



# Newsletter

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[www.MyGSRA.com](http://www.MyGSRA.com)

September 2017

2017 GSRA Annual Meeting  
October 16-17

## 2018 SHBP– Retiree Option Change and Open Enrollment (10/16/17 -11/3/17)

### SHBP Decision Guide – Educational Meetings

The Retiree Decision Guide and Educational Meetings schedule for retirees have been mailed to retirees. You are encouraged to study the Decision Guide and if you feel you need additional explanation, attend one of the educational meetings. If you need to review the scheduled meetings, [click HERE](#).

The Department of Community Health Commissioner announced that there will be minimal changes to the State Health Benefit Plan Options for CY 2018. Medicare Advantage option benefits will not change for age 65+ retired members. Although no changes are made in the benefit schedules for options offered to active and retired members under age 65, a few changes in the administration of the options will be implemented for CY 2018.

- (1) Blue Cross Blue Shield Georgia (BCBSGa) will continue to offer the Gold, Silver, and Bronze Health Reimbursement Arrangement (HRA) Options and will continue to offer the statewide Health Maintenance (HMO) Option;
- (2) United Healthcare (UHC) will continue offering the statewide HMO option and the High Deductible Health Plan (HDHP) option;
- (3) Kaiser Permanente (KP) will continue to offer the HMO option to members living or working in the 27 counties listed on page 19 of the Decision Guide;

- (4) CVSHealth will begin managing the prescription drug processes for all options **EXCEPT the Kaiser and Medicare Advantage options**. NOTE: SHBP points out that **you are not required to purchase your prescriptions at CVS**, but can use your local pharmacy.
- (5) Sharecare purchased Healthways and will manage the SHBP Wellness program in 2018 for all BCBSGa and UHC options other than the Medicare Advantage options.

### Standard and Premium Medicare Advantage Options (BCBSGa and UHC)

The benefits offered under the Standard and Premium Medicare Advantage Options **by BCBSGa and UHC** mirror the benefits that were offered in CY 2017. See pages 14-18 of the Decision Guide for details.

### Health Reimbursement Arrangements (HRAs - BCBSGa) (Gold, Silver, and Bronze)

Benefits offered under the HRA options (Gold, Silver, and Bronze) are the same in CY 2018 as in CY 2017.

- The same provider network is used for the three HRA options offered by BCBSGa and can be found at [www.bcbsga.com/shbp](http://www.bcbsga.com/shbp) or by [Clicking HERE](#)

### Health Maintenance Organization (HMO) KP

The benefit levels offered under the Kaiser HMO are the same in CY 2018 as in CY 2017.

- **Services must be provided by a network provider for coverage—there are no non-network benefits.**

Members who live or work in the 27 counties (page 19 of the Decision Guide) are eligible to enroll in the Kaiser HMO option.

### High Deductible Health Plan (HDHP) UHC

The benefit levels offered under the HDHP option by UHC are the same in CY 2018 as in CY 2017.

Members who enroll in the HDHP option can establish a Health Savings Account (HSA) under the conditions outlined on page 22 of the Decision Guide.

### Wellness/HRA Credits

Active & Retirees under age 65: Unused wellness credits will rollover in April 2018 to any Plan option (HRA, PPO, HDHP) and/or vendor (BCBSGa, Kaiser, or UHC) you choose, including Medicare Advantage. However, if you choose the same option for 2018 that you chose for 2017, the unused credits will be available on January 1, 2018.

Retirees 65+: If you have a balance of 100 credits or more in your HRA, HIA MIA or KPRA after being enrolled in Medicare Advantage for at least six months and have no dependents on an active option, the credits will be transferred to the Retiree Reimbursement Account (RRA).

### Making a Coverage Decision for CY 2018 – Retirees Over Age 65

The option choices for retirees age 65+ are limited to one of the Medicare Advantage (MA) options with providers UHC or BCBSGa—unless you can afford one of the unsubsidized monthly rates that are \$570.84 up to \$1,699.12. “Making a Coverage Decision” for CY 2018, therefore, assumes that your choice is limited to one of the MA options with one of the vendors (BCBSGa or UHC). DCH has provided you with the benefit summaries for the Standard and Premium options on pages 14-18 of the

Decision Guide. Review the member premiums for 2018 that were included with your Decision Guide. Rates for the Standard Option (individual) are unchanged with UHC, and slightly reduced with BCBSGa. However, the retiree premiums for the UHC Premium MA option are increased by 45.3% and increased by 15.8% for BCBSGa.

Making your decision for 2018 has basically two components—service and cost. Service has two components—provider networks and claims processing. Ask yourself the following questions.

**Is there any difference in Provider Networks between BCBSGa and UHC?** Although there are differences in the provider networks, these differences do not affect you because Medicare requires the vendor to pay claims at the “network rate” if the provider accepts Medicare or is on the specific vendor’s network.

**Is there any difference in claims processing or customer service between BCBSGa and UHC?** Both vendors (BCBSGa and UHC) pay claims according to Medicare guidelines. Although there may be some differences in interpretation, there should not be substantial differences. You should decide which firm best responds to your issues when you need help or information.

**Is there a difference in the providers used by each vendor between the Standard and Premium Options?** No, each vendor uses the same network (including any provider accepting Medicare) for both Standard and Premium options. The only difference is the co-pay for a medical visit.

**Is there a difference in the copay for prescription drugs for the Standard and Premium options?** No, the copays for prescription drugs are the same for both the Standard and Premium options. **You should, however, review the Prescription Drug Formulary** very carefully when you receive a printed copy to determine if any of your drugs have changed “tiers”.

**What is the maximum out-of-pocket cost that I will pay for each MA option?** The annual maximum cost to you (excluding drugs) is \$3,500 for the Standard and \$2,500 for the Premium option – a difference of \$1,000 annually.

**What is the difference in premiums for one over age 65 Individual for Medicare Advantage Standard and Premium options?**

UHC Calculation – Annual Premium			
Standard Premium	12 months	X \$25.38	\$ 304.56
		X \$128.22	<u>1,538.64</u>
	Annual	Difference	\$1,234.08

BCBSGa Calculation – Annual Premium			
Standard Premium	12 months	X \$ 44.88	\$ 538.56
		X 155.81	<u>1,869.72</u>
	Annual	Difference	\$1,331.16

The above calculation shows that if you choose the Premium over the Standard Option, you will pay in premiums \$1,234.08 or \$1,331.16 to lower your annual out-of-pocket for medical service by \$1,000. Only you can decide the best option for you and your family. When you have decided, see the section in this article or on page 10 of the Decision Guide for How to Make changes in your SHBP coverage for CY 2018.

### **Making a Decision – Under Age 65 SHBP Members<sup>1</sup>**

Making a decision for 2018 for an under age 65 SHBP member requires a substantial amount of study and analysis about provider networks and costs. The first thing that you need to determine is “Am I satisfied with the provider network offered by the option or am I willing to change providers” under the Option. Some points that you might consider are:

- All options provide for emergency treatment from an out-of-network provider.
- All of Blue Cross Blue Shield options use the same network, the UnitedHealthcare HMO and HDHP options use the same network, and the Kaiser HMO provides care through a network of facilities.
- **BCBSGA’s Bronze, Silver, and Gold** options and the UHC High Deductible Health Plan option have “out-of-network” benefits (if desired), although all of the costs for out-of-network services are treated separately for the purpose of deductibles, copays, and maximum out-of-pocket (MOOP).
- **BCBSGA and UHC options for HMO** do not have an out-of-network benefit; therefore, if you are not satisfied with the network and are not willing to use another provider in the network, the entire cost for that service (except for emergency) is out-of-pocket and not covered by the plan.

- **The Kaiser option** does not have an “out-of-network” benefit; therefore, any services (unless emergency) outside the KP providers are not covered.
- The Kaiser option requires you to live or work in one of the 27 counties listed in the Guide, page 19.

DCH states that the Enrollment Portal ([www.mySHBPga.adp.com](http://www.mySHBPga.adp.com)) will provide Decision Support Tools to help you compare each benefit option. When analyzing your cost for each option, the bottom line is that you will pay about the same amount in premiums and out-of-pocket expense in any option you choose **if you have extensive medical needs**. If you pay a lower premium, you will pay higher out-of-pocket amounts when you receive medical services or if you pay a higher premium, you will pay lower out-of-pocket when you receive medical services. The question comes down to what medical expenses do you expect and would you rather pay a higher premium on a regular basis, or pay lower premiums that may require a higher out-of-pocket amount when you receive medical services. Some points that you may want to consider are:

- When analyzing the HRA options, don’t forget to subtract the HRA credits (1<sup>st</sup> page of the comparison) that reduce the deductible and the MOOP. The HRA credits can be used for first dollar medical expense.
- All BCBSGA and UHC options provide for well-being (by different names) incentive credits when you comply with the requirements of the wellness programs. The amount of credits vary by type of incentive and may vary by how you can use.

Calculate your medical expenses for each year during the last two to three years and your expected or “at-risk” cost for the upcoming year. Determine how best to meet those needs based on the premiums, deductibles, copayments, and coinsurance.

### **Processing your Decision**

- **If you are satisfied with your current SHBP option/vendor:** you do not have to process any action. The DCH will roll your current 2017 coverage to 2018 and notify your employing department or retirement system to make the new deduction beginning with the payment or benefit in December 2017.

<sup>1</sup> Premium rates are provided by DCH with the Decision Guide. These rates are also provided in the August GSRA Newsletter.

## If you want to make a change in option or vendor ...

You must process the change by “signing-on” to the website ([www.mySHBPga.adp.com](http://www.mySHBPga.adp.com)) or by calling the SHBP Member Services (800-610-1863). A step by step guideline is printed in the Decision Guide on pages 10-11. Make sure that you respond to all of the questions and supply all information required of any dependent on your coverage.

If you want to continue with your current option and vendor, you should—at minimum—verify that the coverage information on the SHBP website ([www.mySHBPga.adp.com](http://www.mySHBPga.adp.com)) is correct. Verification may require creating an account, or it may require a new password for the account—especially if you have not “signed-in” to your account since 2016.

## Caution: Medicare Advantage Members

YOU will, as an enrollee of a Medicare Advantage option, negatively affect YOUR coverage if YOU:

- Discontinue paying the Medicare Part B premium;
- Enroll in a Medicare Supplement Plan
- Enroll in a non-SHBP MA plan
- Enroll in a Medicare Part D pharmacy plan.

Should you take any of the above actions, the MA coverage with SHBP will be terminated by Medicare and the SHBP will transfer you to the BCBSGa Bronze HRA plan. The premium with BCBSGa Bronze option will not be subsidized by the SHBP.

## Georgia State Employees' Pension and Savings Plan (GSEPS) Overview

Special thanks to Executive Director Jim Potvin and our friends at ERS for providing this comprehensive look at the current state employee retirement plan, GSEPS.

Membership in the Employees' Retirement System (ERS) retirement plans is based on a member's date of hire. ERS pays out benefits based on calculations for three different tiers. These tiers are known as the Old Plan tier for employees who were hired before 7/1/1982, the New Plan tier for employees who were hired between 7/1/1982 and 12/31/2008, and the current Georgia State Employees' Pension and Savings Plan tier (GSEPS), for employees who were hired on or after 1/1/2009.

### Plan Basics

The GSEPS tier is designed to be used in conjunction with participation in the PSR 401(k), and other sources of retirement income, such as social security, personal savings plans, etc., to help supplement the ERS pension benefit. Under GSEPS, members have two components to help them prepare for a successful retirement.

The first component is participation in the Peach State Reserves 401(k) plan. Participation in the 401(k) plan will add to any pension benefit paid by ERS. Although members are automatically enrolled in the 401(k) plan upon hire at a contribution rate of 5%, participation is voluntary, and the amount members contribute to the plan may be increased or decreased at any time. Such 401(k) contributions are subject to employer matching funds.

The second component is membership in ERS, which provides members with a monthly pension in retirement. This membership is mandatory for full-time regular employees, and the amount that the employee contributes is 1.25% of pensionable salary each pay period.

### PSR 401(k) Plan

One of the most important parts of the PSR 401(k) plan is the employer match. Everyone in the GSEPS tier gets a match on the 401(k). Members are matched at a rate of



100% on the first 1% of contributions to the plan. For plan contributions 2% - 5%, members are matched at a rate of 50%. In all, if a member is contributing at least 5%, they are receiving the full match of 3% available from the state.

Upon hire, members are automatically invested in a Lifecycle Fund based on the member's date of birth and approximate retirement date, but may choose other investment options at any time. Our Lifecycle funds are hand-picked by investment experts and comprise five investment options, representing five asset classes, and are rebalanced quarterly to become more conservative as they approach their target date. A Participant's balance in the 401(k) plan depends upon on employee savings and investment performance.

### **ERS Pension Benefit**

GSEPS members are required to contribute 1.25% of pensionable salary per pay period towards their pension. These contributions are made on an after-tax basis. Employee contributions aren't the only source of money to go towards retirement. The state contributes employer contributions on employees' behalf each pay period as well. Finally, the major source of funding comes from the investment earnings on the assets in the ERS fund. All three of these money sources contribute towards the members' pension to provide a lifetime benefit at retirement.

Member retirement benefits are calculated as Formula Salary X Benefit Factor X Years of Service. Formula Salary is the average of the 24 highest consecutive months of salary. The GSEPS benefit factor is 1% for each year of service. Creditable Service is time for which members get credit – based on time worked, time purchased, forfeited leave, etc. As a hypothetical example, a member with 30 years of service under the GSEPS plan with a Formula Salary of \$3,000 and a Benefit Factor of 1%, will receive \$900 in monthly pension benefits or \$10,800 annually. The main difference between the GSEPS tier structure and the New Plan tier structure is that the New Plan tier has a Benefit Factor of 2%, whereas the GSEPS tier structure has a 1% Benefit factor.

The most common form of retirement in ERS is Service Retirement. Employees wishing to take a Service Retirement may retire in one of three different ways. If an employee is at least age 60 and has 10 or more years of service, they may apply for retirement. If an employee has at least 30 years of service, they may retire at any age. These scenarios are called Normal Retirement. Early Retirement is available to employees under age 60 with a minimum of

25 years of service, but not yet 30 years of service, and provides a reduced monthly benefit to members.

GSEPS members are also eligible for Disability Retirement and Death in Service benefits. Additional details regarding Disability Retirement and Death Benefits can be found in the ERS Handbook:

[http://www.ers.ga.gov/Docs/Formsandpubs/ERS\\_Handbook.pdf](http://www.ers.ga.gov/Docs/Formsandpubs/ERS_Handbook.pdf).

### **Vesting**

Vesting is the process through which employees earn the right to receive benefits from their retirement plan. Employees are always 100% vested in their own contributions to both the 401(k) plan and the pension plan. GSEPS members have two different benefits to vest in.

For the PSR 401(k) plan, vesting occurs over a five-year period from date of hire. The employee becomes 20% vested each year in the employer match, and at five years, the employee is 100% vested in the employer match.

For the ERS pension, vesting occurs at ten years of service (if an employee separates prior to ten years of service, the employee foregoes the ability to receive a monthly pension annuity).

### **Life Insurance**

ERS Old Plan and New Plan members are covered by Group Term Life Insurance (GTLI) while they are employees, and under certain conditions retain this coverage as a retiree. GSEPS members are not eligible for life insurance coverage through ERS. The GTLI benefit provided through ERS is not the same as the Flexible Benefit life insurance plan that employees can elect during annual enrollment.

### **Cost of Living Increases (COLA)**

The Board of Trustees is not authorized to grant any post-retirement benefit increases for GSEPS members hired on or after 7/1/2009.

### **Beneficiaries**

It is important to remember that members must designate beneficiaries for both the PSR 401(k) plan and for the ERS pension plan separately. To designate or update beneficiaries for the PSR 401(k) plan, visit [www.gabreeze.ga.gov](http://www.gabreeze.ga.gov) or contact GeorgiaBreeze by phone at 1-877-342-7339. To designate or update beneficiaries for the ERS pension, register for account access at [www.ers.ga.gov](http://www.ers.ga.gov) or call 404-350-6300.

**More Information**

For more in-depth information about GSEPS, please visit the ERS website at [www.ers.ga.gov](http://www.ers.ga.gov). You can watch a video presentation for a GSEPS Plan Overview or a PSR Overview at <http://www.ers.ga.gov/members/presentations.html>, or sign up to attend a Webinar on GSEPS / New Hire Retirement Benefit Information or our Peach State Reserves Overview

at <http://www.ers.ga.gov/seminars/webinars.html>. You can also find information about GSEPS in the ERS Handbook (Plan Guide) at

[http://www.ers.ga.gov/Docs/Formsandpubs/ERS\\_Handbook.pdf](http://www.ers.ga.gov/Docs/Formsandpubs/ERS_Handbook.pdf).

ERSGA is available to answer your questions at 404-350-6300, or toll free at 1-800-805-4609, between 8:00 am and 4:30 pm, Monday through Friday.



## Kip's View: This Was a Tough September!

September was a difficult month for a lot of Georgians. Many of us are still cleaning up and repairing damage from Irma. Never before has a storm so affected all of Georgia, Florida, and parts of Alabama. Concerns about the safety of friends and family spread all over the Southeast captured our attention. Our thoughts and prayers are still with those in the Caribbean, especially Puerto Rico and the US Virgin Islands, so devastated by Hurricane Maria, and Mexico in the face of the recent catastrophic earthquakes.

Even the state's economy seemed to take a hit from these events. The state's revenues were down for the first time in many months. Efforts to rebuild and repair these damages should help revenues rebound.

The GSRA September Newsletter also became a victim of the storm due to a prolonged network outage in one of the affected areas. Hence, the late issue.

Now it's time to re-focus on the future, and continue the work to improve the lives of all Georgians, current state employees and teachers, and all state retirees. I hope that you've already made plans to attend our Annual Meeting in Columbus and join in this effort. It's not too late to join us! Simply, go to our website at [www.myGSRA.com](http://www.myGSRA.com) and follow the links to register. You'll be glad that you did, and we'll appreciate your joining us!

See you there!

Kip

### Correction – August Newsletter

The percentage increase for UHC Medical Advantage Premium Option in CY 2018 was incorrect. The increase percentage for UHC Medicare Advantage Premium Option beginning January 1, 2018 is increased by 45.3%. We apologize for the error.

**Save the Date!**

**GSRA Day at the Capitol**

**January 31, 2018**

**Atlanta**



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## Endorsed Benefits

The Georgia State Retirees Association (GSRA) makes many member only benefits available to its members. GSRA endorses the following member benefits:

- Long Term Care / Home Health Care Policy
- Life Insurance
- Medical Air Services Association (MASA)
- Travel Discounts
- Car Rental Discounts
- Tax-Deferred Annuity
- Cancer Treatment Policy
- Medicare Supplement Insurance
- Identity Theft Protection
- Hotel Discounts
- Computer Discounts

Review your benefits at: [www.myAMBAbenefits.info/gsra](http://www.myAMBAbenefits.info/gsra)

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UnitedHealthcare continues to be a proud sponsor of the GSRA Annual Meeting for 2016.



\*2016 UnitedHealthcare Customer Experience Survey scores for Group Medicare Advantage plan members. Plans are insured through UnitedHealthcare Insurance Company or one of its affiliated companies, a Medicare Advantage organization with a Medicare contract. Enrollment in the plan depends on the plan's contract renewal with Medicare.

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