



SRSRA NEWSLETTER

For SRS Retiree Association Members Bruce Cadotte, Editor Volume 17, No. 4, December 2014
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Best wishes for a joyful holiday season and a happy and healthful new year from the SRSRA Board!

Resource Center a Huge Success

But needs more volunteers!



Aiken County Council Chairman Ronnie Young (l.) and SRSRA Chair John Veldman sign the agreement establishing the Resource Center at a formal opening ceremony on Oct. 14.

Since the Retiree Resource Center opening in September, we have helped over 100 retirees each month. Retirees faced issues ranging from reimbursements from WageWorks to making better-informed choices among the many Medicare options.

We've found that many of our most senior retirees made poor choices when first signing up that could have had devastating impacts if not caught in time. Based on a survey of customers, it appears that those we've helped have been very pleased with our service.

We've been fortunate to have some very good help.

The Lower Savannah Council of Governments has been an invaluable partner helping us in so many ways from

providing a "home" for the Center to helping us deal with some sticky legal issues around Medicare supplements. Our Coordinator, Lauren Feinman, has worked with our team of volunteers to ensure that the Center is providing excellent service in a timely manner. And the volunteers themselves have worked tirelessly.

But we are victims of our success.

We need more volunteers so that we can meet what we expect to be a growing demand, at least for the immediately foreseeable future. There is plenty to do. In addition to needing more volunteers to interact directly

with our fellow retirees, we have several other needs: scheduling, keeping up with the paperwork we generate, calling back retirees who have left messages, and a host of others.

If you are at all interested in working with your fellow retirees who need help, please contact us at resourcecenter@srsretirees.org or call me - John Plodinec - at 803-257-1760. The gratitude you receive from someone you've helped is worth more than all of the Christmas presents you'll receive this holiday season.

--John Plodinec

Resource Center Contacts

Phone: (803) 508-7033 (866) 845-1550 (toll free) Internet: srsra@lscog.org, resourcecenter@srsretirees.org

Hours: Monday – Friday, 9 a.m. to 4 p.m.

Location: LSCOG Building, 2748 Wagener Rd., Aiken (next to Aiken Electric Co-op, across from Aiken Pest Control)

Resource Center Coordinator: Ms. Laureen Feinman

Letter from SRSRA Chair

I hope that you and your families have a blessed and joyous holiday season.

Business continues to be brisk at the Resource Center! I am very proud that we have already assisted over 300 retirees with medical insurance, reimbursement, and other issues. I want to thank the many volunteers for making a big difference in the lives of our fellow retirees.

Our pension increase proposal is now being considered by DOE-HQ. Dr. Moody, the DOE Site Manager, has been actively working this issue, and he should have something to report in the next few weeks. If DOE-HQ does not sign off on the proposal, we will have to engage our elected representatives. Please remember that this proposal is a modest increase focused on the oldest retirees with the smallest pensions.

We have also been working on providing input to DOE/SRNS on the metrics to determine the adequacy of the medical stipend, some program rules that adversely impact some retirees, and a possible stop loss provision for very high drug costs. Rather than focusing solely on the amount of the stipend, Dr. Moody has encouraged taking a broader look at the medical stipend program, so that it best meets the needs of retirees. SRSRA will submit a white paper to DOE-SR/SRNS in December to begin this dialogue.

As I have mentioned before, this is not a sprint - it's a marathon. I feel that we are focused on the right initiatives; we now have constructive engagement with DOE-SR, SRNS, SRR, and our elected representatives; and we have gained credibility through fiscally responsible proposals and our investment in the Resource Center. I want to thank your Board of Directors for all their hard work!

John Veldman
SRSRA Chair

United Way Results: SRSRA Members contributed \$19,470 through the Association's August campaign. Congratulations! More information to follow in the next issue.

SRSRA Board Considers, Approves Dues Increase

The SRSRA Board is proud of the progress made by the Association in being able to provide concrete benefits to its members as well as maintaining effective advocacy. But it has also had to examine closely the resources needed to ensure those benefits.

The result: After due consideration, it has concluded that regular annual membership will increase to \$25 a year, effective Jan. 1, 2015. For surviving spouses, their full membership will continue to be \$5 a year. Those who have paid in advance will not be affected.

First-year membership will continue to be free, if the retiree joins immediately following retirement.

Our Association has effectively represented SRS retirees for almost 20 years without a dues increase. Meanwhile, we made a lot of progress.

In 2002, the Association secured a significant pension increase. A new pension increase proposal, focused on those most in need, is currently under consideration by DOE in Washington. The Association also played a key role in obtaining a \$2,400 medical stipend through 2015, among the highest in the DOE Complex, and a \$500 addition for the first year. Currently, the Association is talking with DOE-SR and SRNS about metrics for the upcoming stipend evaluation, plan rules that adversely affect retirees, and a potential stop-loss provision for very high drug costs. Some of these topics are discussed more fully elsewhere in this issue.

The increased dues will be used to partially offset the cost of operating the recently opened Resource Center, which has already helped more than 300 retirees with medical insurance, stipend reimbursements, and other aging issues. The monetary benefit to an individual retiree has ranged from hundreds of dollars to tens of thousands.

We have worked hard to minimize expenses by partnering with the Lower Savannah Council of Governments, and obtaining substantial grant support from SRNS and SRSEA. However, operating a professional outreach center five days a week on an ongoing basis required additional reliable funding from a dues increase. A key cost, of course, includes the part-time salary of the Center's coordinator. All other costs—utilities, computers, phones, supplies, and most importantly, the time of our volunteers—have been donated. We are doing all we can to minimize costs, but still need to increase our dues to sustain this service that has proven to be so important to many of our fellow retirees.

Your Board of Directors pledges to continue to manage the finances of the Association prudently to assure high quality services and effective benefits advocacy. If you have any questions about the dues increase, please feel free to ask.

--John Veldman

Medical Benefits – The Impact of Some Plan Rules

Over the last two years, the SRSRA has assisted 500–600 retirees with medical insurance and stipend reimbursement issues. Through these interactions, the Association has learned a great deal about the

complexities of the world of Medicare insurance and the impact of the administrative rules for our stipend program.

Several of these rules have an adverse impact on some retirees. Since these rules seem intertwined with the Site contract with MyMedicareAdvocate (MMA, now known to most of the rest of the world as “RightOpt,”), and the current MMA contract will end in 2015, there is an opportunity to modify these rules in the next contract.

Dr. David Moody, DOE-SR site manager, has requested a white paper from the SRSRA on a number of medical stipend plan issues we have raised. This will be used as a starting point for a dialogue with DOE-SR and SRNS to improve the overall medical stipend plan, within reasonable constraints. The white paper contains a complete section on stipend plan rules having an adverse impact on some retirees. These rules are:

- The requirement that veterans with VA or Tricare benefits must buy a Medicare Supplement or Medicare Advantage Plan from MMA--that they don't need--to receive their stipend.
- The requirement that retirees who are eligible for coverage based on their spouse's insurance plan must purchase a Medicare Supplement or Medicare Advantage plan from MMA to receive their stipends. Purchasing the spousal plan often offers superior drug coverage and usually contains a maximum out-of-pocket provision.
- The rule that requires a retiree who terminates a Medicare Supplement or Medicare Advantage plan purchased from MMA to permanently lose his or her stipend. The fact that these are elderly, sometimes infirm, retirees dealing with a complex and often frustrating system demands a more reasonable rule.
- The requirement that retirees buy a Medicare Supplement or Medicare Advantage plan from MMA, even when MMA offers only one or two plan choices in many states. The 25 percent of our retirees living outside Georgia and South Carolina face this problem. A local agent could do far better for these retirees.

It is not known at this time what changes, if any, may be made to the medical stipend plan rules, but the SRSRA Board continues to examine the effects of these rules on members and to find reasonable suggestions to make them more fair to retirees who adversely affected.

--John Veldman

Have You Been Hurt by Uncapped Out-of-Pocket Drug Costs?

As every affected person by now knows, in 2013 SRS retirees were moved from the SRNS site medical plan (used by active employees) to separate retiree medical plans. Pre-65 retirees were moved to the Retiree Health Plan; post-65 retirees were moved to Medicare with the ability to purchase Medicare Supplement/Advantage plans, prescription drug Part D plans and dental and vision plans with funds--the stipend--available in Retiree Reimbursement Accounts.

A key feature of the SRNS Medical Plan that was retained in the Retiree Health Plan for pre-65 retirees was an out-of-pocket maximum. For the Standard Choice Option (the plan covering most employees and retirees younger than 65) the out-of-pocket maximum is \$2,000 per person and \$4,000 per family. As presented in the

SRNS Medical Plan description, the out-of-pocket maximum is designed to protect you against having to pay extraordinary medical bills in a given year.

Neither Medicare nor the SRS post-65 retiree medical plan have such a provision.

The SRSRA has received anecdotal information that some post-65 retirees are experiencing out-of-pocket costs in excess of \$10,000 per year, significantly more than they were experiencing when covered by the SRNS Medical Plan. The major cause of this significant increase in out-of-pocket costs is prescription drugs covered by Medicare Part D.

Basic Medicare Part D coverage is structured (using 2014 amounts; the 2015 figures have changed) as follows:

- The retiree pays out-of-pocket for monthly Part D premiums all year.
- The retiree pays approximately 25 percent of the cost of Medicare approved drugs, while the Part D plan pays the rest, until the total the retiree and the Part D Plan spend on drugs reaches \$2,850. If the retiree uses non-Medicare approved drugs, he is responsible for 100 percent of the cost.
- Once this limit is reached, the retiree has hit the coverage gap referred to as the “donut hole,” and is now responsible for 72 percent or more of the full cost of generic and 47.5 percent of the cost of brand drugs, until the total out-of-pocket spending for drugs by the retiree reaches the limit of \$4,550.
- After reaching this spending limit, the retiree is only responsible for a small amount of the cost of Medicare approved drugs, usually 5 percent. This is referred to as Catastrophic Coverage and has no annual limit. If the retiree uses non-Medicare-approved drugs, he is responsible for 100 percent of the cost with no upper limit.

The following illuminating facts are available from nationwide studies performed by the Kaiser Family Foundation:

- Nineteen percent of all Part D enrollees reach the “donut hole” with 3 percent of that group reaching Catastrophic Coverage.
- The average out-of-pocket expenses for those who reached the “donut hole” is five times that for enrollees who did not reach the “donut hole.”
- The average out-of-pocket expenses for those who reached Catastrophic Coverage (\$10,246 a year) is almost 14 times that for enrollees who did not reach the “donut hole.”
- The families of highest cost drugs include: breast cancer, Alzheimer’s, oral anti-diabetics and gastric acid production. These drugs, individually, result in 29-56 percent of enrollees reaching the “donut hole.”
- There is a distinct causal relationship between age and out-of-pocket expenses. A 75-84 year old retiree will spend an average of \$5,245 per year; almost twice that of an under-65 retiree. A retiree older than 85 will spend an average of \$8,191 per year; almost three times that of an under-65 retiree. Retirees suffering from Alzheimer’s or Parkinson’s spend the most, by far.

These data lead us to conclude that our oldest retirees, with the medical conditions that are most expensive to treat, are faced with significant out-of-pocket costs for prescription drugs. This is further exacerbated by their often having to take newer prescription drugs (Abilify, Humira, Cymbalta) that have substantial co-pays if

covered by Medicare at all, or several expensive drugs. Unfortunately, these retirees often have the smallest pensions, having retired many years ago.

The SRSRA will discuss with DOE and SRNS the inclusion of a prescription drug “stop loss” feature into the SRS post-65 retiree medical plan to soften the financial burden to our older and sicker retirees. We feel the costs of setting this “stop loss” at the lower limit of Catastrophic Drug Coverage (\$4,550 in 2014, \$4,700 in 2015) are reasonable and will be seriously considered by DOE and SRNS.

--Dave Zigelman

Mark the Annual Meeting Date!

The 2015 SRSRA Annual Meeting will be held April 14, 1:30 p.m., at the Etherredge Center, University of South Carolina Aiken, 471 University Parkway, Aiken, SC 29801.

Newsletter Information

Questions and comments related to this newsletter may be addressed to Bruce Cadotte, newsletter editor, at newsletter@srsretirees.org, or Newsletter, SRS Retiree Association, P.O. Box. 5686, Aiken, SC 29804.

If you have a new e-mail address, or have changed your address recently and are not receiving SRSRA communications by e-mail, please contact newsletter@srsretirees.org. Our e-mail program allows us to reach members more quickly with news. Other pluses are quicker distribution of the newsletter and less cost of copying and mailing hard copies. Thanks to all of you who are receiving your newsletter by e-mail.

Congratulations to Thomas M. Thompson, winner of a \$50 gas card courtesy of the SRSEA and SRSRA. Call Neal Smith at 706-481-0970 or 706-833-1289 within 30 days to claim your gas card! Please verify your home address when you contact him.

A note on contacting MyMedicareAdvocate: Some folks have had trouble using the MMA Web site when putting “www.mymedicareadvocate.com” in the address field. That address will automatically redirect you to “RightOpt.” If instead you put “mymedicareadvocate.com/srs” in your browser, then your usual username and password access will work.

Congratulations to Jack I. Ramage, winner of a \$50 gas card courtesy of the SRSEA and SRSRA. Call Neal Smith at 706-481-0970 or 706-833-1289 within 30 days to claim your gas card! Please verify your home address when you contact him.

BENEFITS CONTACTS

- ◆ **Benefits Service Center (a one-stop service for most HR and payroll activities and questions):**
 - ◆ 803-725-7772 (local area SC and GA)
 - ◆ 800-368-7333 (toll free)

- ◆ service-center@srs.gov (e-mail contact for this service)
- ◆ **Westinghouse Corp. Pension** 800-581-4222
- ◆ **My Medicare Advocate** 877-591-8904; www.mymedicareadvocate.com/srs
- ◆ **WageWorks** 877-924-3967; www.wageworks.com
- ◆ **Medicare Helpline** 800-633-4227
- ◆ **Medicare Web Site:** www.medicare.gov

- ◆ **Blue Cross/Blue Shield of SC** 800-325-6596;
www.southcarolinablues.com
Option 1 for Medical
Option 2 for Dental
Option 3 for Pre-Cert/Med Authorization

Congratulations to Dale W. Hooks, winner of a \$50 gas card courtesy of the SRSEA and SRSRA. Call Neal Smith at 706-481-0970 or 706-833-1289 within 30 days to claim your gas card! Please verify your home address when you contact him.

Interested in serving on the SRSRA Board of Directors?
Please e-mail Fred Cadek, Nomination Chairman, at ffcadek@gforcecable.com

Like us on Facebook to keep up with news and information! Search for SRSRA from your Facebook page.

Savannah River Site Retiree Association Membership Application

_____ I want to RENEW my membership in the SRSRA
(...and I am willing to serve on the Board of Directors) _____ Yes _____ No

_____ I want to JOIN the SRSRA
(...and I am willing to serve on the Board of Directors) _____ Yes _____ No

_____ My spouse is also retired from SRS and wants to JOIN the SRSRA
(...and my retired SRS spouse is willing to serve on the Board of Directors) _____ Yes _____ No

_____ I am the surviving spouse of an SRS retiree and wish to JOIN/RENEW my membership in the SRSRA
(...and I am willing to serve on the Board of Directors) _____ Yes _____ No

Annual Dues:

Current Year (2014)

_____ \$15 for Retiree
_____ \$0 for Retiree's Spouse (also retired from SRS)
_____ \$5 for Retiree's Surviving Spouse

Next Year (2015)

_____ \$25 for Retiree
_____ \$0 for Retiree's Spouse (also retired from SRS)
_____ \$5 for Retiree's Surviving Spouse

SRS RETIREE NAME _____

SRS Retired or Surviving SPOUSE'S NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____ TELEPHONE _____

SRS RETIREE RETIRED FROM: SRNS _____ WSRC/SRR _____ BSRI _____ BWXT-SRC _____ BNFL-SRC _____ OTHER _____

SPOUSE RETIRED FROM SRS: SRNS _____ WSRC/SRR _____ BSRI _____ BWXT-SRC _____ BNFL-SRC _____ OTHER _____

SRS RETIREE: DATE OF RETIREMENT _____ E-MAIL ADDRESS _____

Providing your e-mail address gives SRSRA permission to send you major Association communications by e-mail instead of paper mail.

SRS RETIRED OR SURVIVOR SPOUSE: DATE OF RETIREMENT _____ E-MAIL ADDRESS _____

Providing your e-mail address gives SRSRA permission to send you major Association communications by e-mail instead of paper mail.

Return to: **SRS Retiree Association**
P. O. Box 5686
Aiken, SC 29804
Attn: Larry Coleman, Membership Chairman