



RECOM

Retired Employees City of Mesa



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RECOM Executive Board

Inside This Issue

- *Message From the Board*
- *Speaker*
- *Report s*
- *Volunteer Opportunity*

MESSAGE FROM THE BOARD

The pre-retirement seminar hosted by RECOM for City of Mesa employees nearing retirement was a huge success. It was held in the Mesa Conference Theatre on October 14th with over 130 employees attending. Many more wanted to attend; there just wasn't space for everyone.

The City used to present a similar seminar for employees but hasn't offered it for several years due to budget constraints. The RECOM Board members attended the seminar when the City was offering it and found it was so helpful during retirement planning we felt it was important to provide future RECOM members with the same opportunity.

RECOM presented its first pre-retirement seminar in June, 2008 and it was so successful we repeated it this year to an even greater appreciative audience. Here's a sampling of the comments received following the seminar:

- WOW! What a great program. Thanks so much for offering this.
- Thanks for all the handouts - Great!! Able to take notes, learned so much. Thanks so much.
- Thank you! This informative meeting answered lots of questions. An excellent program.

- Wonderful, knowledgeable presenters with great information. However there is so much to digest. This really needs to be a full day program. Thank you for making this possible!

The half day seminar included speakers from ASRS, Social Security, Great West, and City of Mesa Benefits Office. On a 5 point scale, the rating for the Quality & Usefulness of the information presented was 4.87. We feel that's a good indication there is a need for this seminar and hope to be able to provide it again next year.

Speaker

You showed up! All one hundred or so of you showed up in the right place for our October meeting. (In November it's back to the fire station at 1st St. and Mesa Dr.)

This was the annual meeting at which Jody Topping, Benefits Administrator, explained the 2010 changes to our health insurance plans. These are merely the highlights.

For details please check www.mesachip.org.

And be warned in advance, these notes are not greatly entertaining to read, but then neither are medical bills.

So, pull up a chair, gird your loins, put on your glasses (soon to be provided by VSP!), get out your favorite beverage and slog on.

The Good News:

1. No premium increases for 2010 for medical and dental plans. These are the plans the City self-administer.
2. So far as anyone can tell at this point, the House Bill on health care reform will not affect the City of Mesa's health insurance plans. But of course it all depends on what the final version is.

It may actually require some improvements in the City's plan: It may require some improvements in wellness programs, and it may require improvements in lifetime maximum dollar amounts. The City now has a \$2 million lifetime maximum, and that may have to go away.

3. The Employee Benefits Trust Fund now has approximately \$18 million. That's about \$5 million more than is needed. However, about \$4million of that will be eaten up by the increases in next year's health care costs due to no increases in premiums.

The not so good news:

The changes that will offset some of that \$4 million cost will affect the following plans:

On all plans:

The out-of-network maximum will be eliminated if the service is available in network.

This means, for example, if you insist on having your carpal tunnel surgery done by the provider who charges \$100,000 per wrist for laser surgery, instead of the in-network provider who charges \$3500 per wrist, there is no cap on what it can cost you out-of-pocket. Right now on the 80/20 plan, for example, after you pay your \$1,000 deductible and your maximum out-of-pocket of \$5,000, the City pays the rest. In 2010 that limit is gone.

Now, if you need a medical service and there **really** is no in-network-provider, [call the City before you have the service.](#)

They may know of an in-network provider that you missed, and they can usually negotiate a better price than the standard charge because the City pays directly and has a great reputation for paying its bills in thirty days.

Co-Pay Plan (like HMO)

This the most expensive plan. This plan has the highest enrollment and the highest usage for hospitalizations. The changes are:

- \$100.00 per admission for out-patient surgery
- \$ 200.00 per admission for in-patient

Right now there is no cap for the number of admissions. This means if you are admitted twice or ten times per year, the charge applies each time – at least for now.

Those are the only changes for the medical plans.

Prescription Drugs

The costs are extremely high – not to say astronomical. They average about \$354,000.00 every **two weeks**.

In 2008 the Trust paid \$8million, in 2009 it was \$10 million dollars for prescription drugs.

Basic Plan:

No change from 2009.

80/20, 90/10 Plans

Here it gets really complicated because it has to do with formulary drugs (those drugs that are on Medco's list of approved brand name drugs for which there are no generics), retail pharmacy purchases, and mail-order purchases.

Suffice it to say, that there will be some hefty increases in **maximum co-pays for brand name drugs** – like double from 2009! There are other increases as well, so check with the Benefits office or Medco before you order brand name drugs! And of course, ask your doctor if the brand name drug is absolutely necessary.

There are other increases in co-pays for prescription drugs – but this article is meant to give highlights. Caveat emptor! It's worth your time to check it out before you order expensive drugs.

The Dental Plans

No change at all from 2009 despite the fact that this is very costly to the City and premiums and co-pays don't cover all the cost of the claims.

Vision Services

There was actually clapping (and I have the tape to prove it) when Jody announced that the new vision services provider is **Vision Service Plan (VSP)** – the one we had many years ago and the one members have been clamoring for.

However, there is an increase in cost. For example, if you are on the most expensive Vision Plus plan for family coverage, it will cost \$9.00 per month more than it did in 2009. (See Open Enrollment workbook at www.mesachip.org)

The Employee Benefits Task Force spent more than two hours comparing the data that Jody and her staff tabulated from the requests for proposal that were sent out this summer.

Responses included the two companies we have had previously that members were not happy with. Sometimes it wasn't possible to compare apples to apples exactly, but over all the reasons the Task Force recommended VSP were:

- VSP gave more ability to go to your own optometrist. This allows you to see the same doctor who knows your eyes rather than seeing a different person every year.
- VSP isn't focused on having you go to the big box providers. VSP allows providers to use their own labs. This reduces the wait time for glasses. That had been a big issue with our previous provider.

Remember these are just the highlights of the plans. For complete information, go to www.mesachip.org.

Questions from Members:

Will we start with a clean slate at VSP or will our eye care history go with us?

Jody didn't know, will get answer. In the past, when we've changed vision plans we started over clean – meaning we could get new glasses in January, even if we got new ones the previous July. Stay tuned, Jody will get an answer for us.

There's been a rumor that the City will get away from self-insurance. Is it true?

Jody hadn't heard that one, but thinks it may have come about from a misunderstanding of the difference between "self-insured" and "self administered". There was a study done to see if the City would save money if we contracted with a third party administrator – meaning someone out of town would look at your claim and decide if the City should pay for it or not (the administrator). The City's Trust Fund (self-insurance) would still actually pay for approved claims.

The suggestion was rejected because by and large, the city staff managed more efficiently, had more flexibility and could give better customer service – meaning people could plead their cases locally rather than talk to someone in California or – in that haven of understanding – New York City.

If we select the same vision care plan, such as Basic or Basic Plus, how will that change with VSP?

Co-pays and costs will remain very similar, network of providers will change because VSP has more individual not large group providers. Co-pays for visit/exam= \$10.00; Co-pays for lenses and frames = \$10.00 with a \$130.00 retail allowance for frames and anything over \$130.00 is discounted by 20%. There is an extra cost for progressive lenses.

The major difference between the Basic Vision plan, and Vision Plus Plan is that for Basic Plan you get lenses and frames every two years, for Vision Plus you can get them every year.

Why do claims have to be sent to California?

A vendor in California converts paper claims to electronic format and sends them to BC/BS for pricing (not paying – remember, the City is self

insured). Blue Cross Blue Shield will not accept paper claims. This has reduced errors and turnaround time significantly. If BC/BS gets a paper claim, they send it back to the City, the City sends it to the vendor in California. End result: your claim takes twice as long to be paid.

Are the mini-clinics in the drug stores and grocery stores cover?

Yes, but they are considered out-of-network.

If I'm on Medicare, and my doctor drops Medicare, but is in Blue Cross/Blue Shield, who pays?

Mesa pays as first payer, but the City needs a letter from the doctor stating that the doctor has dropped Medicare or Medicare needs to send a letter stating that this doctor no longer accepts Medicare.

Questions about out of state treatments and drugs:

What if I need ER treatment when traveling out of state?

Out of state emergency room treatment is processed as in-network.

What if you have to fill a prescription out of state?

Best practice is to find a Medco pharmacy and you'll get in-network prices. If you can't find a Medco pharmacy, pay the bill and mail in the receipt. You'll get some discount, but probably not as good as if you'd found a Medco pharmacy.

I live out of state part-time. When should I be on HealthSmart?

If you're out of state six months of the year, use HealthSmart. For less than six months, stay on BC/BS. Get a list of HealthSmart providers at www.healthsmart.net.

Will our insurance pay for out of country emergencies?

Yes, you pay the bill, then send it in along with the conversion rate for the day on which you received the service.

Thanks for sticking with me on this. I told you this was going require a liquid refreshment, but remember there are approximately 20-45

million people who'd love be in your insurance shoes!

Reports Employee Benefits Task Force See above!

Secretary:

Lin Adams is still reminding people to renew their memberships. Could that be you?

Treasurer:

Don Miller is still waiting for those membership renewal dues. He is expecting bills from the very successful Retirement Seminar in October, but otherwise the treasury is sound.

Issues:

Jo Ferguson is following the various bills regarding ASRS investments in the non-profit ScienceFoundationArizona – lest they re-appear in other guises. So far no activity, but we have to be vigilant.

By-laws Committee:

John Gendron reports no by-laws changes.

Program committee:

Meetings are back to the usual place in the fire station! Third Wednesday of each month at 9:00AM in the Community Room of the fire station at Mesa Drive and 1st Street.

The speaker at the **November 18th** meeting will be Benjamin Yanofsky, O.D. The topic of Dr. Yanofsky's presentation is **"What's new for healthy eyes in 2010 – new products, tests and treatments."**

The December 16th meeting will be devoted to refreshments, conversation and good fellowship! It's the Christmas party! Bring a fellow retiree and maybe we can entice them to join RECOM. Admission is a can of food for the food drive.

Volunteer Oportunity

The Arizona Museum for Youth provides children the opportunity to view changing art exhibitions and experience highly interactive activities. They are in need of volunteer help -even 4 hours weekly can help. For more information contact Sandy Johnson, Volunteer Program Manager, at 480-644-3690 or email her at sandy.johnson@mesaaz.gov.