



## Annual Fall Enrollment 2016 for Medicare-eligible retirees

Fall Enrollment for Medicare-eligible retirees will take place from October 31 to November 18, 2016. If you're enrolled in Medicare, you can make changes to your health, dental, vision and life insurance coverage.

**Note:** A dependent is in the same enrollment period as the retiree or survivor who covers him or her. Annual enrollment for retirees and survivors who are not enrolled in Medicare ended in August. However, anyone can make changes to their benefits within 31 days of a qualifying life event (QLE). And retirees can drop or reduce coverage anytime during the year.

Any changes you make during Fall Enrollment are effective January 1, 2017.

### Medicare-eligible retirees: Look for your Fall Enrollment packet in the mail

You'll receive your Fall Enrollment packet in mid-October, a week or two before Fall Enrollment begins.

### Here's what you'll find in your Fall Enrollment packet:

- Personal Benefits Enrollment Statement (PBES)

This personalized statement lists your current coverage, the coverage available to you in Plan Year 2017 and the monthly rates. (You can also access your ERS account online at any time to find out your coverage and costs.)

**Remember:** Update your personal information in your ERS account now to ensure you receive your PBES from ERS this fall.

- Medicare Retirees and Families Annual Enrollment Guide

The guide provides information about your Fall Enrollment options, a schedule of enrollment fairs, new benefits information and required legal notifications.

### Here are a few Plan Year 2017 Changes:

- ERS is offering State of Texas Vision, a new vision plan. This is a self-funded plan administered by Superior Vision Services, Inc., offered to all employees, retirees and their eligible dependents.
- Premiums for dependent health insurance and the State of Texas Dental Choice Plan<sup>SM</sup> will increase starting January 1, 2017.

Plan Year 2017 rates for all programs, including the new State of Texas Vision plan are available on the ERS website.

- The in-network out-of-pocket maximum is the same in all the health plans.
- Beginning January 1, 2017, UnitedHealthcare will administer prescription drug services for participants of HealthSelect<sup>SM</sup> of Texas, the new Consumer Directed HealthSelect<sup>SM</sup>, HealthSelect<sup>SM</sup> Medicare Advantage and KelseyCare Advantage HMO.

For more information and resources, visit the [ERS Fall Enrollment page](#) or call toll-free at (866) 399-6908 (TDD users: toll-free at (800) 735-2989).



## Nearing Medicare eligibility? Here are a few things you need to know.

For answers to questions about how Medicare works with your Texas Employees Group Benefits Program (GBP) health insurance, visit the ERS website.



To read the full article about how and when to enroll in Medicare, go to ERS homepage and click the "Retirees" tab, then click "Retiree News" on the left.



## EXECUTIVE DIRECTOR'S CORNER

Porter Wilson

Six highly capable individuals are charged with prudently administering your retirement fund investments and with overseeing your health insurance and other benefits. They are our ERS Board of Trustees.

Three are appointed, one each by the Governor, the Speaker of the House, and the Chief Justice of the Texas Supreme Court, and confirmed by the Texas Senate. Three are elected by ERS members and retirees.

On July 25, 2016, Texas Speaker of the House, Joe Straus, appointed Jeanie Wyatt to fill the remainder of the term of Frederick "Shad" Rowe, who announced his resignation earlier this year. Ms. Wyatt's term will expire August 31, 2020.

Ms. Wyatt is the founder of San Antonio-based South Texas Money Management (STMM), which has offices in Austin, Corpus Christi, Houston, and Dallas. Prior to founding STMM in 2000, she served as Executive Vice President and head of Frost Investment Services (Cullen/Frost Bankers, Inc.). She was responsible for the investment areas of nine trust departments around the state with approximately \$13 billion in assets.

Ms. Wyatt is a highly-regarded investment professional who is also active as a volunteer for numerous local, statewide and national organizations. She has been a regular columnist writing about investing for the San Antonio Express-News. An Austin native, she and her husband, Bill, enjoy the outdoors and spending time with their eight grandchildren.

I want to thank Shad Rowe for his five years of service as an ERS trustee. He worked diligently to ensure the long-term viability of the ERS Retirement Trust Fund.

In addition to Speaker Straus' appointment of Ms. Wyatt, Chief Justice Nathan Hecht reappointed I. Craig Hester to the ERS Board of Trustees in August. Mr. Hester has served on the Board for more than 10 years, and I look forward to his continued efforts on behalf of ERS members.

*Porter Wilson*



## Rising health costs and your premiums

ERS works with the Texas Legislature to provide eligible State of Texas employees, retirees and family members with high-quality health insurance at the lowest possible cost to participants, the state and taxpayers.

### Cost sharing is important

The State of Texas shares health costs with plan participants (employees, retirees and their families), with the state paying a much larger share. In Fiscal Year 2015, the state and agency/institution employers paid about \$2.4 billion for participants' health care. Participants' costs—including premium contributions, copays and coinsurance—totaled about \$935 million.

The Texas Legislature appropriated a 7% increase in health plan funding in Fiscal Years 2016 and 2017. The additional amount needed to cover the projected costs will come from ERS reserves and the increase in dependent premiums. It's important to keep in mind that out-of-pocket costs—such as copays, coinsurance and deductibles—in the GBP plans have not increased in six years.

### Cost management matters

Without ERS' cost management efforts, premium costs for the Texas Employee Group Benefits Program (GBP) health plans would more than triple. HealthSelect<sup>SM</sup> of Texas, the GBP's main health plan, spends only three cents of every dollar on administration — with 97 cents going directly to health costs. By comparison, administration costs for large, private health plans nationwide can be as much as 12 cents for every dollar.

You can view the Plan Year 2017 premium rates now on the [ERS Retirees Rates page](#).

For information on how you can help keep costs down visit [Frequently Asked Questions](#) located on the ERS website.



## Sign up for State of Texas Vision

You and your eligible dependents can enroll in State of Texas Vision during Fall Enrollment, with coverage starting January 1, 2017.

If you don't enroll in State of Texas Vision, you will still have coverage for some vision and eye health services under your health plan. Those benefits are not changing.

Visit the [StateofTexasVision.com](http://StateofTexasVision.com) website for details on all co-pays and covered benefits. Also, information will be available in your Fall Enrollment packets.

Included among other benefits are:

- a comprehensive eye exam. There will be a \$25 copay if you use an in-network provider.
- a \$150 allowance to pay for either eyeglasses or contact lenses. You cannot use this allowance to pay for both glasses and contact lenses. You are responsible for any additional expenses above this \$150 allowance.

Each State of Texas Vision plan benefit can be used once every 12 months, per person. Your 12-month period starts at the time of service. For example, if you have an eye exam and get eyeglasses in February, you will be eligible to do so again in February of the following year if you continue enrollment.

See the [Plan Year 2017 rate sheets](#) for premium information.

## Stay in-network for maximum benefit

Visit the State of Texas Vision website to search for network providers.

If your doctor is not in the network, you can fill out a nomination form on the website. The approval process can take up to 60 days. Superior Vision is expediting all requests related to ERS members at this time. New providers are already being added.

### State of Texas Vision customer service:

(877) 396-4128 (TDD – 711) toll-free Monday – Friday,  
7 a.m. – 8 p.m. and Saturday 10 a.m. – 3:30 p.m. CT

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## Preparing for your future with long-term care insurance

As we age, it might become more difficult to perform basic everyday tasks. According to the U.S. Department of Health and Human Services, 70 percent of people turning 65 will need help taking care of themselves. Because long-term care can take an emotional and financial toll, it's important for you to prepare for your future long-term care needs.

 *To find out more information about long-term care insurance, see the full article online.*



## UnitedHealthcare to manage HealthSelect<sup>SM</sup> Medicare Rx plan

Beginning January 1, 2017, UnitedHealthcare will administer the HealthSelect<sup>SM</sup> Medicare Rx plan. This plan provides prescription drugs coverage for HealthSelect<sup>SM</sup> Medicare Advantage and KelseyCare Advantage HMO participants. In addition, Optum Rx will administer the HealthSelect<sup>SM</sup> Prescription Drug Program for HealthSelect<sup>SM</sup> of Texas and Consumer Directed HealthSelect<sup>SM</sup>.

ERS is required to request bids from potential administrators to ensure cost effectiveness. UnitedHealthcare's bid offered significant costs savings, while maintaining the same level of benefits, compared to the other pharmacy benefit managers that submitted bids for the contract. SilverScript and Caremark will no longer manage the prescription plans after December 31, 2016.

While the prescription plans will continue to have the same tiered copays, the formularies for the plans – what specific drugs are covered at what costs – could change under the new administrator. ERS, UnitedHealthcare, and/or Optum Rx—an affiliate of UnitedHealthcare— will provide more information on the transition this fall. Please look for notices and updates about these plans in the coming months.

The prescription drug administrators for Community First Health Plans, KelseyCare powered by Community Health Choice and Scott & White Health Plan will stay the same.



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**Discount Purchase Program<sup>SM</sup>**  
 Fall retiree discounts

Visit your [Discount Purchase Program](#) to find hot deals on everything from tablets and computers to hotel accommodations! Use Expedia to plan a summer vacation! With your exclusive discount, you'll save 7% at more than 64,000 hotels around the world. Enjoy special deals on TVs, tablets, PCs and other audio-video products from Samsung—plus get free shipping on orders over \$50. Looking for a family activity? Save 40% on bikes from Diamondback.

**Monthly annuity payment dates**

- September 30, 2016
- October 31, 2016
- November 30, 2016
- December 30, 2016

Direct-deposit annuities are deposited in your account on the last business day of each month. Paper checks are mailed on the second-to-last day of the month.

TRS retirees, please contact TRS for information on your annuity payment dates.



**Choose Electronic Version of Your ERS Connection to:**

- Get information sooner
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*More details and information are available online for articles with the  icon. On the ERS homepage click the "Retirees" tab, then click "Retiree News" on the left to read the full story.*