

Beginning January 1, 2012 CRS will administer two medical plans instead of three. The Modified PPO will no longer be provided. The 80/20 PPO and the Carve-Out PPO will continue on January 1. All members currently participating in the Modified PPO will be enrolled in the 80/20 PPO effective 1/1/12. Monthly premiums are deducted one month in arrears and therefore the premiums for January will be deducted from your pension check dated February 1. The member premiums for the 80/20 PPO will be equivalent to 5% of the full premium tiered rates based on the retiree medical claims experience. These rates will be different than those that apply to active employees.

Membership in the Carve-Out PPO is restricted and no additional members can enter the plan. Eligibility requirements for continued participation in the Carve-Out PPO will change for 2012 and current participating members will be required to provide documentation to determine if they will retain their eligible status. To remain eligible for the Carve-Out PPO, members must have a total household income of \$30,000 or less. Prior qualifications such as years of service, age, and disability status will no longer be considered. Members who do not meet the new eligibility criteria will be enrolled in the 80/20 PPO. Members in the Carve-Out Plan will receive additional communications in the next few weeks.

CRS Medical Plan Premiums and Enrollment Tiers

Beginning January 1, 2012 the member premiums for the 80/20 PPO will be adjusted for Medicare eligibility.

The monthly premiums for members age 65 and older will be lower than those for younger members because CRS medical coverage is secondary to Medicare. When a Medicare eligible member incurs a medical claim, the claim is first processed and paid by Medicare and then sent to Anthem (CRS' claims processor) for secondary payment. The rates will be provided along with enrollment forms by early October.

Pensioner Only

Non-Medicare: \$41.99

Medicare Eligible: \$24.07

Pensioner + Child(ren)

Non-Medicare: \$58.05

Medicare Eligible: \$40.13

Pensioner + Spouse

Both Non-Medicare: \$83.23

Non-Medicare + Medicare Eligible: \$65.30

Both Medicare Eligible: \$47.38

Pensioner + Spouse + Child(ren)

Both Non-Medicare: \$101.71

Non-Medicare + Medicare Eligible: \$83.79

Both Medicare Eligible: \$65.86

Medicare Parts A and B for Members Age 65 and Older

Effective January 1, 2012 CRS will no longer provide reimbursement for Medicare Part B premiums for retirees and spouses (beginning with 2/1/12 pension payment). Retirees and spouses who are eligible for but do not enroll or maintain their enrollment in Medicare Part B will be responsible for the medical expenses that Medicare B otherwise would have paid.

Generally, all U.S. citizens age 65 and older are eligible to purchase Part B coverage from Medicare. There is a 7 month initial enrollment period that begins three months prior to your 65th birthday. The later you apply during this initial enrollment period, the greater the chances that your Medicare Part B coverage start date will be delayed. If you do not enroll during the initial enrollment period, your cost of Part B coverage may be higher.

Most retirees and spouses age 65 and older are eligible for "premium free" Medicare Part A. The coverage is free for most members. If you are not eligible for "premium free" Part A on your own because you did not pay Medicare taxes while working, you may qualify for "premium free" Part A coverage through your spouse. For those members who are not eligible for "premium free" Part A, CRS medical coverage will remain the primary payer.

In most cases, CRS healthcare coverage pays secondary to Medicare Part A (hospital coverage, inpatient care, skilled nursing facility, hospice & home health care) and Medicare Part B (doctors' services, outpatient care, home health services & other medical services).

Independent Medicare Part D Prescription Coverage – Think Twice

Members who are covered under a CRS medical plan and who are also purchasing an independent Medicare Part D prescription plan may be paying too much for prescription coverage. The two programs do not coordinate coverage. That means one plan does not pick up a portion of the cost not paid by the other plan. You can use one or the other to purchase a prescription but you cannot use both.

Members enrolled in a CRS medical plan also receive prescription coverage administered by Medco. The medical and prescription coverage provided by CRS cannot be purchased separately. The CRS prescription coverage is equivalent to or better than a Medicare Part D prescription plan bought independently and therefore is considered "creditable" coverage by Medicare. That means if a member chose to purchase a Part D prescription plan in the future, they would not be penalized for not having prior coverage.

Members currently covered by a CRS medical plan and an independently purchased Medicare Part D plan are strongly encouraged to review their need for this additional coverage. For additional assistance you can contact Medicare at 1-800-MEDICARE.

Dental & Vision Coverage

Currently CRS provides Dental and Vision coverage to members at no cost. However, beginning January 1, 2012 CRS will no longer contribute to the cost of these programs.

Members will be able to purchase Dental and/or Vision coverage for each calendar year and the premiums will be paid through pension payroll deduction. Guardian will continue to be the provider for dental coverage and EyeMed will continue to be the provider for vision coverage. Current coverage will end on December 31, 2011 for members who choose not to purchase coverage during the enrollment process this fall.

By early October, premium costs and information will be mailed to members detailing how they can elect to purchase coverage for themselves and/or their dependents for the 2012 calendar year. Members can only change their election annually during the enrollment period. Any change after the start of the calendar year must be related to a qualifying event such as:

- Change in the member's marital status due to divorce or death;
- Change in employment status at another employer that affects other benefit eligibility for members, spouses or dependents; or
- Dependent ceases to satisfy dependent eligibility requirements.

Monthly Premiums:

	<u>Dental</u>	<u>Vision</u>
Pensioner	\$30.80	\$3.28
Pensioner + Spouse	\$61.61	\$6.24
Pensioner + Child(ren)	\$60.07	\$6.56
Pensioner + Spouse + child(re	\$90.87	\$9.65