



Retirement Information

2017

Process of securing Retirement Healthcare Coverage

What you need to know and do

A growing number of employers have replaced, or plan to replace, a traditional group health plan with an “exchange,” where their Medicare-eligible Retirees and spouses can choose the individual coverage options that work best for them. After thoughtful review, Adventist Retirement has decided to adopt this approach. Effective January 1, 2017, the Supplemental Healthcare Adventist Retirement Plan (SHARP) will change, and Medicare-eligible Retirees and spouses will purchase health insurance on the individual market. Adventist Retirement will continue to provide financial support for this coverage through a health reimbursement account (HRA).

With the help of the Aon Retiree Health Exchange, Medicare-eligible Retirees and spouses can explore a variety of health plan options that fit their individual needs at prices that fit their budgets. The individual market also offers greater flexibility, since Medicare-eligible Retirees can select a different plan for themselves and their Medicare-eligible spouses so everyone’s needs are met.

You will not automatically be enrolled in coverage upon retirement or by becoming eligible for Medicare as a result of turning age 65. You must take action to have supplemental Medicare coverage and financial assistance from Adventist Retirement in 2017. This includes confirming a telephone appointment with the Aon Retiree Health Exchange, and enrolling in individual coverage.

How the Aon Retiree Health Exchange Can Help

The Aon Retiree Health Exchange has you covered when it comes to learning about your individual health insurance options, enrolling in coverage, and finding help when you need it.

You’ll receive an **education package** explaining how to log on to the **Aon Retiree Health Exchange website**, where you can find answers to many of the questions you may have about your individual coverage options and the enrollment process. The education package also will include the date and time of your prescheduled telephone appointment with an unbiased, licensed, certified **Benefits Advisor***. This personalized, one-on-one assistance is available at no cost to you. You are welcome to include family members, trusted friends, or a power of attorney in your discussions with your dedicated Benefits Advisor, so give some thought to who you might wish to include.

The Aon Retiree Health Exchange website and your Benefits Advisor provide the help you need to:

- Understand your individual health insurance options and narrow them down.
- Apply for the plan that most closely meets your healthcare and financial needs.
- Change your coverage over time, if necessary, as your needs change.

*Benefits Advisors are certified, licensed insurance agents and receive no special compensation to enroll you in a specific plan or with a specific carrier. As a result, you can be sure that they’ll help you make an objective choice that’s right for you. By law, individual health insurance purchased through the Aon Retiree Health Exchange cannot cost more than if you bought the exact same plan on your own.

Meeting with a Benefits Advisor? Here's what to Expect

On the date of your telephone appointment, your Benefits Advisor will call you at the scheduled time to answer your questions and help you select and enroll in an individual health plan (provided that you confirmed your appointment in advance). Your Benefits Advisor will walk you through the enrollment process, including any actions you need to take, such as signing a form or confirming your coverage. If you've asked a power of attorney, trusted friend, or family member to join the call, please make sure this person is available at that time.

Being prepared will help make this process faster and more efficient. Being organized is especially important if you're keeping your appointment with a Benefits Advisor, since you'll have a specific window of time to meet. To ensure that you're well-prepared for this call, please verify that you're enrolled in both Medicare Part A and Part B, and have your Medicare card available for the appointment. The Aon Retiree Health Exchange will need your Medicare Parts A and B effective dates, which can be found on your card.

If you're not already enrolled in Medicare Part B, contact the Social Security Administration today at www.ssa.gov or by calling **1-800-772-1213 (TTY call 1-800-325-0778)**. You must be enrolled in Medicare Parts A and B to enroll in an individual health plan.

Already Enrolled?

If you previously obtained individual health coverage to supplement your Medicare benefits, but would like to make changes to your current coverage, you'll need to wait until the annual Medicare open enrollment period (October 15–December 7).

Get Help Paying for Coverage

To help you pay for your individual health coverage, based upon qualifying eligibility rules, a health reimbursement account (HRA) will be established in your name and funded by Adventist Retirement. You can use the money in your HRA to reimburse yourself for medical and prescription drug coverage premiums, as well as copays, deductibles, and other eligible out-of-pocket healthcare expenses. The HRA is a tax-free account, so you don't pay taxes on your balance or reimbursements. These accounts also do not bear interest.

Your Spending Account™ (YSA) is the service that administers the funds in your HRA and oversees your reimbursements. For details on how to get reimbursed through your HRA, look for the HRA welcome kit that will be mailed to your home after you complete your enrollment.

Important: While you're not required to use the Aon Retiree Health Exchange to help you choose and enroll in an individual health plan, Adventist Retirement will not provide you with an HRA contribution unless you do so. Plus, if you don't enroll through the Aon Retiree Health Exchange during your initial eligibility window, you won't be eligible for an HRA in the future.

More details about HRAs and Adventist Retirement contributions will be included in your Aon Retiree Health Exchange education package.

What About Dental and Vision Coverage?

You also have coverage options for those important benefits. Of the two options available to supplement your Medicare coverage—Supplement (Medigap) Plans and Medicare Advantage Plans—Medicare Advantage Plans sometimes offer extra coverage, such as dental, vision, and/or hearing benefits.

The SHARP DVH Option (dental, vision, and hearing)

Since 2002 SHARP has operated a DVH option for retirees. It has been one of our most popular options. Currently over 11,000 participants have enrolled in DVH. It appears to be far more generous than any insured product we've been able to find on the open market. It works on an 80%/20% plan. Maximum payouts per calendar year are:

Dental: \$2,200

Vision: \$400

Hearing: \$2,200 (with one-year lookback provision)

The Plan will continue to operate the DVH separately from the HRA model. If you select the DVH, we will charge you a monthly contribution through your payroll. The 2017 charge will be \$90. However the plan will pay an Earned Credit towards your DVH charge based on your years of qualifying service credit. The numbers shown are Per Participant.

Years of Qualifying Church Service	Plan DVH Annual Contribution	DVH Annual Charge	Net Annual Cost	Net Monthly Payroll Withholding
35+	\$780	\$1,080	\$300	\$25
30-34	\$696	\$1,080	\$384	\$32
25-29	\$612	\$1,080	\$468	\$39
20-24	\$528	\$1,080	\$552	\$46
15-19	\$444	\$1,080	\$636	\$53

You do not have to participate in the SHARP DVH option. If you choose to waive participation in DVH, the DVH Annual Contribution shown above will be contributed to your HRA in addition to the standard HRA contribution. However, the decision to opt out of DVH is a permanent decision. The Plan will not allow you to return to DVH in the future. The decision can be made individually for spouses.

There are alternatives to DVH in the market. Costs are relatively low; however maximum payouts are also quite low. Some dental plans are essentially preventive plans and do not assist with 'drilling and filling.' Some are network limited. We urge retirees to consider options. The Benefits Advisor can help you understand what options are available. You can then decide whether to sign up for SHARP's DVH or to seek modest replacement in the Exchange market.

There are two ways to look at SHARP's DVH.

- DVH is cheap. I pay only \$25 per month (35+ year retiree) for a very generous plan.
- DVH is expensive. If I don't buy DVH, \$90 per month (my \$25 + the \$65 Earned Credit for a 35+ year retiree) is available to pay for any qualifying medical, prescription drug, dental, vision, hearing or other expenses.

Why Do I Pay First?

In order to keep your reimbursement from being taxed, the IRS requires that you pay eligible health expenses out of your own pocket first. You may then get reimbursed through your HRA.

Frequently Asked Questions

What types of coverage are available to supplement my Medicare benefits?

Generally, there are two options: Supplement (Medigap) Plans and Medicare Advantage Plans. More information about these types of plans will be included in the education package you'll receive in the mail. Your Benefits Advisor will help you decide which type of plan is right for you and your Medicare-eligible spouse.

Will there be comprehensive Medicare Advantage Plans to choose from that include dental and vision coverage?

In many cases, yes. Some Medicare Advantage Plans offer extra coverage, such as dental, vision, and/or hearing benefits. And most Medicare Advantage Plans include Medicare prescription drug coverage, which means you don't need to purchase separate prescription drug coverage. The Aon Retiree Health Exchange can also enroll you in a dental and/or vision plan offered by a national provider. Those premiums can be reimbursed from your HRA. SHARP DVH Option premiums and deductibles cannot be reimbursed from your HRA.

Aren't Medicare Parts A and B enough WITHOUT supplemental coverage?

If you don't purchase health insurance in the individual market, you'll continue to have coverage under Medicare Parts A and B (assuming you're enrolled in both). However, we strongly recommend that you find an individual health plan to supplement your Medicare benefits since Medicare alone does not limit your annual out-of-pocket expenses. If you're not already enrolled in Medicare, keep in mind that you could face penalties if you don't enroll during specific enrollment periods. Go to www.medicare.gov for more information about when you need to enroll to avoid penalties.

How long will the appointment with my Benefits Advisor last?

In general, you'll spend about 45 to 90 minutes on the phone speaking with your Benefits Advisor. The length of the call will depend on whether you enroll that day or want to include your eligible spouse, an appointed power of attorney, a trusted friend, or a family member on the call. The length of your appointment will also depend on how much preparation you do in advance as well as how many questions you have.

For example, if you go online to the Aon Retiree Health Exchange website before your call to enter the requested information (your medical needs, prescription drugs you and your Medicare-eligible spouse currently take, etc.), your appointment could be much shorter. See the checklist in the education package you will receive for details on how to prepare for your call.

And of course, we encourage you to take all the time you need to make these important decisions relating to your benefits. If, during the first call with your Benefits Advisor, you are not sure which benefits are right for you and your family, you do not need to enroll. Feel free to schedule additional appointments for future dates.

Am I the only one who can speak to my Benefits Advisor?

No. Feel free to include your spouse, a caregiver, a trusted friend, or a family member on the call with your Benefits Advisor. However, only someone with legal power of attorney can enroll for you or sign forms and other documents. When you confirm your appointment, tell your Benefits Advisor if someone will be speaking on your behalf and provide his or her name and phone number.

Will I need to choose the same plan for myself and my spouse?

No. You'll have flexibility to choose the coverage that best meets your individual needs and those of your Medicare-eligible spouse. For example, your spouse may need a higher level of benefits or a more robust prescription drug plan than you do, or vice versa. Both individual and family plans are available to fit everyone's situation.

I'm eligible for Medicare, but my spouse and children are not. How will this work?

Since you're Medicare-eligible, you can supplement your Medicare benefits by enrolling in an individual medical and prescription drug plan through the Aon Retiree Health Exchange. If your spouse is eligible for SHARP, he or she can enroll separately in SHARP Pre-Medicare, a plan for non-Medicare-eligible Retirees. *Watch for separate information about Adventist Retirement's SHARP Pre-Medicare option.* When your spouse becomes Medicare-eligible, he or she may also be eligible for the Aon Retiree Health Exchange program and an HRA contribution, assuming that your spouse outlives you or that death benefits are available to your surviving spouse under SHARP.

Can the Aon Retiree Health Exchange help me find coverage for a Medicare-eligible dependent under the age of 65?

In most cases, yes. Your Benefits Advisor can provide access to the tools and resources available to individuals who are not yet 65 but are eligible for Medicare due to a disability. SHARP will also offer coverage for Medicare-eligible Retirees and spouses under the age of 65. Contact the SHARP office for more information.

Can I use my HRA to pay premiums other than those for medical and prescription drugs—like vision coverage, for example?

Yes. Adventist Retirement allows medical, prescription, vision, and dental premiums to be reimbursed through the HRA if you enroll in coverage through the Aon Retiree Health Exchange. SHARP DVH Option premiums and deductibles cannot be reimbursed from your HRA.

Is the Medicare Part B premium reimbursable through my HRA?

Yes, the Medicare Part B premium is reimbursable through your HRA.

Can I use my HRA to pay for healthcare expenses other than medical and prescription drugs?

Yes. In addition to your premiums, your HRA can be used for copays, deductibles, and other eligible out-of-pocket healthcare expenses. Once your HRA has been established, you will find a full description of eligible expenses on the YSA website or by speaking with your Benefits Advisor. SHARP DVH Option premiums and deductibles cannot be reimbursed from your HRA.

Can I use my HRA to pay my spouse's group health plan premiums, copays, or other out-of-pocket expenses?

For tax reasons, if your spouse is covered under a before-tax group health plan, his or her premiums and expenses cannot be reimbursed from your HRA.

Why can't Adventist Retirement just pay my healthcare premiums for me using the funds in my HRA?

For the funds in your HRA to remain a tax-free benefit, the IRS requires that you pay your premiums out of your own pocket first and then request reimbursement through your HRA.

When will I find out how much I'll receive in my HRA?

You'll learn how much Adventist Retirement will contribute to your HRA in the education package you'll receive from the Aon Retiree Health Exchange.

Will the HRA receive an annual cost-of-living adjustment (COLA)?

Adventist Retirement intends to review this subsidy annually, but there's no guarantee that the amount contributed to your HRA will increase each year or keep up with inflation.

Will the HRA be offered indefinitely?

While it's Adventist Retirement's intent to make an annual contribution to Retirees' HRAs indefinitely, it can't be guaranteed. If you're eligible for this annual subsidy, you'll receive a notice each year about

contributions for the following year. If Adventist Retirement decides to end HRA contributions, you'll be notified in advance.

My spouse and I are both eligible for Medicare. Will we each have an HRA account?

No. Contributions that Adventist Retirement makes on behalf of an eligible Retiree and spouse will be combined into one HRA in the Retiree's name. Reimbursement of eligible expenses will be available to both the Retiree and his or her eligible spouse, as long as funds are available in the HRA. If one of you passes away, you may utilize the remainder of the funds in the joint account and the following year only the survivor will receive their annual allocation.

If you are both retirees, your HRA accounts will be separate.

I can enroll in my spouse's group health plan as a dependent, but I want the Adventist Retirement HRA contribution. Can I still receive it if I don't enroll through the Aon Retiree Health Exchange?

No. To receive Adventist Retirement's HRA contribution, you must enroll in a medical, prescription drug, dental, or vision plan through the Aon Retiree Health Exchange.

Will I lose the money in my HRA if I don't use it by the end of the year?

No. If you don't spend all the money in your account before the end of the year, your remaining balance will carry over for you to use the following year.

What happens to the balance in my HRA when I die?

If you have an eligible spouse who survives you, he or she will become the account holder of your HRA. The balance in your HRA at the time of your death will be available to your spouse as long as he or she qualifies for continued coverage after your death. Adventist Retirement will continue to make annual contributions to the HRA for your spouse, as long as he or she remains eligible. If you don't have a spouse, the funds will be forfeited and won't be paid out as part of your estate.

How can I learn more about my HRA?

More information about your HRA and Adventist Retirement's contributions will be in the education package you'll receive 30-60 days prior to your retirement effective date. If you enroll through the Aon Retiree Health Exchange, you'll also receive an HRA welcome kit with complete details about managing your account, filing claims for reimbursement, and signing up for auto-reimbursement.

Special Help for Catastrophic Prescription Drug Expenses: If you frequently require prescription drugs, there's a chance you'll reach the Medicare catastrophic coverage limit for prescriptions. While the majority of Retirees are unlikely to reach this limit, if this impacts you, you will be eligible for the catastrophic HRA. Once you submit to Aon's Your Spending Account or YSA (the entity administering the Health Reimbursement Accounts), the explanation of benefits (EOB) showing the Medicare prescription drug out-of-pocket maximum has been reached, and submit to YSA your first prescription drug claim, YSA will initiate the catastrophic HRA and process your claim for reimbursement. There is no annual limit on this benefit—once you are eligible for the catastrophic HRA, you will be reimbursed for all prescription drug claims you submit. The HRA summary plan description provides additional details about how to take advantage of this special assistance if you need it.

Help After You Enroll

Adventist Retirement has selected the Aon Retiree Health Exchange because its services don't stop after you enroll. Once you've enrolled in a medical plan through the Aon Retiree Health Exchange, your Benefits Advisor, as well as customer service representatives and special advocates, are available to help you free of charge. Advocates are experienced in a variety of Medicare insurance topics, including claims, billing procedures, appeals, and even problems getting appointments with specialists. Please note

that this type of service is not generally available if you enroll in an individual health plan through an insurance carrier or broker.

How to Get Answers to Your Questions

For general information, please call the Aon Retiree Health Exchange service center at 1-844-360-4714 (TTY use 711 Relay). Representatives are available Monday through Friday from 8 a.m. to 8 p.m. Central time.