



Office of Retirement Services

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STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY,
MANAGEMENT & BUDGET

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RE: 2012-2013 HMO Insurance Premiums Increasing

Dear Pension Recipient:

Our records indicate that you are currently enrolled in an HMO insurance plan through the State of Michigan. We encourage you to carefully review the enclosed *Retiree Benefits Bulletin* and new insurance rate charts, which include increases to your HMO premiums beginning October 1, 2012. The new increased rates will be reflected in your October 2012 pension payment.

RETIREE SHARE OF HEALTH INSURANCE PREMIUM GOING UP

State Health Plan PPO. The State Employees' Retirement Act (1943 PA 240) requires retirees and pension recipients to pay the same proportion of the health care insurance premiums as active employees. As indicated in the *Retiree Benefits Bulletin*, as of October 1, 2012, the state's share of the total premium for the State Health Plan PPO will decrease to 80 percent and the pension recipient's share will increase to 20 percent of the PPO. The enclosed rate sheets reflect these increased percentages for those pension recipients enrolled in the PPO. Please note that the State Health Plan PPO total premium amount has not increased from 2011-12; only the percentage you must pay has increased.

HMO Coverage. For HMO coverage, the state's share was set at 85 percent of the total premium, or the maximum the state pays towards the State Health Plan PPO, *whichever is lower*, with the pension recipient responsible for at least 15 percent of the premium. As a result, the retiree's cost for most HMO coverage has increased considerably from the 2011-2012 rates.

Dental and Vision Coverage. Dental and vision rates and percentages for the 2012-2013 plan year did not change.

SIX-MONTH WAIT TO CHANGE CARRIERS IS BEING WAIVED

As a pension recipient in an HMO, normally you're subject to a six-month wait from the date the Office of Retirement Services (ORS) receives your request to change from an HMO to the state PPO plan. ***Due to the upcoming increase in HMO premiums, ORS will waive this six-month wait for Insurance Enrollment/Change Requests received through November 30, 2012, for those currently enrolled in an HMO.***

If you wish to switch to the State Health Plan PPO or to a different HMO, you can log into miAccount and make your changes in the Insurance section, or you can use the enclosed *Insurance Enrollment/Change Request Form (R0452G)*. If you are switching from one HMO to another, you will also need to complete the appropriate HMO insurance application. Send your completed application(s) to the Office of Retirement Services (ORS).

APPLICATION DEADLINES

Applications ORS receives by August 31, 2012, will have an insurance effective date of October 1, 2012, with the adjusted premium reflected in the October pension payment. Applications received by September 30, 2012, will have an insurance effective date of November 1, 2012, and the November

pension payment will reflect the premium adjustment. Applications received by October 31, 2012, will have an insurance effective date of December 1, 2012, and the December pension payment will reflect the premium adjustment. Applications received by ORS by November 30, 2012, will have a January 1, 2013, effective date with the premium adjustment showing in the January pension payment. Any application ORS receives after November 30, 2012, will be subject to the six-month waiting period.

PLAN COMPARISON INFORMATION AVAILABLE ONLINE

If you would like to compare the plan coverage before you make your decision, detailed plan information is available on the Employee Benefits website. To view these online Benefit Guides, go to www.michigan.gov/employeebenefits. Select "Benefit Booklets" on the left, "Health" and view the "State Health Plan Benefit Information" section. If you are considering an HMO plan, select "Health Maintenance Organization Plans" under the HMO section. The Eligible HMO Carriers by Zip Code link will help you determine which HMOs provide coverage in your area.

INSURANCE COVERAGE UNDER MEDICARE

If you are not yet enrolled in Medicare, make sure you enroll in Part A and Part B when you become eligible and notify ORS. You will need to convert your insurance plan to Medicare Advantage if you are in an HMO, or if your HMO doesn't offer Medicare Advantage, you must select the State Health Plan PPO.

If you have any questions about your enrollment, the miAccount Message Board offers secure, direct access to our representatives. Just log in to miAccount at www.michigan.gov/orsmiaccount. If you have questions about your insurance coverage, contact Employee Benefits at the numbers on the top of the *Retiree Benefits Bulletin*.

Sincerely,

Customer Service
Office of Retirement Services