

An introduction to health care changes  
for Oak Ridge National Laboratory

# PARTICIPANTS IN THE OVER AGE 65 HEALTH CARE PLANS



JULY 1, 2012







**To: All Participants in the ORNL Over Age 65 Health Care Plans**  
**Subject: New Health Care Coverage Beginning July 1, 2012**

At Oak Ridge National Laboratory, we know that choice, value, and quality in health care coverage are important to you. To provide you with more plan options and better value without sacrificing quality, we are pleased to announce a new way to access health care coverage effective July 1, 2012. Each individual will be able to choose the particular medical, dental, and vision coverage that best meets his or her needs. The new coverage will replace the retiree medical plan and dental/vision plan that ORNL currently offers to Medicare-eligible participants through United Healthcare. **On July 1, 2012, your current ORNL medical and dental/vision coverage through United Healthcare will end, but your prescription drug benefit through Medco will continue without change.**

Medicare-eligible individuals have more choices of supplemental Medicare coverage than ever before. ORNL has chosen the company Extend Health to provide you access to the dynamic Medicare market, no longer just our current, single-option group plan that is "one size fits all." Medicare experts at Extend Health will help you choose, and become comfortable with using, the new coverage you select. Extend Health's licensed benefit advisors will help

you objectively review and enroll in a health care plan that best fits your needs and budget. The dollar amount that you contribute to health care coverage may decline, and in most instances you will have access to a choice of plans that offers the same or better coverage than your current plan. Please keep in mind that your prescription drug benefit through Medco is not changing. Only your medical and dental/vision coverage is changing. Your new coverage will take effect on July 1, 2012, as long as you enroll by the June 30 deadline.

ORNL remains committed to providing excellent retiree medical coverage and will continue to assist you with the cost of this coverage. Today, ORNL subsidizes a portion of your medical premiums. Beginning in July, these ORNL benefit dollars will be used to create a special, tax-free account called a Health Reimbursement Arrangement (HRA). You can use this HRA to reimburse yourself for insurance premiums and other eligible medical expenses such as dental and vision.

Other national laboratories (for example, Sandia, Lawrence Livermore, and Hanford) have already made the switch to Extend Health and report positive feedback from their retirees.

This booklet explains the new process and outlines the actions you must take to receive health care coverage with financial support from ORNL. In addition, information meetings will be held, and Extend Health will send you communications in preparation for enrollment (see the Calendar of Events starting on page 10). We appreciate our retirees and believe this new benefits model will provide you with the health care coverage that is best tailored to your personal needs and budget and is more sustainable over time.

*Thomas Mason*

**Thom Mason**

*Laboratory Director*

DISCOVER  
your WORLD of benefits



Real Life. Real Benefits. Real Choices.

## ABOUT THIS BOOKLET

Please read this booklet carefully. (You may wish to share it with those who help you with the complexities of daily living.) It explains the changes taking effect on July 1, 2012, includes information about the plans available through Extend Health, describes how Extend Health will assist you during enrollment, and lists the actions you need to take and the deadlines for taking them.

More details are in the mail to you from Extend Health.



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## Why the Change?

### Confronting soaring healthcare costs

Like many other companies, ORNL has struggled to contain soaring health care costs without sacrificing quality or coverage for our employees and retirees.

We have selected a solution that allows you to choose from a wide selection of Medicare plans, so you can choose the plan that works best for you. The plans offered through Extend Health offer greater choice than the single United Healthcare option you currently have and will replace the current over-age-65 retiree medical and dental/vision coverage offered by ORNL. Your prescription drug plan is unaffected; it will continue through Medco without change. Your prescription copays and deductibles will remain the same, and your monthly premium for prescription drug coverage will continue to be taken from your pension check or direct billed, as it is today. You will pay your new medical, dental, and vision premiums directly to the carrier(s) you select.

The new solution allows you to personalize your Medicare benefits and provides you with a Health Reimbursement Arrangement (HRA) that can be used to help cover the cost of an individual Medicare plan. HRAs are tax-free accounts established by employers and are used to reimburse eligible health care expenses, including health insurance premiums. You will now be responsible for choosing and paying for your own health coverage. We have compared several coverage scenarios and found that most retirees pay less or about the same for health care coverage with this personalized approach. Many of you may be concerned about reaching the lifetime maximum; Under the supplemental Medicare plans, there are no lifetime maximums.

We believe our arrangement with Extend Health will benefit both you and the company because it:

- Allows ORNL to continue to offer retiree health care options in a time of economic challenges and ongoing national uncertainty about the rising costs of medical insurance.
- Provides you with a number of plan options so you can choose the best health care plan for your situation.
- Gives you flexibility in using ORNL's HRA contribution.
- Potentially saves you money, depending on your enrollment choice and individual situation.





# Introducing Extend Health

## Your transition to new retiree benefits

ORNL and Extend Health are dedicated to making the transition to your new health coverage easy and straightforward. We understand that these decisions you are being asked to make about health care coverage are important. To help you make informed decisions with confidence, we have partnered with Extend Health.

Extend Health is the leading provider of defined contribution health care solutions. With Extend Health's assistance, retirees gain access to a number of different Medicare plans, including those offered by the leading national and regional insurance companies, such as AARP, Humana, and BlueCross BlueShield.

Extend Health's licensed benefit advisors are your advocates and will help you choose the Medicare coverage plan that best serves your medical needs and fits your budget. These knowledgeable, objective advisors are available to support and assist you in making these decisions. They will guide you through the entire process. To date, Extend Health has helped hundreds of thousands of retirees evaluate and enroll in plans.

Extend Health will give you and your eligible spouse personalized assistance. An experienced Extend Health benefit advisor will provide:

- Individualized telephone support to help you make an informed and confident Medicare enrollment decision by July 1, 2012.
- Education about the differences between various plans, and the costs of each of those plans.
- Advice and decision-making support, based on your current coverage and future needs.
- Assistance with enrolling in medical, dental, and vision plans.

Each retiree, spouse, and surviving spouse will select the health care plan(s) that best meet his or her needs. You and your spouse can choose different plans and even different insurance providers.

For those interested in more immediate access to information, Extend Health offers a personalized website for education, evaluation of options, and enrollment information. The web address is **[www.extendhealth.com/ornl](http://www.extendhealth.com/ornl)**.

## Who Is Eligible?

Anyone who is Medicare-eligible may enroll in a health care plan with Extend Health. For those who are currently enrolled (or eligible to enroll) in the United Healthcare (UHC) Major Medical Medicare Supplement Plan and pay shared cost premiums today, ORNL will provide these enhanced benefits:

- Continuation of prescription drug coverage through Medco, at shared cost
- HRA funded by ORNL

If you and your spouse are both eligible, each of you must make an election with Extend Health. Dual coverage is not an option with either Medicare or Medicare supplement plans—only individual coverage is available.

The retiree must enroll with Extend Health for the spouse to be eligible for enhanced benefits from ORNL. If you do not enroll in a medical plan through Extend Health, with prescription drug coverage through Medco, you, your spouse, and dependents automatically forfeit all future enrollment eligibility. In addition, you will not be eligible for an HRA funded by ORNL.

This chart explains who is eligible to receive the enhanced benefits provided by ORNL.

		Extend Health	Medco Rx	HRA provided by ORNL
<b>Participants in the UHC Major Medical Medicare Supplement Plan with Shared Cost</b>				
Medical	Retiree or Surviving Spouse	Yes	Yes	Yes
	Spouse	Yes	Yes, if retiree enrolls	Yes, if retiree enrolls
Dental/Vision		Yes	N/A	N/A
<b>Participants in the CIGNA, MetLife, and Delta Dental Plans</b>				
	Retiree	Eligible at age 65		
	Spouse	If currently age 65 or older, spouse is eligible when the retiree reaches age 65. If currently under age 65, then spouse is eligible when both the retiree and spouse are age 65.		
	Participants will receive information from Extend Health approximately three months prior to turning age 65.			

## Steps Toward Enrollment

Extend Health will help you enroll in the individual Medicare plan options that best fit your needs. There are three steps to this process: **Education, Evaluation, and Enrollment**. You will be fully supported through each of these steps by licensed benefit advisors from Extend Health, and through use of Extend Health's online tools and services.

### 1. Education

You will receive an *Enrollment Guide* from Extend Health containing instructions about how to evaluate and enroll in the plan that is right for you. This guide will include comparisons of plan options, helpful information on eligibility, and additional information about working with Extend Health.

### 2. Evaluation

Use this booklet, the *Enrollment Guide*, and Extend Health's online tools to review your options and prepare for your consultation with an Extend Health licensed benefit advisor. The *Enrollment Guide* explains the types of information, including some medical history, that Extend Health will need from you. You also have the option of completing this information online before speaking with a benefit advisor—a recommended step that will ensure your advisor has all the information she or he needs to help you find the best plan for your particular situation. When you are ready, call Extend Health at 888-592-8348. Extend Health may also reach out to you to start the education and enrollment process. Your benefit advisor will make recommendations on options that make sense for you based on the data you provide. You can then compare your options and decide what level of coverage best meets your medical, dental, and vision needs and budget.

### 3. Enrollment

An Extend Health licensed benefit advisor will expedite your enrollment for the health care plans you choose. During the enrollment period, a benefit advisor will ensure that you have the expert support you need to make informed and confident decisions.





## Become Familiar with Your Plan Options

Before you enroll, it is good to become familiar with Medicare. Medicare benefits are broken into several component parts. To decide how to best meet your medical needs and budget, it helps to understand how these parts work together. Below is a brief summary of the parts of Medicare, the decisions you must make, and how your Medco Prescription Drug plan fits in.

### WHAT YOU GET:

#### Medicare Part A and Part B

Original Medicare consists of Part A and Part B. When you reach age 65 and qualify for Medicare, you automatically receive Part A and become eligible for Part B.

#### Part A

Provides you with inpatient care and covers inpatient hospital stays, home health care, stays in skilled nursing facilities, and hospice care.

#### Part B

Provides you with outpatient care, and covers physician fees and other medical services not requiring hospitalization. You must choose to enroll in Part B.

#### Medco Prescription Drug Coverage

Automatically provided through Medco when you enroll in a medical plan with Extend Health. Coverage with Medco replaces Medicare Part D prescription drug coverage.

### WHAT YOU CHOOSE:

You choose between different types of supplemental plans that add coverage where original Medicare may have less than you need.

#### Medicare Advantage (Part C)

A plan offered by a private company to provide you with all your Medicare Part A and Part B benefits plus additional benefits. Since your prescription drug coverage is through Medco, you are eligible for any of the Medicare Advantage (MA) plans but not the Medicare Advantage Prescription Drug (MAPD) plans. Medicare Advantage plans vary by the type of doctor network they provide. There are three doctor networks: HMO, PPO, and Private Fee-for-Service (PFFS) plans.

#### Medigap

Medigap is Medicare supplemental insurance sold by private insurance companies to fill "gaps" in Original Medicare plan coverage.

#### Dental or Vision coverage

Some Medicare Advantage plans include dental and vision benefits. In addition, Extend Health offers separate dental and vision plans.

### HOW TO DECIDE:

**You may combine the supplemental plans above to create a package of plans that covers all of your needs. Choosing the best combination requires some education and some comparison of plan features and costs. Extend Health benefit advisors have the experience and knowledge to help.**

## What Is a Health Reimbursement Arrangement (HRA)?

ORNL is continuing its financial commitment to you by providing benefit dollars to assist with purchasing health care coverage. These benefit dollars will be provided through a Health Reimbursement Arrangement or HRA.

An HRA is an account set up and funded for you by ORNL. You can be reimbursed for eligible health care expenses from this account. When you enroll in a medical plan offered through Extend Health, ORNL will credit your HRA with tax-free benefit dollars. You can use the benefit dollars to be reimbursed for:

- Premiums for individual Medicare supplemental insurance such as Medicare Advantage or Medigap
- Premiums for the Medco Prescription Drug plan
- Out-of-pocket expenses like deductibles and co-pays
- Dental and vision plan premiums

In addition, any benefit dollars remaining in your HRA at the end of the year will roll over for use in future years, as long as you remain enrolled in a plan offered through Extend Health.

Extend Health will mail you an *HRA Guide* that will help you access and manage your HRA account as well as provide you with claims and processing information.

***In order to qualify for your HRA, ORNL requires that you enroll in a medical plan through Extend Health, with prescription drug coverage through Medco. If you change plans in future years, you must use the Extend Health service to find and enroll in a new medical plan, or you will lose your HRA eligibility.***



## How an HRA Works

Beginning in July 2012, ORNL will place tax-free dollars in your HRA. You will choose and pay for your own health care coverage and can be reimbursed from your HRA to the extent that the benefit dollars are available in your HRA.

### Creating Your HRA

1. You and Extend Health work together to evaluate the options and select the plans that are right for you.
2. You enroll in a plan through Extend Health starting April 19 through June 30.
3. After you enroll, ORNL places benefit dollars in your HRA on July 1, 2012.

### Getting Reimbursed from Your HRA

1. You pay your monthly premiums directly to your insurance provider.
2. You submit your claim to Extend Health.
3. Extend Health reimburses you from the ORNL benefit dollars that have been credited to your HRA.

### Establishing direct deposit for your HRA reimbursements

To receive your reimbursements as quickly as possible, we encourage you to establish direct deposit to a checking or savings account at your bank or credit union. Information on setting up direct deposit will be provided in the Extend Health *HRA Guide*. If you choose not to set up direct deposit, all reimbursements will be made by check and mailed to the address on file with Extend Health.



## About Your Health Reimbursement Arrangement

### How many dollars will be deposited into my HRA?

Each retiree, spouse, or surviving spouse will receive \$500 benefit dollars on January 1 of each year, as long as you enroll in a medical plan with Extend Health. Because we are making this change in mid-year, you will each receive \$250 benefit dollars on July 1, 2012, and \$500 on January 1, 2013.

If you turn age 65 and enroll in the plan mid-year, your benefit dollars will be pro-rated.

### What are the rules for HRA eligibility?

- During the transition to Extend Health, the retiree, spouse, or surviving spouse must be enrolled (or eligible to enroll) in the ORNL United Healthcare Major Medical Medicare Supplement Plan as of June 30, 2012, **AND** must enroll in a medical plan with Extend Health effective July 1, 2012, with prescription drug coverage through Medco.
- For ongoing enrollments or future Open Enrollment periods, you must be eligible to participate in the ORNL over-age-65 health care plans **AND** enroll in a medical plan with Extend Health.

### Will my spouse and I have separate accounts?

No, you and your spouse will share a joint HRA account, which may be used for eligible expenses incurred by just one individual or by both.

### What happens to the funds in the account when I or my spouse dies?

If you and your spouse are both over age 65 and enrolled in a medical plan through Extend Health, the surviving spouse becomes the account holder, and his or her contributions will continue if he or she remains in the plan. When there is no surviving spouse, the estate has six months to submit claims for expenses incurred prior to the date of death.





## HRA Scenarios

### When an HRA begins and employer coverage ends

Below are some example scenarios to help you better understand when an HRA begins and when United Healthcare coverage ends.

#### Retiree/Surviving Spouse

- Your ORNL medical and dental/vision coverage ends on June 30, 2012.
- You enroll in a medical plan with Extend Health. You may also enroll in dental and vision benefits. You pay premiums directly to the insurance provider(s).
- Prescription drug coverage continues with Medco. Medco premiums are deducted from your pension or paid through direct billing.
- ORNL benefit dollars are credited to your HRA on July 1, 2012.

#### Your Spouse

- Your spouse's ORNL medical and dental/vision coverage ends on June 30, 2012.
- Your spouse enrolls in a medical plan with Extend Health. Your spouse may also enroll in dental and vision benefits. Premiums are paid directly to the insurance provider(s).
- Prescription drug coverage continues with Medco. Medco premiums are deducted from your pension or paid through direct billing.
- As long as you elect medical coverage with Extend Health, ORNL benefit dollars for your spouse are credited to a joint HRA on July 1, 2012. This joint account may be used for expenses incurred by just one individual or by both.

## Calendar of Important Dates and Events

Over the next few weeks, you will receive important information from Extend Health. Review this information carefully to ensure a smooth transition to your new health care plan.

<b>April 19</b>	<b>Enrollment begins and continues through June 30.</b> Call Extend Health at <b>1-888-592-8348 (9 am–9 pm, Mon–Fri [EST])</b> for counseling and enrollment. Get your questions answered. Enroll for coverage for the last half of 2012.
<b>Mid/Late April</b>	<b>Extend Health's <i>Enrollment Guide</i> is mailed to your home.</b> This guide provides information that will help you understand the process of enrolling in health care plans offered through Extend Health. Review the <i>Enrollment Guide</i> and contact Extend Health to enroll.
<b>Starting April 24</b>	<b>Education sessions begin.</b> Representatives from ORNL and Extend Health will provide more information and answer questions. <b>See the next page</b> for the meeting schedule and dial-in instructions for the teleconference. Identify the meeting date and time reserved specifically for you.
<b>Late June</b>	<b>Extend Health's <i>HRA Guide</i> is mailed to your home.</b> Review the <i>HRA Guide</i> carefully to make sure you understand how the HRA will work. Follow the instructions if you wish to set up direct deposit. Save the guide for future reference.
<b>June 30</b>	<b>Open Enrollment closes. ORNL group medical coverage with United Healthcare ends.</b> Enroll in an individual Medicare supplemental health plan through Extend Health prior to this date to avoid a lapse in medical coverage.
<b>July 1</b>	<b>Health care plans go into effect.</b> Open Enrollment is closed, and the health care plans you selected through Extend Health go into effect. ORNL credits benefit dollars to your HRA.
<b>Ongoing</b>	<b>Extend Health is available every step of the way.</b> Extend Health's benefit advisors are available to continue to work with you—even after open enrollment closes. They can help answer your questions, assist you with reimbursements from your HRA for eligible health care expenses, and troubleshoot other needs you may have.

## Schedule of Meetings and Teleconference

To give you an opportunity to better understand and ask questions about this important transition to Extend Health, ORNL and Extend Health representatives are conducting meetings in the auditorium of the American Museum of Science and Energy at 300 S. Tulane Avenue in Oak Ridge.

In an effort to manage the number of people attending any given session, meeting dates and times have been assigned alphabetically by last name. If possible, please try to attend the session designated for you. You may bring a guest to the meeting.

We are providing teleconference for those unable to attend a meeting and for those who would like to hear the information again.

### Meetings

Meetings are estimated to be an hour and a half in length, with additional time for questions.

<b>April 24</b>	<b>9–11am</b> <b>1–3 pm</b> <b>3:30–5:30 pm</b>	<b>A–Bra</b> <b>Bre–Cor</b> <b>Cos–Fou</b>
<b>April 25</b>	<b>9–11am</b> <b>1–3 pm</b> <b>3:30–5:30 pm</b>	<b>Fow–Hau</b> <b>Haw–Joh</b> <b>Jol–L</b>
<b>April 26</b>	<b>9–11am</b> <b>1–3 pm</b> <b>3:30–5:30 pm</b>	<b>M–Mor</b> <b>Mos–Red</b> <b>Ree–Slu</b>
<b>April 27</b>	<b>9–11am</b> <b>1–3 pm</b>	<b>Sm–V</b> <b>W–Z</b>

### Teleconference

To participate in a meeting by telephone, dial **888-547-0443**

When prompted, enter the conference ID of **1929349**

<b>April 30</b>	<b>2:00 pm</b>
<b>May 3</b>	<b>10:00 am</b> <b>3:00 pm</b>

The meeting can be accessed 5 minutes before the start time. Attendees should ignore the “This meeting is locked” message, which simply means that all attendees are muted to ensure optimal sound quality.

#### DISCLAIMER

ORNL reserves the right to amend, modify, suspend, or terminate any benefits in whole or in part at any time and for any reason. Nothing in this document creates a guarantee of current or future benefits or financial contributions/subsidies. In the event that the content of this document or any oral representations made by any person regarding the ORNL employee or retiree benefit plans and programs conflict with or are inconsistent with the provisions of the governing plan documents, the provisions of the plan documents are controlling.

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**Web Address:** [www.extendhealth.com/ornl](http://www.extendhealth.com/ornl)

**Extend Health:** 1-888-592-8348

9 am–9 pm, Mon–Fri (EST)

JULY 1, 2012



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