan Starts in January**

The ERS Board of Trustees approved a new health insurance plan for retirees and their spouses who are covered by Medicare. All retirees, survivors, and their dependents who are enrolled in Medicare will automatically be moved to the Humana Medicare Advantage Plan. The new plan starts January 1, 2012. The plan offers lower premiums and out-of-pocket costs and extra benefits. Members can see doctors who accept Medicare. Prescription benefits are provided through Caremark and are the same benefits that are currently provided to HealthSelect members.

Any eligible retiree who covers a Medicare eligible spouse in health insurance will get a significant cost break with the new plan. Surviving spouses will save even more.

While enrollment is automatic, it is also optional. However, if the plan does not achieve the expected savings through participation, it could lead to more drastic reductions to retiree health insurance benefits.

Retirees can opt-out of the Medicare Advantage plan from November 7 to December 9, 2011 and choose to stay in their existing health plan. ERS will also allow retirees to move in and out of the plan throughout the year, without having to provide evidence of insurability, or proof of good health.

Retirees and survivors eligible for Medicare will receive a letter from ERS, as well as a Welcome Kit from Humana with more detailed information. ERS is also hosting a series of meetings throughout Texas to answer your questions.

For more information, go to the ERS website:

[http://www.ers.state.tx.us/Retirees/Insurance/Humana\\_MA\\_PPO/](http://www.ers.state.tx.us/Retirees/Insurance/Humana_MA_PPO/)

### **Tobacco cessation program**

Under state law, tobacco users will pay higher premiums for their health insurance coverage starting January 1, 2012. If you or a covered family member uses tobacco, you will pay \$30, \$60, or \$90 more each month in additional health insurance premiums, depending on how many tobacco users you cover.

During the initial certification period, which will be from November 7 to December 9, 2011, you will have to declare that you or your covered dependents use tobacco products. You will do this by signing in to your account at [www.ers.state.tx.us](http://www.ers.state.tx.us) and completing the certification, or by printing a certification and mailing it to ERS. You can also call ERS toll free at (877) 275-4377. If you or anyone you cover uses tobacco, you will have to pay the higher premium.

The additional monthly premium will be based on three tiers: Member, Spouse, and Child. The maximum additional premium is \$90 a month.

Tobacco users: Monthly fee  
Member only \$30  
Spouse only \$30  
Child \$30

(if member or spouse do not use tobacco)

Member + spouse \$60  
Member + child \$60  
Member + spouse + child \$90

Note: The charge for a child is the same regardless of how many children in the household use tobacco.

All of the health insurance plans provided through ERS offer tobacco cessation resources. In addition, certain prescription tobacco cessation drugs—Zyban, its generic Bupropion, and Chantix—are now covered for the cost of copay. Contact your doctor to see if they are right for you.

## Interim Benefits Study

ERS is charged by the Legislature with an interim study of the best options for providing sustainable and competitive benefits for state employees and retirees. ERS is taking an inclusive approach to the study. In the coming year you will have many opportunities to participate in the research process.

Retirees are invited to attend three educational forums in the month of November. National experts will speak about public and private sector benefit trends, best practices, and innovative solutions to managing costs. We also will hear from workforce experts, to see how benefits fit into the total compensation package of the state employee of the future. The current state of ERS benefits will also be presented. Public testimony, comment, and questions will be encouraged.

Tuesday, November 1, 2011  
9am – 4pm  
Insurance Forum

Wednesday, November 9, 2011  
9am – 4pm  
Retirement Forum

Wednesday, November 16, 2011  
9am – 4pm  
State Workforce Forum

The forums will be held in the auditorium at the Employees Retirement System of Texas, 200 East 18th Street, Austin, TX 78701. If you can't attend in person, you can listen live online or hear a recorded version following the event.

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