

Special Budget Edition of *Retiree Matters* Health Care in Your Hands

Let's Talk About...



FY 2013 Proposed Budget – Retiree Benefits

The City Manager presented the FY 2013 Proposed Budget to the City Council on August 9, 2012. The proposal includes a cost of living adjustment, the introduction of a fourth health care plan option for non-Medicare retirees, and an enhanced retiree wellness program. The recommendations support the City's commitment to provide you, our valued retiree, with quality health care at an affordable cost to you and to the City.

The following information outlines the proposed changes in FY 2013.

Cost of Living Adjustment (COLA)

The Proposed Budget includes a 2.1% COLA for all retirees. This will be effective January 1, 2013.

Important Information for Non-Medicare Retirees

Health Care Plans and Premiums for Non-Medicare Retirees

As presented in the Proposed Budget, non-Medicare retirees will continue to have the option of participating in the Value, Standard, and Premier PPO health plans, with adjustments to office visit co-pay and deductible amounts. In addition, **Consumer Choice**, a Consumer-Driven Health Plan (CDHP), will be offered as a fourth PPO health plan option.

With the Consumer Choice health plan:

- there are no co-pays;
- until you meet your deductible (\$1,250-individual/\$2,500-family), you are responsible for 100% of the cost of health care services;
- once you meet your deductible, co-insurance (percentage you pay for health care services after you meet your deductible) applies—you pay 20% and the City pays 80%;
- you can save for future health care costs and pay for routine health care expenses with a City-funded Health Savings Account (HSA). As proposed, the City will provide a \$500 contribution (\$1,000 for family) to a retiree's HSA; and
- like in the Value, Standard, and Premier plans, you continue to have the freedom to select your providers.

2013 Proposed Prescription Drug Plan for Non-Medicare Retirees

For the Value, Standard, and Premier health plans, the 2013 prescription drug plan helps you manage pharmacy costs by encouraging the use of generic medications. Additionally, a fourth tier will be added to the plan for specialty drugs, and prescription drug co-pays have been modified to align with industry standards.

Note: Prescription drug co-pays do not apply to the Consumer Choice plan. With this plan, you pay the full cost of the medications until you meet the deductible. For IRS-approved preventive drugs, such as those used to control or manage blood pressure, diabetes, osteoporosis, and cholesterol, you will only pay 20% of their cost since they are not subject to the deductible.

2013 Health Plan Comparison Chart for Non-Medicare Retirees (In-Network Benefits)

Plan Benefits	Consumer Choice	Value	Standard	Premier
City Contribution to Health Savings Account (HSA) (Individual / Family)	\$500 / \$1,000	N / A	N / A	N / A
Preventive Care (Ex: colonoscopy / mammogram / prostate screening)	Covered at 100%			
Annual Deductible (Individual / Family)	\$1,250 / \$2,500	\$900 / \$1,800	\$750 / \$1,500	\$500 / \$1,000
Co-Insurance (After Deductible)	80% / 20%	80% / 20%	80% / 20%	90% / 10%
Annual Out-of-Pocket Maximum (Most you will pay for covered health care services in a calendar year, not including co-pays) (Individual / Family)	\$4,000 / \$8,000	\$3,000 / \$6,000	\$2,400 / \$4,800	\$1,200 / \$2,400
Office Visits: Primary Care / Specialist / Urgent Care	80% / 20% (after deductible)	\$25 / \$35 / \$40	\$25 / \$35 / \$40	\$25 / \$35 / \$40
Prescriptions	80% / 20% (after deductible)	Tier 1: \$7 Tier 2: \$25 Tier 3: \$50 Tier 4: \$75	Tier 1: \$7 Tier 2: \$25 Tier 3: \$50 Tier 4: \$75	Tier 1: \$7 Tier 2: \$25 Tier 3: \$50 Tier 4: \$75

In 2013, premiums for the Value plan will not increase, and the new Consumer Choice plan will have premiums lower than the other plan options. Additionally, the City will begin equalizing contributions toward premiums in the Standard and Premier plans. Retirees enrolled in the Premier plan will pay the difference between Standard and Premier to maintain Premier coverage. This increase will be phased in over two years.

2013 Proposed Monthly Premiums for Non-Medicare Retirees

Years of Service	30+	25-29	20-24	19 and under	5-9 (Hired on or after 10/1/2007)
Consumer Choice					
Retiree Only	\$204	\$223	\$241	\$303	\$760
Retiree + 1	\$382	\$402	\$444	\$590	\$1,486
Retiree + 2 or more	\$533	\$564	\$624	\$833	\$2,029
Value					
Retiree Only	\$235	\$258	\$278	\$350	\$824
Retiree + 1	\$439	\$462	\$510	\$678	\$1,605
Retiree + 2 or more	\$612	\$647	\$716	\$956	\$2,189
Standard					
Retiree Only	\$287	\$298	\$314	\$375	\$1,002
Retiree + 1	\$568	\$602	\$649	\$776	\$1,954
Retiree + 2 or more	\$777	\$823	\$889	\$1,076	\$2,666
Premier					
Retiree Only	\$415	\$430	\$454	\$527	\$1,539
Retiree + 1	\$814	\$862	\$929	\$1,087	\$3,011
Retiree + 2 or more	\$1,066	\$1,130	\$1,217	\$1,419	\$4,112

Tobacco Cessation for Non-Medicare Retirees

As proposed in 2012, non-Medicare retirees who do not use tobacco will avoid a \$40 monthly fee by remaining tobacco-free. Non-Medicare retirees will be asked to self-report their tobacco use during annual benefits open enrollment. **If you do not self-report your tobacco use status during open enrollment, we will assume you use tobacco, and you will be assessed the \$40 monthly fee.**

Tools & Resources for Non-Medicare Retirees

From now through annual benefits open enrollment and beyond, you will be provided with a variety of tools and resources to help you select the best health care plan to meet your needs and manage your health care. From UnitedHealthcare's Health Plan Cost Estimator, Treatment Cost Estimator, and Quicken Health Expense Tracker to information posted on the City's Human Resources' website and delivered through *Retiree Matters*, you will have multiple means of accessing helpful information.

New Retiree Wellness Initiative for Non-Medicare Retirees

New for 2013, non-Medicare retirees will have the opportunity to participate in an Outcome-Based Rewards Program that will reward you and your spouse / domestic partner with up to a \$200 contribution to a Health Reimbursement Account (HRA) or HSA, for achieving or maintaining pre-determined health standards in cholesterol, glucose, BMI, and blood pressure. In addition to this initiative, Lunch & Learn events, health expos, and other activities will continue to be offered throughout 2013.

Important Information for Retirees with Medicare

Health Care Plans and Premiums for Medicare Retirees

Retirees with Medicare will continue to be offered the choice between the Humana Medicare Advantage HMO and the Humana Medicare Advantage PPO health care plans. The City will continue its contribution toward your monthly health care premium, and the proposed 2013 health care premiums are below.

2013 Proposed Monthly Premiums for Retirees with Medicare

Years of Service	30+	25-29	20-24	19 and under	5-9 (Hired on or after 10/1/2007)
Humana Medicare Advantage PPO					
Retiree Only	\$84	\$92	\$98	\$126	\$280
Retiree + 1	\$168	\$185	\$196	\$252	\$560
Retiree + 2 or more	\$252	\$277	\$294	\$378	\$840
Humana Medicare Advantage HMO					
Retiree Only	\$61	\$67	\$71	\$86	\$204
Retiree +1	\$114	\$122	\$138	\$204	\$408
Retiree + 2 or more	\$171	\$184	\$209	\$288	\$612

Tools & Resources for Retirees with Medicare

Through *MyHumana.com*, retirees with Medicare have access to online resources and tools to help make the best health care decisions for 2013. On *MyHumana.com*, you can access detailed information about each of the Humana Medicare Advantage health plans, calculate costs for common medical services and prescription medications, and more. In addition to the information available to you through *MyHumana.com*, in upcoming issues of *Retiree Matters*, we will discuss other free tools and resources that will help you take charge of your health care and make the best health care decisions for you and your loved ones.

Retiree Wellness Program

The Retiree Wellness Program will continue to be offered in 2013. As in 2012, retirees with Medicare will have the opportunity to attend various health-related events including Lunch & Learns and health expos. These events and educational opportunities will continue to be offered at no cost to you and your spouse / domestic partner.

More to Come for All Retirees

Make sure you RSVP for the next Retiree Wellness Program Lunch & Learn session on **September 26**. September's topic will be the 2013 retiree health plans. Representatives from the City's Employee Benefits Office, UnitedHealthcare, and Humana will be on hand to answer **YOUR** questions. To RSVP, contact the City's Employee Wellness Program at (210) 207-8705 or wellness@sanantonio.gov. In addition to the next Retiree Wellness Program event, be on the lookout in the coming weeks for additional information about your 2013 health care plan options and the enhanced retiree wellness program.

Mark Your Calendars: 2013 Benefits Open Enrollment will be October 15 - November 14

New for this year, all retirees will have the option to enroll in a voluntary dental insurance benefit. So, in addition to the health and voluntary vision plan benefits, retirees will now have the option to select dental coverage, too.

Remember, **non-Medicare retirees** will need to **self-report their tobacco use status during open enrollment; otherwise, we will assume you use tobacco, and you will be assessed the \$40 monthly tobacco fee.**

If you have any questions about anything you have read, contact Human Resources Customer Service at (210) 207-8705.
