Living power

For all who have made a living and now wish to make a life

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Medicare Part D Enrollment for 2008: Frequently Asked Questions

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Butner Chapter 11

North Carolina Retired Governmental Employees' Association

(Editor's Note: The third annual enrollment period for the Medicare Part D Prescription Drug Plans (PDPs) opens on November 15 and will run through December 31, 2007. Coverage becomes effective January 1, 2008. This year, North Carolina retirees who are eligible for Medicare have a choice of fifty-two Prescription Drug Plans (PDPs) offered by 21 private companies that have been authorized by Medicare. The following article is intended to assist our members in understanding the Medicare Part D program and to answer some of the frequently asked questions that have been raised by our members.)

Introduction

The Medicare Part D Prescription Drug Plan was approved by the U.S. Congress four years ago to provide assistance to Medicare recipients who do not have access to a health insurance plan that provides prescription drug coverage. The Part D Program is funded by the Federal government but is marketed through private insurance companies under contract with the Centers for Medicare and Medicaid Services (CMS).

There are 21 companies authorized to provide Medicare Part D Prescription Drug Plans (PDPs) in North Carolina for next year. These companies usually send information about their plans to all Medicare eligible individuals. Our members can expect to receive a great deal of information about Medicare Part D from these competing companies.

However, **retired teachers and state employees** will not need to enroll in any of the Part D plans because they already have prescription drug coverage through the State Health Plan. This issue is explained in greater detail below.

The situation for **local government retirees** will vary depending on whether or not these retired employees are covered by a health insurance plan that provides pharmacy benefits equal to or better than the basic Medicare Part D Plan. Retired local government employees who continue to

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NCRGEA News & Views: Strategic Planning--Important Survey Coming Soon!

The January/February edition of *Living Power* will include an important survey that is being developed by the Association's Strategic Planning Committee. This past June, the Association's Board of Directors authorized the appointment of a special committee to develop a strategic plan for the NCRGEA. We expect to complete the plan within the next year. The Board believes that it is timely for the Association to evaluate our services for current members and to determine how we address the needs of the "baby boomers" who now are reaching retirement age.

An essential part of the strategic planning process is an assessment by members of the Association's role, services, and benefits both now and in the future. Our members will have the opportunity to voice their opinions on the activities of the Association.

We strongly urge each of you to complete and return the questionnaire that will be published in the next issue of this newsletter.

The Strategic Planning Committee was appointed in August and to date has met twice.

These initial meetings were devoted to a review of major trend data and an evaluation of the current Association mission and activities. The committee is chaired by the President, Leroy Henderson, and has a total of seven members. The full committee roster is as follows:

Leroy Henderson, Chair and President
Pete Andrews, Board Member, Dist. 9
Marcia Daniel, Board Member, Dist. 3
Leigh Hammond, Member
Nancy MacCormac, Assoc. Treasurer
Linda Suggs, Member
Willis Whichard, Assoc. Vice President

MetLife Dental Plan Information

If you enrolled in the MetLife Dental Plan for coverage effective January 1, 2008, look for the MetLife Identification Cards and Certificate Booklets to arrive in the mail in the last week of December.

We have received many phone calls from members questioning whether they have enrolled in the MetLife plan or the United Healthcare plan offered through the State Treasurer's office. If you are not sure which plan you enrolled in and think you may have enrolled in both plans, we urge you to call both the Association's office at 1-800-356-1190 **and** State Insurance Service's office at 1-800-462-7864 to verify enrollment.

Premium deductions from your pension for the MetLife plan will begin December 20 for coverage effective January 1, 2008.

Living Power is published to provide current information for NCRGEA's membership. Newsletters are printed bimonthly and mailed to all members of NCRGEA. Your comments are welcome.

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State Employees' Credit Union's Annual Meeting Attended by Over 700 Member-Owners

On Tuesday, October 9th, State Employees' Credit Union (SECU) held it's 70th Annual Meeting at the Sheraton Hotel at Four Seasons in Greensboro, North Carolina. More than 700 SECU member-owners from around the state attended the meeting, many of whom serve as volunteers on SECU Advisory Boards and Loan Review Committees. Several events preceded the meeting including a luncheon featuring guest speaker, Tom Glatt, President and CEO of Continental Federal Credit Union, who gave a lively presentation focusing on credit union ownership and the cooperative spirit. Following his presentation was a series of educational breakout sessions for SECU volunteers.

The educational sessions, added to the meeting agenda in 2006, provided volunteers with information regarding the structure and philosophy of credit unions, SECU Foundation initiatives and SECU's newest products and services. Each session concluded with an open forum for volunteer feedback and discussion. Jim Roberts, Raleigh-Hammond Road Advisory Board member comments, "It was an excellent meeting and very informative, even for a member-owner who has been very involved with SECU through multiple advisory boards. I hope to have the opportunity to participate again next year."

SECU's Advisory Boards are made up of approximately 1,800 volunteer members who represent each of its 214 branches statewide. The largest organized volunteer network of its kind, it is the "voice" of SECU's membership, bringing ideas and suggestions to credit union staff and Board of Directors. Advisory Board members also serve as credit union ambassadors in their communities. Mr. Roberts continues, "As an advocate for my credit union, I hope the news of the many positive SECU initiatives will spread well beyond the borders of North Carolina and provide examples for other credit unions to follow."

Immediate past Chairman of SECU's Board of Directors, David King adds, "The Annual Meeting and educational sessions provide an opportunity for the Credit Union's staff and volunteers to gather together, share ideas and learn from each other. This feedback helps us keep the credit union on the right track - doing the right thing for our membership and for the citizens of North Carolina."

About SECU

SECU is a non-profit financial cooperative owned by its members. SECU has been providing the employees of the State of North Carolina and their families with consumer financial services for 70 years. Currently serving nearly 1.4 million members, SECU provides services through 214 branch offices, over 950 ATMs, two call centers and a website—www.ncsecu.org.

Medicare Part D Enrollment for 2008: Frequently Asked Questions *(Continued from page 1)*

have employer-provided prescription drug insurance after they reach Medicare eligibility should contact their former employers to determine if they will need to enroll in a Medicare Part D Plan. As a general rule, local governments cease to cover local retirees when they reach Medicare eligibility.

Frequently Asked Questions

What is the reason that **retired teachers and state employees** do not need to enroll in the Medicare Part D Prescription Drug Program?

Retired teachers and state employees are covered by the State Health Plan which provides prescription drug benefits that are better than the coverage available under the basic Medicare Part D Plan. This is referred to as "creditable coverage." The State Health Plan sends an annual *Notice of Creditable Coverage* to all Medicare eligible retirees. This Notice confirms that prescription drug coverage under the State Health Plan is superior to Medicare Part D. Retirees who are covered by the State Health Plan should keep this Notice with their important documents in the event that prescription drug coverage through the State Health Plan changes in the future.

Should retired **local government employees** who are Medicare eligible enroll in one of the Part D prescription drug plans?

For Medicare eligible **local government retirees**, enrollment in one of the Medicare PDPs depends on whether or not they have creditable prescription drug coverage through a health insurance plan provided by their former employer or through an individual health insurance plan. All health plans that provide prescription drug benefits equal to or better than Medicare Part D are required to send a *Notice of Creditable Coverage* to members each year. **Local retirees** who are not sure whether they have such coverage through an employer provided health plan should contact the Human Resources office of the local government where they worked prior to retirement or their individual health insurance provider.

What about Medicare eligible spouses who are not covered by the State Health Plan and who do not have creditable prescription drug coverage under another health insurance program?

Medicare eligible spouses who are not covered by the State Health Plan or another health insurance program that provides creditable prescription drug coverage should enroll in one of the Medicare Part D plans.

Where can retirees obtain more information and counseling about Medicare Part D Prescription Drug Plans?

The Seniors' Health Insurance Information Program (SHIIP) located in the state Department of Insurance provides excellent information and counseling on the Medicare Part D program. There are two ways to contact SHIIP. You can call the toll-free telephone number (1-800-443-9354) and talk to a counselor. Or, if you have access to the Internet, you can go to the SHIIP web page **(www.ncdoi.com/SHIIP/Medicare/shiip_part_d.asp)** and read information about the PDPs offered in North Carolina, monthly premiums for the various PDPs, and facts about the Medicare Part D program. The Web page also features a Medicare Prescription Drug Plan Finder Tool Form that can be used to identify the PDP that best meets your needs.

SHIIP has a network of volunteer counselors across the state. You can find out about counselors in your area by calling the toll-free number listed above or accessing the web page.

Many government retirees from North Carolina now live in other parts of the country. Fortunately, every state has an agency similar to SHIIP. You can access a list of these agencies at the SHIIP web site under the SHIIP Information tab or call the SHIIP toll free number listed above.

Can retirees who enrolled in a Part D Plan during an earlier enrollment period change to another plan during this year's open enrollment?

Yes, you may select a different PDP during the current enrollment period from November 15 through December 31, 2007.

Must you wait until the next enrollment period (Fall, 2008) to select a Medicare Prescription Drug Plan if you are not yet eligible for Medicare?

No, individuals can enroll in a Part D Plan three months before or after the month in which they will reach age 65. For example, an individual who will reach age 65 in May, 2008 can enroll as early as February (three months before) or as late as August (three months after) without penalty and without waiting for the open enrollment period starting in November, 2008.

Is there a penalty if a person who is eligible for Medicare Part D coverage and who does not have creditable drug coverage from another source delays enrolling in a Part D plan?

Yes, there is a penalty that increases the premium by 1% for each month the individual delays their enrollment. For example, if the national average monthly Part D premium for 2008 is $30 and the person does not enroll for 6 months, the penalty would add $1.80 to the monthly premium.

What if I cannot afford a Medicare PDP?

There is federal assistance available for people with Medicare who have limited income and resources. If you qualify, you can receive assistance with premiums, deductibles and prescription co-payments. To contact the Low Income Subsidy (LIS) program, call the Social Security Administration at 1-800-772-1213, visit www.socialsecurity.gov or contact SHIIP for help at 1-800-443-9354.

North Carolina residents may also apply for assistance through the Governor's NCRx program by calling 1-888-488-6279

Direct deposit – the safer, easier choice for NCRGEA Members

***Go Direct** campaign helps people sign up for direct deposit, saves taxpayer dollars*

If you could make life safer and easier for yourself or a loved one with just one phone call, wouldn't you?

Switching to direct deposit is a small but important way that people who get Social Security and Supplemental Security Income (SSI) checks can improve their lives. And it just takes a few minutes to sign up.

The North Carolina Retired Governmental Employees' Association is proud to partner with ***Go Direct*** – a campaign sponsored by the U.S. Department of the Treasury and the Federal Reserve Banks to inform people who receive federal benefits about the advantages of direct deposit and help them sign up for it.

With direct deposit, you have:

· The safest method of receiving your payment

· An easier, more convenient way to access your money

· Control over your money and your time

Plus, **signing up is quick and easy** – call (800) 333-1795 or sign up online at www.GoDirect.org

Direct deposit eliminates the risk of lost or stolen checks, and helps protect against fraud and identity theft. Furthermore, direct deposit provides people with immediate access to their money from virtually everywhere, which can be vitally important in the case of a natural disaster or a major life change.

Direct deposit also saves taxpayers millions of dollars. The Treasury issues more than 150 million benefit checks annually. If all those were converted to direct deposit, it would save taxpayers about $120 million annually. Almost all the money saved remains in the Social Security Trust Fund – a benefit to all Americans for years to come.

Go Direct makes it easy for people who get Social Security and SSI to sign up for direct deposit – you can call the toll-free helpline (800) 333-1795 or sign up online at www.GoDirect.org.

If you or those close to you are still receiving Social Security or other federal benefits by check, we urge you to look into switching to the safest, easiest option – direct deposit – today!

*Information for this article was provided by **Go Direct**.*

North Carolina State Health Plan/TRICARE Supplemental Coverage Change

Effective January 1, 2008, state agencies will no longer be able to pay the TRICARE supplement in lieu of the State Health Plan premium. This change has been made due to the John Warner National Defense Appropriation Act for Fiscal Year 2007 (H.R. 5122), a provision that was enacted by Congress in 2006. This provision prohibits public and private employers with 20 or more employees from providing a financial incentive to TRICARE-eligible retirees to utilize TRICARE as the primary payer for health care rather than the employer-sponsored group health care plan.

All TRICARE members who currently have this coverage will be contacted via letter by TRICARE.

Options:

State employees and retirees who currently have supplemental TRICARE coverage have two options:

1) CONTINUATION OF TRICARE SUPPLEMENT:

The employee or retiree may continue TRICARE supplemental coverage on an individual basis by paying the $60.50 per month for employee coverage. Please note that this option **will only be available on a direct bill basis through TRICARE supplemental coverage** and will not be available through payroll deductions as it has been in the past.

2) NORTH CAROLINA STATE HEALTH PLAN PARTICIPATION:

The employee or retiree may elect to participate in the State Health Plan. For employees who choose this option, please have them complete an Enrollment Form (C9) for a January 1, 2008, effective date. The enrollment form should be received by Blue Cross and Blue Shield of North Carolina (BCBSNC) no later than December 1, 2007, in order for these individuals to be included on the January bills. To ensure BCBSNC does not apply preexisting conditions to these members' enrollment applications, please write TRICARE in the comments section of enrollment application.

Employees currently on the TRICARE supplement should evaluate their personal and / or family health care needs to determine the best coverage for them and their family.

Questions:

If an employee or retiree has questions regarding the TRICARE supplement or would like to continue this coverage on an individual basis, please contact TRICARE Customer Service at 1-800-638-2610 x 256.

Retirement System Schedule for Pension Checks

With the holiday schedule, the North Carolina Retirement System will either deposit or mail your monthly pension check on November 21 and December 20.

NEW REPORT SHOWS N.C. PENSION FUND REMAINS STRONG

Retirement System Funded at 106.1 Percent According to Annual Valuation

RALEIGH – State Treasurer Richard Moore has announced that North Carolina's pension fund remains one of the strongest in the nation, with a funding level of 106.1 percent. North Carolina's fund is one of the very few in the nation with a funding ratio, or assets divided by liabilities, greater than 100 percent. The new funding ratio was provided by the annual actuarial study of the Teachers' and State Employees' Retirement System (TSERS). TSERS provides retirement benefits for more than 500,000 working and retired teachers, state law enforcement officers and state employees.

"Today's report is further evidence that our state's pension fund is among the strongest in the nation and, in fact, is the envy of other states," Moore said. "North Carolina's teachers, state employees and retirees can count on our state retirement system to live up to its promises."

Such strong financial standing is rare in public pension funds. The average funding ratio for public pension plans is 85.8 percent, according to the Public Fund Survey by the National Association of State Retirement Administrators. The survey also showed that only eight other public funds have funding levels above 100 percent. In February, Standard & Poor's named North Carolina's pension fund the second strongest in the nation for the second year in a row.

Funding for TSERS is collected from three sources:

· Employee Contributions: All public employees contribute 6 percent of their paychecks to the System each month.

· Employer Contributions: The General Assembly appropriates an actuarially determined amount to the System each year.

· Investment Earnings: Treasurer Moore invests the System's contributions, and earnings from these investments help fund all of the System's benefits.

The valuation released this week is based on numbers collected through December 31, 2006. Last year's funding ratio was 106.5 percent. The decrease is a result of actions taken by the General Assembly to draw down the system's surplus by reducing the employer contributions in recent years.

Association Holiday Hours Announced

The office of the North Carolina Retired Governmental Employees' Association will be closed on November 22 and 23 in observance of Thanksgiving.

The office will close at 5:00 p.m. on Friday, December 21 and reopen at 8:00 a.m. on Wednesday, January 2.

We hope you have a great holiday season!

Social Security Warns about Potential "Scams"

Social Security recently has had to issue a warning about several 'scams' that have surfaced throughout the southeast. The agency has received many reports about telephone calls or visits from people who falsely claim to be Social Security employees. In each case, the person attempted to obtain personal information, such as a Social Security or bank account number, from the Social Security recipient.

The scam artists who identify themselves as Social Security employees have used a variety of approaches to get personal information. In one case, a caller said that Social Security was experiencing a power outage and needed to verify the person's information. In another, the caller posed as an employee who needed to verify the person's direct deposit information.

In a third scam, Social Security recipients were told that their monthly benefit payments were being cut because they have inherited a house from a relative — an event which, by the way, would not result in a reduction of Social Security benefits. To help make the fraud seem authentic, the caller then placed the person on hold and played the same on-hold recordings used by Social Security. When the caller got back on the line, the recipients were then told that proceeds from the sale of the house will be sent to them if they pay the back taxes.

Basically, always take precautions when giving out personal information. You should never provide your Social Security number or other personal information over the telephone unless you initiated the contact, or are confident of the person to whom you are speaking. If in doubt, do not release information without first verifying the validity of the call.

If there is any doubt at all about someone who claims to be a Social Security representative, contact your local Social Security office or call Social Security's toll-free number at 1-800-772-1213 to verify the legitimacy of the call. (If you are deaf or hard of hearing, call Social Security's TTY number at 1-800-325-0778.)

In the meantime, the Office of Inspector General is working closely with other Social Security officials to investigate all reports of suspicious activity. To report suspicious activity, please call the OIG Hotline at 1-800-269-0271. (If you are deaf or hard of hearing, call the OIG TTY number at 1-866-501-2101.) A Public Fraud Reporting form is also available online at the OIG's website: http://www.socialsecurity.gov/oig/.

Legislative Success: Motivated Members Make the Difference

We consider the 2007 Session of the General Assembly to be successful from the perspective of what our members were able to achieve by actively lobbying their legislators. While we did not achieve all that we sought, the Association was able to score a number of important goals thanks to the participation of members across the state. Here are a few examples of what our members were able to accomplish this year.

We faced a serious challenge to convince state legislators that additional money should be appropriated to provide a decent Cost-Of-Living Adjustment (COLA) for retired teachers and state employees. The Teachers' and State Employees' Retirement System could only cover a 1.0% COLA with existing gains. A raise equal to the rate of inflation (2.5%) would require the General Assembly to provide an additional $45 million.

The budget proposals crafted by the House and Senate provided enough additional money to fund a 2.0% COLA for state retirees. It appeared that a 2.0% raise was the best we could expect as House and Senate conferees set to work in early June to resolve budget differences. After all, the House and Senate versions of the budget were in agreement on a 2.0% COLA for state retirees. As a general rule, budget conferees do not change provisions that are identical in House and Senate budget proposals.

However, our lobbying efforts in Raleigh and our members across the state were able to convince legislators that retirees deserved a higher pension increase. Retirees responded to our urgings that they contact members of the General Assembly to present the case for a higher COLA. Our members maintained the effort all through the lengthy budget negotiations. In the end, the budget conferees departed from the general rule and provided state retirees with a 2.2% COLA—the same increase that had been approved by the Retirement Systems Board of Trustees for retired local government employees.

Next, we were surprised by the introduction of legislation (Senate Bill 1207) that proposed to authorize the State Health Plan to charge a monthly premium to active and retired employees who were enrolled in the traditional indemnity plan. Our Association, along with NCAE and the N.C. Retired School Personnel group, immediately launched an effort to alert our members to this troubling proposal.

Members across the state were quick to respond. Retirees made it clear to legislators that we consider lifetime coverage without monthly premiums by the State Health Plan to be an ongoing commitment by the state to employees. Any effort to renege on this commitment, especially for retirees, would be a breach of faith.

Once again, members of the General Assembly heard from many of their retired constituents as well as NCRGEA staff and listened to what we had to say. The proposal to assess premiums for State Health Plan coverage was quietly shelved.

Two other misguided proposals that emerged during the 2007 Session were derailed thanks to prompt action by retired state and local government employees. Two bills were introduced that proposed to drastically change the investment management authority for the state and local pension funds. Both House Bill 1775 and House Bill 1806 proposed to remove the investment authority from the State Treasurer and assign this to either the Board of Trustees or an appointed Investment Management Committee.

The response from our members was swift and decisive. Retirees quickly contacted their legislators to express opposition to these bills. Effective "grass roots" lobbying again succeeded in the stopping of bad legislation. Both bills remained in committee at the end on the session.

These examples underscore the importance of an active and informed membership. We have a variety of means (the internet, telephone "hot lines", newsletters, etc.) at our disposal to get timely and accurate information to our members concerning their involvement in the lobbying process. Organizations such as the NCRGEA with large memberships have a great deal of potential power. Motivating members to exercise this power is our challenge. Our thanks to all of our members who did respond this year. Your individual efforts with members of the General Assembly made all the difference.

- Ed Regan

State Health Plan Questions to be Answered at Butner Chapter Meeting

Association members in Durham, Franklin, Granville, Nash, Orange, Person, Vance and Warren counties are invited to attend the semiannual meeting of the Butner chapter on Tuesday, January 8 at 1:00 p.m. The meeting will take place at the Murdoch Chapel at the Murdoch Center Campus on "C" Street in Butner.

With the upcoming phaseout of the North Carolina State Health Plan's Comprehensive Major Medical Plan (or Indemnity Plan), members who currently have the Indemnity Plan will be automatically switched over to one of the Preferred Provider Options (PPOs). State Health Plan members will have a choice as to which plan they want to be switched over to but if they do not make a choice, the State Health Plan office will automatically switch you next spring for an effective date of July 1, 2008.

A representative from the State Health Plan's office will detail the PPO plans, discuss the differences between the options and explain the transition process. In addition, a question and answer session will be held to answer any questions you may have about the transition and the plans.

In addition, NCRGEA Executive Director Ed Regan will discuss the North Carolina Retirement Systems recent Actuarial Report as well as detail the Association's

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North Carolina Retired Governmental Employees' Association

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State Health Plan Questions to be Answered at Butner Chapter Meeting

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legislative goals for the upcoming 2008 General Assembly session.

The Butner chapter meets twice a year and the meeting is open to all retired state and local government employees. Refreshments will be served.

Directions: I-85, Exit 191. West on NC Highway 56. Proceed approximately one-half mile. Turn right on "C" Street. Murdoch Chapel is on the right hand side of the road.

Important Phone Numbers to Remember

NCRGEA	1-800-356-1190
MetLife Dental	1-888-466-9073
NC Retirement System	1-877-733-4191
CIGNA (Medicare Administrator)	1-800-633-4227
Seniors' Health Insurance Information Program	1-800-443-9354
Medical Review of North Carolina	1-800-722-0468
NC State Health Plan	1-919-881-2300
Blue Cross/Blue Shield (State Health Plan Administrator)	1-800-422-4658
Social Security Administration	1-800-772-1213
State Employees' Credit Union	1-888-732-8562
Local Government Federal Credit Union	1-888-732-8562