



Aetna Retirees Association, Inc

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News

Few Changes to Cope with in Fall Enrollment

ARA welcomes what should be a far less confusing Process

With the fall enrollment period – November 19 – December 7 – rapidly approaching, most Aetna retirees are breathing a sigh of relief; no major changes to deal with for 2008 coverage. After a tumultuous 2007 that saw Aetna switch over to a radically new plan for Medicare-eligible retirees with all of the attendant problems, a period of relative tranquility will be welcomed.

While most Medicare-eligible retirees have successfully transitioned to the new Aetna Open (Medicare Advantage) plan, those whose providers will not accept it will be able to continue in the Traditional Indemnity Plan. This is a major area of concern to some ARA members.

If there is any area of concern it is the return of Hewitt as administrator and service provider. Hewitt will handle the enrollment process this fall and take over in 2008 answering questions about health-related benefits. You will recall that Hewitt handled this work in 2006, but Aetna moved it to CitiStreet for 2007. ARA is concerned that the frequent changing of vendors may result in service problems. We will continue to monitor this situation and ask for input, positive or negative, from our members.

One very positive step Aetna is taking effective January, 2008, is to automatically apply Retirement Reimbursement Account (RRA) money to members who still have balances in those accounts. A shockingly large number of those with RRA awards have not used them. Beginning in January, Aetna will automatically apply RRA funds to members' out-of-pocket expenses such as deductibles and coinsurance amounts. ARA applauds Aetna for this positive step.

In 2007, Aetna waived its usual rule that stated, once a retiree opts out of all medical coverage, he or she may not later reenroll. Those who opted out when the new Open Plan was introduced are eligible to reenroll for 2008. Aetna says it will send 2008 Benefits packages to them.

Please be aware, however, that the waiver applies only to the introduction of the new Open plan. If a member opts out during the coming enrollment period, he or she will ***not*** be allowed to reenroll at a later date.

2008 Enrollment, continued

Aetna will offer simplified enrollment. If you do not want to make changes to your coverage you do not need to respond. Your 2007 coverage will be extended through 2008. Changes can be made on line or by phone. That applies to both Medicare eligible and pre-Medicare.

The Aexcel Plus Specialty Network for pre-Medicare retirees has expanded to new locations including Colorado, Delaware, Kansas City (Kansas & Missouri) and Pittsburgh.

The Aetna Golden Medicare Plan HMO and Traditional Choice Indemnity with Preventive Dental are being discontinued due to low participation.

Deductibles on Aetna HealthFund HAS 80 and Aetna's Standard Rx Plan will be indexed to government limits and Medicare. This change will result in higher deductibles. Aetna points out that this will result in limiting premium increases, but it will also, of course, increase the amount that insureds have to pay before coverage kicks in.

Aetna plans to mail enrollment kits the week of November 12.

Aetna Sees New Open Product Catching on with Doctors, Insureds, But ARA remains wary

For a few of our members, the rollout of the new Aetna Medicare Open Plan went smoothly, but for many others it was a frustrating and painful experience. However, Aetna claims that the conversion was relatively smooth and that the product has been largely successful. In a meeting of the ARA/Aetna Liaison Team in early summer, Aetna Benefits officials pointed to a number of statistics they say prove their point.

First, as of May, Aetna says that 8,577 or 91% of retirees had been successfully converted to the new product. Their records show that 202 retirees opted out altogether and 81 more cut back to prescription drug coverage only. Also, 566 retirees (6%) opted to return to the Traditional Indemnity Plan. They were allowed to do so because one or more of their providers refused to accept the Aetna Open Plan.

A look at the call volume for Member Services quickly shows that the process was a matter of deep concern for many retirees. Prior to the announcement of the new plan, call volume averaged around 400 per week. With the announcement, call volume quickly rose and spiked at about 1,600 calls per week, four times the normal volume, by mid-May.

Aetna retirees used more than 37,000 providers in the past 24 months.

Aetna points proudly to the fact that 97% have not called them. Of those who raised issues, 31% declined to accept the Aetna Open Plan, 10% still had open issues, and 17% were still pending. Aetna had been successful in gaining acceptance in 42% of the cases.

These figures would be reasonably impressive if it were not for the fact that they reflect a very short period of time; the month of initiation (April) and May. Many members see some of their providers only once a year. In other words, members had not yet had the opportunity to fully test acceptance of the new product. In addition, some of those who have rejected the new plan are major players; regional doctor groups and hospitals that could make or break the plan in their areas.

Aetna points with pride at its early experience with preventive services. After two months under the new plan, the company had paid for 146 services, \$23,509 in billing, \$10,272 in allowed charges, all at no cost to Aetna Retirees. Under the Traditional Indemnity Plan, these services were covered but subject to the 20% co-pay and deductible. These, plus a slightly lower premium, are the most significant plan improvements.

Aetna also attempted to address the most significant take away in the new plan; the coverage of hospital stays at 80% rather than the 100% coverage allowed by Medicare. Aetna showed examples where the covered retiree would come out better off under the Open Plan. These examples were always related to a relatively-costly hospital stay where the insured hit the \$3,000 limit. It would appear that for

shorter, less-costly stays, Aetna comes out significantly ahead and insureds pay more.

In conversations with Aetna, your ARA continues to emphasize possible dangers in the future. Right now, in order to move more Medicare patients into these privatized Advantage Plans, the government is paying companies a generous – some would say lavish – monthly allowance per member. ARA is concerned that, in the future, the government will cut back on this amount. If and when that happens, companies may well increase premiums or decrease benefits. Aetna continues to assure us that this will not be the case, but we are, for obvious reasons, reluctant to take them at their word.

Your ARA will continue to monitor plan experience, and, we welcome your reports on experience in dealing with it.

Carl Walbam Praised as he leaves ARA Board

At the September 24th meeting of the ARA Board of Directors, the resignation of Carl Walbam was accepted with deep regret. Carl has given much valuable service to the organization, and its members owe him a debt of gratitude.

Carl was one of the “founding fathers” of ARA and served as treasurer. He set up the financial structure and guided it through its first years, leaving the organization in great shape for his successors. After stepping down as Treasurer, Carl remained on the board of directors.

However, family health problems have demanded much of his time in

recent months. The Board salutes and thanks Carl for his valuable service.

At the same meeting, three directors were reelected to the board. They are: Vice Chairman Jean Waggett, President Bob Gilligan, and Greg Bertles.

At the June meeting, an organizational change was made that puts all present ARA officers on the board of directors. Elected at that meeting were: Assistant Treasurer Roger Anderson, Brian Farrell, Carl Galinsky, Dave Smith, Marilyn Wilson and Dorothy Cooney.

Chairman to Chairman Letter Offered ARA Cooperation

Shortly after the Aetna annual meeting, ARA Chairman John Perra sent a letter to Aetna Chairman Ronald A. Williams. Its stated purpose was to introduce ARA Chairman John Perra to Williams, to thank him for past courtesies, and to offer ARA cooperation with Aetna on a variety of projects. The letter is posted on the ARA Web site:
<http://www.aetnaretirees.com/pages/R.A.Williams%20letter.pdf>.

Since its inception, the Aetna Retirees Association has recognized that both the company and its former workers have far more to gain through cooperation than confrontation and conflict. At the same time, this must be accomplished through mutual respect; it can never be unilateral. Aetna must genuinely dedicate itself to the well-being of its former employees, and to commitments made to them.

Perra's letter emphasizes that point. "Let me also state that I and

other ARA members who have a vested financial interest in Aetna's overall business success are at least equally willing to help as it regards the other attributes. In fact, I would like nothing better than for ARA to become more focused on how we could help our company continue to excel as opposed to watching over our members' retiree benefits. We have supported Aetna in various ways in the past and stand ready to do so again when our interests coincide. We might, for example, provide grassroots support, through our computerized grassroots capability that allows us to target members by Congressional district, or by state legislative districts within Connecticut. We can continue to help on communications, focus groups, testing market ideas, sponsoring senior forums, etc. I would be interested in your ideas on how you see us helping Aetna excel and how we can achieve a mutually supportive role."

As of this writing, the letter remains unanswered. However, ARA remains committed to cooperation with Aetna whenever and wherever it can be achieved.

Every ARA Recruit Brings us Closer To Our Goals

It goes almost without saying that the more members ARA has, the louder our voice in the boardroom and executive offices of Aetna, the halls of Congress and the chambers of state legislatures. Eleven thousand determined voters will be hard to ignore. We have made a great start, but we continue to need to add members.

Every one of our members knows former coworkers who should be, but are not yet, members of ARA. All we ask is that you share your address book, both paper and electronic, with us so that we can tell your friends about our work and why they should be a part of it.

Won't you take a few minutes to look at your list? Membership is everybody's job, and to everybody's benefit. Please send your "nominees" to us at AetnaRetirees@comcast.net, or mail them to: Aetna Retirees Association, PO Box 280165, East Hartford, CT 06128.

New Vaccine Prevents Shingles

In a publication from Aetna called the "Guide" dated Spring 2007, an article about shingles was included. The article states that shingles can affect anyone who has had chickenpox. It further states that the possibility of getting

shingles increases as you age. One out of two people who live to age 85 get shingles.

Two of our ARA members have reported to us that they contacted their doctors and asked about the vaccine. Shingles can be painful and disfiguring, and there are other problems that may occur. Both doctors agreed they should get the vaccine. Neither of these members had any ill effects from the vaccine.

The vaccine cost to Aetna was \$106.63 and the member paid \$57.41. The vaccine, named Zostavax, must be kept frozen and promptly administered. One member picked up the vaccine from the drug store and immediately went to the doctor's office for the vaccination.

We urge you to check with your doctor first, and consider having the vaccination for your protection against shingles.

CONTACT ARA!

We welcome your comments, questions, ideas and letters to the editor. See mail and website addresses on page 1.

Dave Smith, Editor