

City of Lansing
Medicare Retiree Health Benefits
FREQUENTLY ASKED QUESTIONS GUIDANCE

Updated July 13, 2010

GENERAL QUESTIONS

1. Are any of my benefits being reduced?

*No – it is the City’s intent to honor every retiree’s specific benefits for medical, prescription drug, vision and dental care. The City is restructuring **how** your benefits are provided but the benefits are **unchanged**.*

2. Are any of my benefits improving?

Some retirees will see some benefit enhancements under the City of Lansing plans. Here are a few examples: If you are paying to have unlimited Master Medical coverage, you will not need to continue, because the new plan has no limits on those services.

If you are in the Blue Cross PPO, Blue Care Network, or PHP, you no longer have a network. You can use any doctor or hospital in the country that accepts Medicare, and you will not pay an out of network deductible or copayment

Chiropractic benefits are unlimited for all retirees in the new plans

3. Will my copays or deductibles change?

Medicare retirees will not be charged any copayments or deductibles for medical services July 1, 2010 – December 31, 2010. Effective January 1, 2011, each retiree’s medical copayments and deductibles will be reinstated in accordance with his/her precise benefit. Prescription drug copays remain in place in 2010 and 2011.

Retirees who have a deductible will note that in 2011, the deductible will be applied to any Medicare Part B service, not just doctor visits and equipment. The required amount will remain the same.

4. I have been contributing toward the cost of enhancing my benefit. Do I still need to do that?

Most likely not. The City is evaluating all the retiree contributions and will contact you if your contribution toward a higher benefit level is no longer necessary.

5. My spouse is not yet Medicare eligible. What happens to his/her coverage?

Spouses not yet eligible for Medicare will remain with Blue Cross, Blue Care Network, or PHP and can switch carriers at open enrollment each year until they become Medicare eligible.

6. I am paying my Medicare Part B premium from my Social Security check, and the City reimburses me. Will this change?

No – the City will continue to cover your Part B premiums.

7. I (or my spouse) will soon turn 65. What should I expect?

Retirees and their spouses who are 64 years old will receive an enrollment packet from AmWINS about 90 days before your 65th birthday. It will include all the information you need to enroll in the United American plans by your birthday, and a toll-free number to call with questions.

8. Is it my responsibility to cancel my Blue Cross plan?

No – the City will take care of those details.

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9. Why do I need to fill out this application form?

Medicare requires a signature from each person enrolling in a Part D or Supplemental plan, as an anti-fraud measure.

10. What happens if a person does not complete this form? Will benefits be terminated? Will he/she stay in Blue Cross?

All the City's Medicare retirees are being automatically enrolled in the Supplemental and Part D plans and disenrolled from Blue Cross, BCN or PHP effective July 1, 2010. However, Medicare requires a signature from each enrollee or designees, so AmWINS will continue to contact retirees to obtain required signatures.

11. Does my Blue Cross coverage stop?

Yes, you no longer have Blue Cross supplemental Medicare coverage. Instead, you have United American supplemental Medicare coverage, administered by AmWINS.

12. What if I don't want to give up my Blue Cross coverage?

All Medicare retirees are moving to supplemental and prescription drug coverage under United American instead of Blue Cross. There are no exceptions.

Prescription Drug Benefit

1. The City told us not to enroll in Part D in the past, but now we are supposed to. Please explain.

Until now, the City has covered retirees with its own drug plan. Medicare approved our plan and paid the City a subsidy for a portion of our drug costs. The subsidy required that retirees NOT be enrolled in a Part D plan. Under our restructured health care program, the City will pay for your enrollment in a Part D plan, and will no longer be involved in the subsidy program. All Medicare retirees will enroll in Part D plans the City has selected. They are equal to or better than your current coverage.

2. Part D plans have a donut hole – will we have to pay for our drugs if we hit the donut hole?

No. The Part D plan the City selected for you has the same copayments as your current drug plan, and it has no deductibles and no donut hole.

3. Part D plans don't cover certain drugs like tranquilizers, erectile dysfunction and drugs for other conditions. My current drug plan covers those drugs. Is my benefit changing?

No – the City has purchased a benefit rider so that your Part D plan will cover all the classes of drugs you currently receive.

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4. What if a prescription drug I've been taking for a long time is not on the Part D Formulary?

Your doctor can choose from two options:

- i. Prescribe an alternative medication that is likely to be equally effective and is on the formulary, or*
- ii. Submit a request that the drug be covered in your case, because other alternatives have already been tried and you need this particular drug.*

Also, you may choose to stay on the drug and pay for it yourself.

5. What if my doctor prescribes a drug that is not on the Part D Formulary?

The non-formulary drug will not be covered until you have tried generic or brand drugs on the formulary and found them to be ineffective. This requirement can be waived if your doctor documents clinical reasons that you need the new non-formulary drug.

To obtain a form to request a Pharmacy Benefit Exception, you or your doctor can call AmWINS Group Benefits Customer Service 1-866-286-5154 Monday – Friday 8 a.m. – 8 p.m.

Coordination of Benefits

1. Will my new Medicare Supplement coordinate with other benefit plans?

Medicare Supplements cover Medicare copays and deductibles and are not allowed to coordinate with other plans. Also, to prevent fraud Medicare does not allow an individual to participate in more than one Supplemental Plan.

2. My spouse covers me under his/her benefits in addition to what I have with the City. How will the City continue my benefits if I have more than one coverage program but they no longer coordinate?

First, check with your other coverage provider about their rules. If you find that you incur an out of pocket expense that would have been coordinated and covered in the past, contact AmWINS and they will reimburse you for your out of pocket cost.

Vision and Dental Benefits

1. How will my vision benefit be handled?

The City will provide you with vision benefits through a new carrier with the same benefit and a large network. You will receive a separate vision benefit card.

2. How will my dental benefits be handled?

There are no changes in dental benefits, you will continue to be covered by Delta Dental.

Other Questions

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1. Will nursing home benefits be covered?

Yes, your nursing home coverage is unchanged.

2. The plan description I received from AmWINS shows a lesser nursing home benefit than my current benefit plan. Has my nursing home benefit been reduced?

No – none of your benefits have been reduced. If you incur skilled nursing days in excess of the 100 days covered by the AmWINS plan, the City will pay the cost of additional days to the level of your benefit.

3. Will transplants be covered any differently under United American?

No, you will have the same Medicare benefits and supplemental coverage levels.

4. Will I have an opportunity to change to another plan during open enrollment next year?

The benefit and network differences between Blue Cross, PHP and Blue Care Network have been eliminated under the AmWINS plans. No one has a provider network under AmWINS, and everyone has unlimited home care and chiropractic care. Because of this across-the-board uniformity, there is no longer an incentive for retirees to move around to get a different benefit or access to a different doctor or hospital. The City will continue to offer open enrollment every year as required by law, but each Medicare retiree will remain in the AmWINS plan the City provides.

5. What if I find that one of my benefits is different under the AmWINS plan?

*Any retiree or spouse who believes he/she incurred an out of pocket expense that would have been paid under Blue Cross PHP or Blue Care Network should submit a request for reimbursement to AmWINS. Forms are available through AmWINS Customer Service or the City Retirement Office. Send your request and the Explanation of Benefits documenting your expense. If AmWINS agrees that you should not have incurred the cost, you will be reimbursed. **To obtain a reimbursement request form call AmWINS at the number below.***

FOR ADDITIONAL INFORMATION OR QUESTIONS CALL

AmWINS GROUP BENEFITS CUSTOMER SERVICE

1-866-286-5154 Monday – Friday 8 a.m. – 8 p.m.