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News

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2011 Enrollment Was Relatively Smooth Considering Changes

Many questions, and a little confusion, but the 2011 health insurance enrollment process for Aetna retirees seems to have gone off surprisingly well. Pre-Medicare retirees had a few changes to cope with, but nothing really major. However, Medicare-eligible retirees transitioned from a Private Fee For Service (PFFS) plan to a Preferred Provider Organization plan (PPO). Both are Medicare Advantage Plans. That, and other changes, had the potential for a confusing enrollment period, but it did not materialize.

A number of members asked us why Aetna was making the change. According to Aetna, The Medicare Improvement for Patients and Providers Act of 2008 (MIPPA) made it necessary. This is *not* the massive 2010 health insurance law.

Under the new plan, members must go to contracted preferred providers in order to receive the full 80% reimbursement. They are free to go to "out of network" providers but, when they do, the reimbursement is only 75%. The exception to this is for members who live in an Extended Service Area (ESA). If there are insufficient contracted preferred providers in an area, it is deemed to be an ESA and members will receive the full 80% reimbursement whether or not their provider is a preferred provider. ESAs are identified by postal zip code.

There were a number of other plan changes. Most notable were the elimination of the preventive dental option and a bundling of the Medicare Part D prescription drug plans. They are no longer available on a stand-alone basis.

Most members absorbed these changes, seemingly without major problems. Perhaps the automatic reenrollment process helped. If no changes were made, members were automatically reenrolled in the plan closest to their previous plan.

However, we cannot be sure until members have experience using the plan.

We salute the Aetna staff for dealing again with complex change. We understand the difficulty of the process.

DISCONTINUATION LETTER CONFUSING TO SOME

The most confusing aspect of the process came after the retiree enrollment was completed. A letter from Aetna announced that the PFFS plan was being discontinued and that we would have to make a new election.

That lit up cyberspace! ARA Board members exchanged emails on the subject, and Carl Galinsky turned to our contacts at Aetna benefits for an explanation. Here's what they told us:

- The letter our people had received was the PFFS non-renewal notice. It was a Medicare required letter to all those enrolled in the PFFS plan because the Aetna PFFS plan was ending 12/31/10. Aetna had mentioned this letter would be coming in the summer and fall Retiree Newsletters. The text from the Retiree Connection appears below in the third bullet point.
- Aetna further told us that retirees would be receiving their 2011 Confirmation any day so they should review that confirmation and rest assured any election they made/or "defaulted" into will be reflected there. Aetna advised that, if members have any questions on their annual enrollment elections, they could also call the Aetna Retirement Service Center to confirm.
- *(The following is text from The Aetna Retiree Newsletter)* Note: If you are enrolled in the Aetna Medicare Open (PFFS) plan, you will receive a non-renewal notice from Aetna Medicare. This notice is required by law because the Aetna Medicare Open (PFFS) plan is ending at the end of 2010. There is no cause for alarm because you automatically will be defaulted into the new plan that is available in your home zip code. (Remember to keep your 2011 Confirmation Enrollment as verification of your election.)

With the Aetna explanation in hand, Board members had an email discussion of the issue. The initial consensus was that Aetna had, indeed, forewarned retirees that the letter would be coming. Anyone who had carefully read all of the materials (and remembered everything they had read) would understand the non-renewal notice. However, it is pretty obvious this is a big order for anyone and, for retirees, it is a lot to ask.

Did it cause confusion? Emphatically, yes. Several retirees contacted Board members to report that the plans they had just signed up for had been discontinued already. Even more knowledgeable members concluded that it was a sales letter inappropriately sent to retirees. A blue slip in the envelope provided some clarification but, in some cases, when members pulled out the letter, the slip remained in the envelope so they did not see it.

The timing of the letter was probably worse than the letter itself. Had it been a part of our enrollment package, the vast majority of retirees would probably have understood it. Coming, as it did, right after the end of the enrollment period, it seemed especially strange. Also, this letter was probably used for a variety of audiences and, as such, only partly applied to retirees. The parts that did not only added to the fog.

However, other ARA Board members pointed out that Aetna had informed us on several occasions, and it was unfair to expect the company to be responsible for those who do not review their material fully and carefully. While it is true that some retirees may have great difficulty in understanding the complexities of their plans, it would be impossible for the

company to provide special services in every case. Those retirees who are not capable of dealing with these problems should turn to family, friends or community resources for assistance.

The final consensus was that while the communication was far from ideal, especially considering that it was aimed at an elderly audience, it was complete and probably as good as can be expected. We will continue to work with Aetna to assist them in being sensitive to the special needs of its large and important retiree audience. However, the subject is very complex and made more so by requirements imposed on them by the government. Perhaps the best point made in the discussion is the need for some retirees to seek help in managing and understanding the system.

Healthcare Change Rolls Along Despite Federal Power Shift

The 112th Congress has been sworn in, and it has a vastly different look after the 2010 elections. The Republicans now have strong control of the House of Representatives, and the Democrats hold on the Senate has slipped to just three votes if you include two senators who are technically independents but who caucus with the Democrats. However, despite these dramatic changes, the 2010 healthcare reform law continues to roll out and impact the lives of many Americans.

The new Republican/Tea Party majority in the House has vowed to pass a repeal bill, but the chance of that becoming law seems remote. Even if the Democrats in the Senate do not vote it down, President Obama is certain to use his veto power to

stop the effort, and an override seems impossible.

Republicans will also probably attack it in a variety of other ways, and a Virginia judge has declared the mandatory purchase provision to be unconstitutional although, in two earlier cases, Federal judges upheld the provision. That, and other legal challenges, will likely continue in the courts.

However, the 2010 healthcare reform law continues to be the law of the land, and more provisions roll out this year. They include:

- The initial "Welcome to Medicare" physicals will be available with no patient payment. Regular annual physicals will be covered, subject to deductibles and coinsurance.
- Recommended preventive services including flu shots, cancer screening and diabetes screening will be available without cost sharing/patient payment.
- There will be a 50% discount for name-brand drugs for participants "in the donut hole." That is an initial step toward closing the donut hole by 2020.
- There will be a 10% bonus for primary care doctors who treat Medicare patients.
- Insurance companies will be required to pay out 80% or more of premiums in benefits/improvements or be forced to pay policyholder rebates.

ARA Will Attend NRLN Annual Meeting

The National Retiree Legislative Network's Annual Leadership Conference will be held in Washington, D.C., on January 17-19. The ARA is an association member of NRLN, and we will be represented at the January meeting by Warren Azano, the Chair of our Legislative Committee.

We have been pleased to see NRLN expand its membership over the last few years and upgrade its lobbying efforts. Its principal focus continues to be the protection of employer-promised benefits, which we strongly support, and the safeguarding and enhancement of federal government benefit programs, particularly Medicare and Social Security. We urge you to consider joining them as an individual member if you have not already done so.

More information about their January meeting and their legislative agenda is available on their website at www.NRLN.org.

Congratulations To Williams and Bertolini as Aetna Leadership Transitions

Aetna is in the middle of a leadership transition. Chairman Ron Williams stepped down from his role as Chief Executive Officer (CEO) the end of November. He will continue with the company until April as Executive Chairman. President Mark Bertolini has taken over as CEO and will replace Williams in April as Chairman.

Williams retires after almost 10 years with the company and as Chairman since 2006. Bertolini joined Aetna in February of 2003 and has been President since July, 2007.

ARA Chairman John Perra and President Bob Gilligan have addressed letters to Mr. Williams and Mr. Bertolini on behalf of the ARA Board and members. The letter to Mr. Williams congratulated him on his successful leadership, thanked him for his role in building an improved relationship with retirees, and wished him well in his future endeavors. The letter to Mr. Bertolini congratulated him on his important new role and pledged ARA's support for a strong future for Aetna.

CONTACT ARA!

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

Dave Smith, Editor