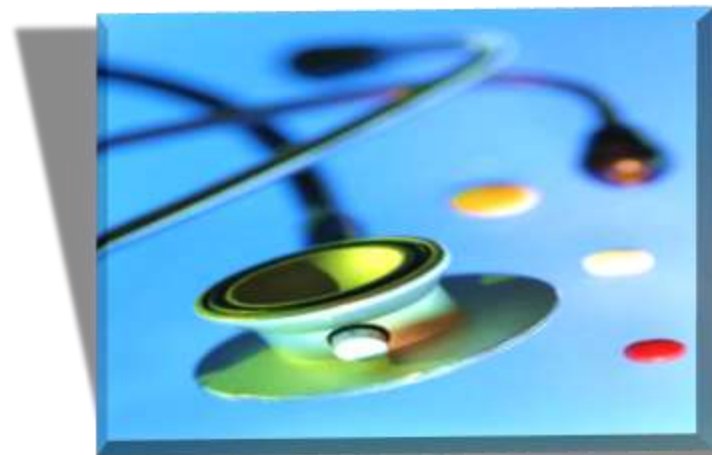


# Healthcare

Presented by  
Ron Hoth



# Our Discussion Today

Choices Retirees Have Made



ALU's 2015 Open Enrollment



Legislation Impact for 2015+



LRO Benefit Team Activities/Plans



NRLN Activities

# Are You Currently Enrolled in a...

ALU Plan?

Plan Outside of  
ALU?

# Are You...

**A Represented  
Retiree**

**A Surviving Spouse**

**A Non-Medicare  
Eligible Retiree**

# Stats & Facts

ALU continues to cover over **147,000** across all populations including about **39,000** management & non-represented retirees and dependents

# Stats & Facts

**Approximately 33,000 participants in the PPO plan (includes retirees & dependents)**

**Management retiree population, had ~268 retirees who had PPO in 2014 opt out for 2015**

**~104 retirees who opted out in 2014 selected PPO for 2015**

# Stats & Facts

<u>MGMT &amp; NON REPRESENTED</u>	<u>TOTAL</u>	<u>ENROLLED</u>	<u>%</u>	<u>CHANGE</u>
RETIREES	48,000	23,000	48	-4
DEPENDENTS	36,000	16,000	44	-3
PRE 3/1/90 RETIREES	13,000	10,000	77	-2
PRE 3/1/90 DEPENDENTS	9,000	7,000	78	0
POST 3/1/90 RETIREES	35,000	13,000	37	-4
POST 3/1/90 DEPENDENTS	27,000	9,000	33	-4
DENTAL PLAN RETIREES	48,000	16,000	33	0

# ALU Report On Open Enrollment

## Top Call Trends ALU Benefit Center (ALBC) –

1. Requests for annual enrollment kits
2. Web navigation assistance
3. Security questions
4. Inquiries about action required to remain in same coverage
5. Questions about plan options and/or prices



# ALU Report Continued

- ❑ Online Open Enrollment continues to increase and ALU encourages all to do it
- ❑ Of retirees who actively enrolled:
  - **73%** Mgmt. & **45%** Union enrolled on line
  - **27%** Mgmt. & **55%** Union called ALBC
- ❑ ALU reminds that no action necessary if want to keep same coverage (Default Coverage)
- ❑ Cont'd uptick in opt outs in pre 65 retirees

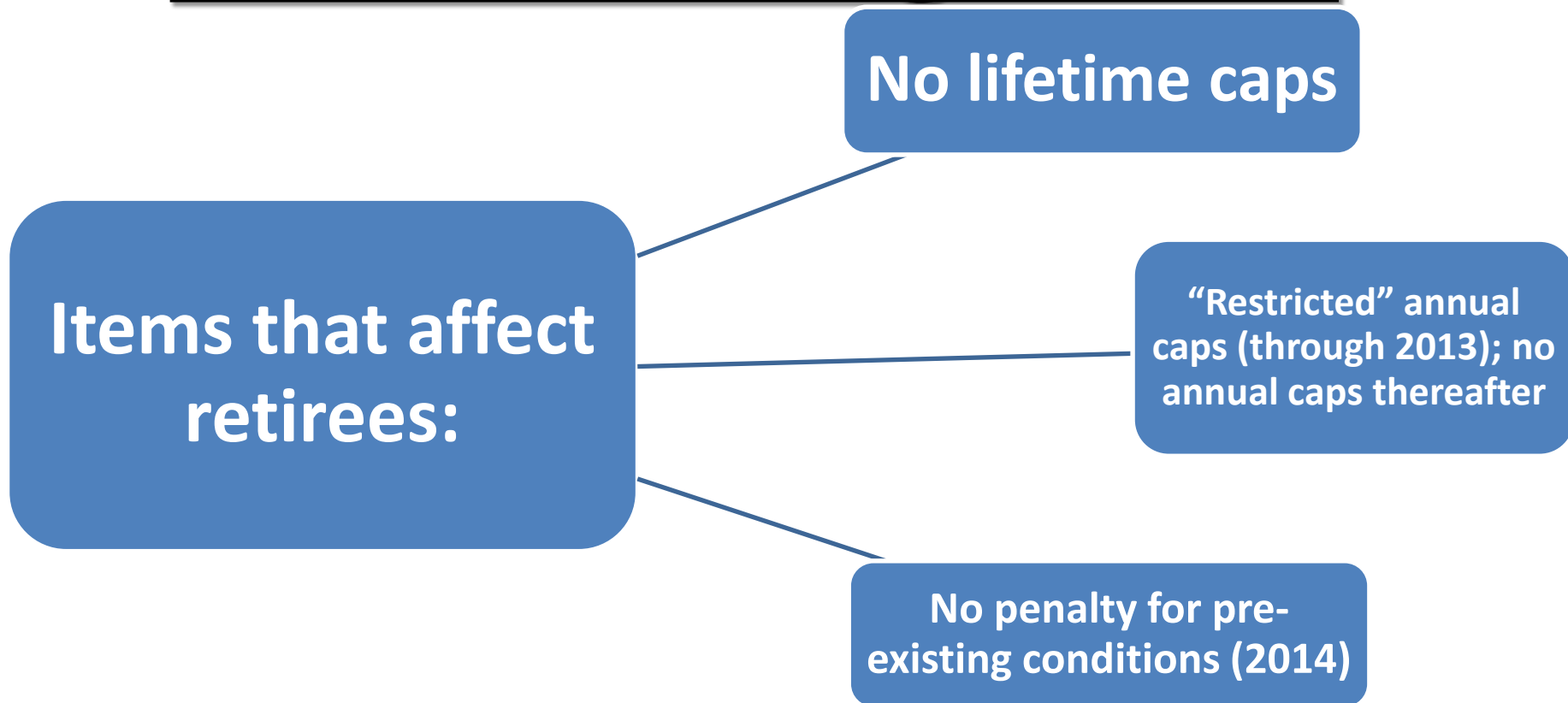
## Plan Year 2015

### What's Changed In The Marketplace?

#### Commercial alternatives:

- Medigap Plan Provisions are Standard but costs vary
- Medigap supplemental plans E,H,I,J & High Deductible J – Grandfathered Basis Only
- *See LRO Website [www.lucentretirees.com](http://www.lucentretirees.com) – Benefits Homepage for info on offerings*
- *Can go to [www.medicare.gov](http://www.medicare.gov) or call 1-800-Medicare for plan comparison info.*

# Healthcare Legislation



***Note: ALU does not have annual or lifetime maxes in retiree plans; ALU plans do not check for pre-existing conditions.***

# Healthcare Legislation

## Items that affect retirees:

### Medicare Eligible

- Medicare Advantage Plans - federal subsidy did not change for 2015
- **55%** discount on brand name drugs & **35%** on generic in donut hole
- Medicare “B” stayed @ \$104.90 for 2015

### Non-Medicare Eligible

- 36 states have Federally-facilitated Exchanges

**Plan Year 2015**  
**ALU Healthcare Benefits Open Enrollment**



<p><b>Affordability by ALU</b></p>
<p><b>Center for Medicare and Medicaid Services (CMS) requirements</b></p>
<p><b>Health Care Affordable Care Act changes for both Medicare and non-Medicare Eligible retirees. Premium Tax Credits &amp; Individual Shared Responsibility Provision in effect for 2014.</b></p>

## **Key Items to Note**

- Premiums can be deducted from your monthly pension payment or directly billed to you.**
  
- If Medicare eligible you must be enrolled in both Medicare A&B**
  
- If you disenroll from ALU medical coverage, you will also lose Rx coverage.**
  
- You can drop Rx coverage and keep medical but no reduction in premium.**

## Illinois SHIP Organization

### Medicare says and LRO agrees:

- Call your State Health Insurance Assistance Program (SHIP) for help when shopping for an alternative Medicare health or Rx plan.
- Go to Medicare & You 2015 Booklet for contact information. Typically on Back Cover. Also, contact information available on LRO website Benefits Team Home Page (Help in Home State Link)

# Non-Medicare Eligible Contact Info

- **Contact information for Non-Medicare Eligible Retirees:**
  - **Health Insurance Marketplace:**
    - **Telephone Number: 1-800-318-2596**
    - **Website: [Healthcare.gov](http://Healthcare.gov)**
- **Your state is a participant in the Federal Government Exchange Program**
- **Important to shop the Market and compare with ALU plan offering!!!**



## Consideration of Changes

- In near term overall medical costs expected to continue to increase at the high historical, typically double digit percent rates for non-Medicare eligibles.
- Medicare Advantage (such as the ALU plans) rates probably will increase at accelerated rate because the federal subsidy to insurance carriers is scheduled to be reduced per the Affordable Care Act.
- No more subsidy from ALU for pre-65 retirees

# ALU 2015 Healthcare Plans

## Per ALU:

- “Pre-65 retirees – coverage through the healthcare exchanges may provide a better value, especially for any retirees who get a subsidy from the U.S. government.”
- There are ~**8000** pre-65 Management retirees

# ALU Plan Changes For 2015

Elimination of  
ALU Subsidy –  
Pre-65

Implementation  
of Additional Rx  
Coverage  
Management  
Programs.

Medicare  
Eligibles  
Add Silver  
Sneakers  
Program &  
Statutory  
Changes to the  
Medicare D Rx  
Plan.

Changes were outlined in Open Enrollment What's Changing Document. Call ALU Benefits Center if any questions. 1-888-232-4111

# **LRO Benefits Team Activities**

- Team with outside consultant for Open Enrollment & Other - As Needed**
- Continuous Update LRO Benefits Website**
- Escalate problems/questions to ALU Corporate Benefits**
- Respond to Retiree Questions/Problems**
- Work with the National Retiree Legislation Network (NRLN) on legislative related healthcare/benefit issues**
- Herb Zydney (Bell Labs) assistance “priceless”**

# The



## PROTECTION AND ENHANCEMENT OF RETIREE HEALTH CARE BENEFITS

- MAINTENANCE OF COST PAYMENT
- MEDICARE BUY-IN FOR AGES 55-64
- INCLUSION OF CATASTROPHIC COVERAGE IN MEDICARE
- REDUCE THE COST OF PRESCRIPTION DRUGS – Eliminate  
“Donut Hole” before 2020!
- PROTECT MEDICARE

# The NRLN Agenda Cont'd

- ELIMINATE TAXATION OF HEALTH CARE BENEFITS
- DEDUCTIBILITY OF HEALTH CARE COSTS
- HEALTH SAVINGS ACCOUNTS (HSA'S)
- TAX FREE WITHDRAWALS FROM SAVINGS TO PAY RETIREE HEALTH PREMIUMS
- DEPENDENTS COVERAGE (Age 26), FREE MAMMOGRAMS, COLONOSCOPIES, ETC.

# Your Turn...

## Did You -

- Compare ALU/Commercial Medicare plans?
- Use ALU and/or UHC Help Lines?
  - If so – how would you rate service?
- Are you satisfied with your healthcare choice?
- Have you used LRO Benefits Team Website?
- What can LRO Benefits Team do to improve this site and/or service to you?

# Benefits Homepage Activity

## □ 2014 – 5 months- Aug. To Dec.

– Sessions -5659    Users -3837    Up 40% over 2013

Users: NJ 19%, ILL 11%, FL 8%, NC 6%, GA 6%

## ■ Plan to revise Benefits Homepage & have three “landing pages” with ALU & Commercial comparisons

– Medicare; New to Medicare; Pre Medicare/ACA

– Provide A More User Friendly Structure



# Basic Group Life Insurance

- Few words about Met Life Basic Group Life Insurance (GLI)
- ALU advises “no changes to GLI & there are VEBA assets that we expect to cover the benefit into the next decade”

## Important Contact Information

### Health & Welfare & Pension Plan Inquiries

Alcatel-Lucent Benefits Center (ALBC)	1-888-232-4111 <a href="http://www.resources.hewitt.com/alcatel-lucent">www.resources.hewitt.com/alcatel-lucent</a>
Aetna Dental	1-800-220-5479 (DMO) 1-800-220-5470 (PPO) <a href="http://www.aetna.com">www.aetna.com</a>
UHC Medicare Advantage Group PPO	<a href="http://www.uhcretiree.com/alcatel-lucent">www.uhcretiree.com/alcatel-lucent</a>
For info on coverage	1-888-980-8117 (TTY: 711)
For info on providers	1-877-842-3210
UHC Traditional Indemnity	1-800-577-8567
Express Scripts Non-Medicare Eligible	1-800-336-5934 <a href="http://www.express-scripts.com">www.express-scripts.com</a>
Express Scripts Medicare Eligible	1-800-230-0512 <a href="http://www.express-scripts.com">www.express-scripts.com</a> (TTY: 1-800-716-3231)
METLIFE Life Insurance /Long-Term Care	1-888-201-4612 / 1-800-984-8651
Medicare Info Parts A,B,C & D	1-800-633-4227 (TTY:1-877-486-2048)
Social Security Administration	1-800-772-1213 (TTY:1-800-325-0778)
Your Benefits Resource (YBR) Website	<a href="http://resources.hewitt.com/alcatel-lucent">http://resources.hewitt.com/alcatel-lucent</a>
LRO Website	<a href="http://www.lucentretirees.com">www.lucentretirees.com</a>
LRO Benefits Email Address	<a href="mailto:benefits@lucentretirees.com">benefits@lucentretirees.com</a>
SHIP Contact Information	1-800-633-4227 <a href="http://www.medicare.gov">www.medicare.gov</a>
ALU Added Benefits	1-800-622-6045 <a href="http://www.addedbenefitsaccess.com">www.addedbenefitsaccess.com</a>
ALU website for Benefit News	<a href="http://www.benefitanswersplus.com">www.benefitanswersplus.com</a>