

KENTUCKY

TEACHERS' RETIREMENT SYSTEM

RETIRED MEMBER
EDITION



APRIL/MAY
2015

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Responsible Funding Plan Moves Forward, But There Is Still Work to Do!

A Message from the Executive Secretary

Gary L. Harbin, CPA

During the 2015 Regular Session of the General Assembly, Greg Stumbo, Speaker of the House of Representatives, introduced House Bill 4 to address a long-term funding solution for teachers' pensions. House Bill 4 passed out of the House of Representatives with a super majority vote including both Democratic and Republican members. The Senate amended House Bill 4 and the matter went to conference committee to attempt reconciliation of differences. However, when the General Assembly adjourned during the early morning hours of Wednesday, March 25th, House Bill 4 was one of the bills that had not passed.

House Bill 4, in its original version without amendment, would have provided a long-term funding solution for the teachers' pensions with the following features:

- A bond of up to \$3.3 billion issued at historically low interest rates;
- The bond would increase retirement security for teachers by immediately increasing the funded ratio of the plan from 53% to 66%;

- The bond would not increase payments from the state's budget because debt service on the bond would come from funds already dedicated to fund teachers' pensions;
- The bond would not increase the state's debt because the debt owed teachers is already on the state's balance sheet;
- The bond would provide needed cash flow to pay retired teachers' pensions and thereby stop the liquidation of investment assets to meet retiree payroll;
- The bond would make it possible for the Commonwealth to slowly phase in, over eight years, to the full annual required contribution; and
- After reaching the annual required contribution, the state would be on track to fully fund teachers' pensions over the next 20 years.

House Bill 4 was not just a short-term fix; it provided a long-term funding solution benefiting teachers and taxpayers. In reviewing the provisions of House

"Funding" continued on page 2 ...

Bill 4, the firm Mountjoy, Chilton, and Medley (a preeminent Kentucky based accounting firm with expertise in public and private finance) observed "waiting to implement this plan will be a loss for the state, it should be done immediately."

Since 2008, given finite revenue and challenging budgets, the state has been unable to pay the full annual required contribution for teachers' pensions. What began as a shortfall of \$60.5 million has compounded year after year to \$487 million this fiscal year. The pension plan's independent actuary, Cavanaugh Macdonald Consulting, LLC, holds the opinion that not paying the annual required contribution is undermining the financial integrity of teachers' pensions. The actuary reported "the plan is at a tipping point because current retirees are being paid by liquidating investments that should be saved, invested, and grown for future retirees." House Bill 4 and its long-term funding plan provided the state the ability to address this issue head-on and avert this tipping point. The funding plan remains a viable option today.

Ideally, the General Assembly could meet and adopt a funding plan in a special session as soon as possible. Implementing a funding plan now, before interest rates increase, will save taxpayers hundreds of millions of dollars. Following the fiscal year 2014 audit of KTRS, Adam Edelen, the Kentucky Auditor of Public Accounts said "the problem with teachers' pensions is a lack of adequate funding by the state—not management of the system." Auditor Edelen also called on the state to fund teachers' pensions immediately because "an unfunded pension doesn't age like wine, it ages like milk."

BOARD of Trustees

The Teachers' Retirement System is governed by a nine member Board of Trustees. Two trustees are ex-officio members, the Chief State School Officer and the State Treasurer. The remaining seven trustees are elected by the retired and active membership. Elections are held in May of each year to fill either one or two positions on the Board. Positions are held for four-year terms and the elections are staggered. During this year's election, the membership will elect a lay trustee and an active teacher trustee. The candidates for the lay trustee position are Ronald L. Sanders, the incumbent from Hodgenville, and Wendell W. Lyons, from Louisville.

The candidates for the active teacher trustee position are Ali Wright, from Lexington, and Keri Meador, from Louisville.

In early May, ballots are mailed to each retired and active KTRS member with information about the candidates. Retired members will receive a yellow ballot and active members will receive a blue ballot. Please select your candidate, tear along the perforation, and drop the ballot in the mail.

Postage is prepaid. You may return your ballot any time during May, but your ballot **must be postmarked by May 31, 2015**. The Chief State School Officer is responsible for counting the ballots.

All members are urged to review the qualifications of each candidate and cast their ballot for the candidate who they feel has the best qualifications to be an effective member of the Board of Trustees. The results of the election will be announced in the next KTRS newsletter.



~MEHP~

UnitedHealthcare's Rewards for Health

Making good decisions about your health isn't always easy. So, to make those decisions a little easier, UnitedHealthcare wants to reward you for taking certain steps toward living a healthy life. In 2015 KTRS MEHP Medicare Advantage plan members will be able to earn rewards for two types of actions:

Annual Wellness Visit

One of the most important steps you can take to stay on top of your health is to have an annual wellness visit with your primary care provider. Your annual wellness visit is covered at \$0 copay by your MEHP Medicare Advantage plan. This year, the sooner you complete your Annual Wellness Visit, the more rewards you can earn.

- ◆ Complete your Annual Wellness Visit by June 30, 2015 and receive a \$75 gift card.
- ◆ Complete your Annual Wellness Visit between July 1 and September 30, 2015 and receive a \$50 gift card.
- ◆ Complete your Annual Wellness Visit between October 1 and December 31, 2015 and receive a \$25 gift card.

When you complete your Annual Wellness Visit, you simply call toll free 1-855-778-0577, TTY 711. If you need assistance, you can speak with a live representative Monday - Friday from 8:00 a.m. to 8:00 p.m. ET. You will be asked to provide the date of your Annual Wellness visit. You'll then be able to choose from several gift cards including: Applebees, Kohl's, Amazon.com, Starbucks and Subway. If you have already completed your Annual Wellness Visit this year and have not yet requested your reward, please give us a call. You must claim your reward by January 20, 2016.

HouseCalls

A complement to your annual wellness visit with your doctor is UnitedHealthcare's HouseCalls program. The HouseCalls program offers an in-home clinical visit with a certified nurse practitioner or physician to complement the care of your regular doctor. It's another chance for you to ask questions and get answers about the things that matter most to you about your health. In 2015, KTRS MEHP Medicare Advantage plan members can earn a \$25 Target gift card by completing a HouseCall. Once you complete a HouseCall, your gift card will be sent to you automatically within about 4 weeks of the visit.

You can receive rewards by completing each of these activities separately. So if you complete both an Annual Wellness Visit and a HouseCall, you can receive both rewards.

UnitedHealthcare will be sending more information on each of these programs soon and continues to work on new ways for you to earn rewards and live a healthier life. In the meantime, KTRS encourages you to take advantage of the health and wellness programs offered through UnitedHealthcare's Medicare Advantage plan so that you can live a healthier life.



~MEHP~

Don't Pay More than You Should – Some Reminders about Balance Billing

At KTRS, we have gotten a few questions lately about billing for Medicare-covered medical services and how much a retiree should pay. Medical bills can be confusing to understand. So we thought we would provide a brief review.

Let's start with what Medicare pays. Medicare publishes a fee schedule of what it will pay for all the services that it covers. The vast majority of doctors accept the Medicare Fee Schedule as payment in full. In this case, you would only be responsible to pay your co-insurance, after your deductible has been met.

In some cases, doctors who participate in Medicare do not accept the Medicare Fee Schedule. In these situations, Medicare allows the doctor to bill up to what is called, the Medicare Limiting Charge which is more than the Medicare Fee Schedule. The extra amount that can be charged is limited. The doctor cannot charge more than the Medicare Limiting Charge. The difference between the Medicare Limiting Charge and the Medicare Fee Schedule is called excess charges and this is what a doctor can balance bill.

Under the UnitedHealthcare Group Medicare Advantage plan, you do not pay the excess charges. You should not be balance billed. Your doctor should balance bill UnitedHealthcare and they will pay the excess charges. All you pay is the appropriate co-insurance, after your deductible has been met.

What do you do if you think you are being charged more?

If you think you have paid too much, your UnitedHealthcare customer service team is the first place to start. You can call them toll-free at 1-844-518-KTRS (5877), TTY 711, 8 a.m. – 8 p.m. local time, Monday – Friday. They can help you understand your bill and see if there have been any changes since the bill was sent. If it does appear that you have overpaid – you can then go back to your doctor's billing office to ask for a

refund. If you are not able to get your situation resolved with your doctor's office, you can call UnitedHealthcare again and UnitedHealthcare will advocate on your behalf.

As a final reminder, your plan will only pay for covered and necessary medical services. If the service is not a part of the plan's coverage, then you will pay the entire amount of the service. If you have questions about your plan's benefits and what is covered, please call UnitedHealthcare customer service. They will be happy to assist you.

KENTUCKY TEACHERS' RETIREMENT SYSTEM ~ MEHP Phone Numbers ~	
Express Scripts Drug Patient Care Advocate	
 Express Scripts Medicare® (PDP)	1-877-866-5834
Call to order an ID card, start home delivery, refill mail order prescriptions, price a prescription and more.	
KY Rx Coalition Pharmacist	
 KNOW YOUR Rx COALITION	1-855-218-5979
Call for help with rejected prescription issues, prior authorization and lower cost drug alternatives.	
UnitedHealthcare Customer Service	
 UnitedHealthcare®	1-844-518-5877 (KTRS)
Call for help with claim payment questions, Medicare allowable charges, appeals of claims and provider issues.	
Edumedics Disease Management	
 Edumedics	1-855-210-8514
Call for help in managing diabetes, high blood pressure and high cholesterol.	
Kentucky Teachers' Retirement System	
 KENTUCKY TEACHERS' Retirement System KTRS	1-800-618-1687
Call for questions regarding medical insurance eligibility, how to enroll and insurance premiums.	
2015	

~MEHP~



Brought to you by your partners in health, Edumedics and KTRS!

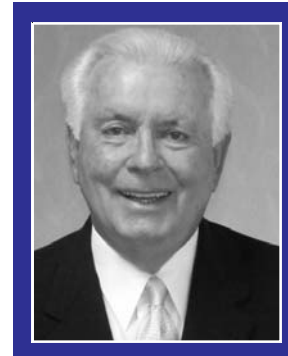
Edumedics offers programs to help you better manage Diabetes, High Cholesterol and High Blood Pressure.

- ◆ Face-to-Face clinical visits with a Nurse Practitioner.
- ◆ 30 – 45 minute appointments to give you the attention you deserve.
- ◆ Programs to provide you guidance and support throughout the year.



Call Edumedics at 855-210-8514 to see if you qualify!

Ernie Trosper
KRTA Membership
Co-Chair



“My experience while participating in the Edumedics program has been very positive. The visits with Mimi, the Edumedics nurse practitioner, have been helpful and overall a good experience.”

Shanna Van Den Elzen
Service Account Manager
(Customer Advocate)



Office Location:
Kentucky Teachers'
Retirement System

KTRS Office Phone
800-618-1687

Shanna Van Den Elzen is a UnitedHealthcare Medicare and Retirement Customer Advocate who specializes in servicing the retiree health care needs of employer groups. Shanna is a key member of the account management team, providing communication and leadership while taking ownership of customer care results. Her responsibilities include end to end service on issue resolution for the clients and reports of call center statistics.

Qualifications and Experience

Shanna joined UnitedHealthcare in 2009. Through the various roles Shanna has held in her career with UnitedHealthcare, she has gained a vast knowledge of UnitedHealthcare Medicare and Retirement products. Her expertise includes customer service, sales, training, end to end service issue resolution, client service and team leadership.

479 Versailles Road, Frankfort, KY 40601
8:00am – 5:00pm EST, Monday – Friday

~ KEHP ~

Reminder - LivingWell Promise for the Kentucky Employees' Health Plan

If you chose a LivingWell health plan for 2015, your deadline to complete either an online Health Assessment OR VitalityCheck (biometric screening) was May 1, 2015. If you failed to fulfill the LivingWell Promise, you will only be eligible for the Standard Plan options in 2016.

~AllRetirees~ Are Your Life Insurance Beneficiary & Retirement Account Beneficiary Current?

One of the advantages of being part of KTRS, is that you have a life insurance benefit. KRS 161.655 sets this benefit at \$5,000 for retirees and \$2,000 for active contributing members. The law specifies that this benefit is payable upon the death of the member to the member's estate or to a party designated by the member on a form prescribed by the retirement system. Members who do not have a party designated to receive this benefit can do so by completing a Designation of Beneficiary Form [KTRS Life Insurance Form DB-1].

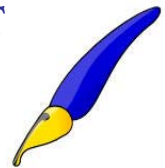
KTRS retirees are reminded that changing the life insurance benefit designation does not affect the beneficiary designation made at retirement that provides for a monthly payment to a survivor in the event of death of the retired member. It is very important that both active and retired KTRS members keep their life insurance beneficiary designation current and up to date. Failure to keep your beneficiary designation up to date could lead to costly legal fees. To request this form call KTRS toll free at 1-800-618-1687.



~AllRetirees~ Reminder: Upon the Death of an Active or Retired Teacher

Eligible spouses have 30 days from the member's date of death to elect or decline health plan coverage through KTRS. If coverage is declined or waived, it is a permanent election, and no qualifying event will allow the surviving spouse to re-enroll.

Be Sure to Keep Your Address CURRENT with KTRS!



ALL KTRS retirees and other annuitants are reminded that when they change their address, they should notify KTRS **in writing** in order to continue to receive their KTRS mail on a timely basis. All retirees receive a 1099R in January, a check stub in July indicating COLA increases, and newsletters and special mailings which may include retiree medical insurance information or notices.

~ KEHP & MEHP ~
**Enrollees Who Are
Eligible for Medicare**

Prior to January 1, 2013, KTRS allowed under age 65 retirees and/or dependents who were eligible for Medicare to choose to be covered on the under 65 Kentucky Employees' Health Plan (KEHP) or move to the KTRS Medicare Eligible Health Plan (MEHP). The cost to KTRS to cover a Medicare-eligible member on the KEHP with only secondary coverage is more than double the cost of the MEHP.



If you or any of your covered dependents are under age 65, enrolled in the KEHP, and became eligible for Medicare on or after January 1, 2013, are no longer eligible for the KEHP. Medicare eligible participants will only be allowed to enroll in the MEHP through KTRS. Please contact the KTRS office regarding enrollment in the Medicare Eligible Health Plan (MEHP).

These reasonable and necessary steps will help ensure the continuation of affordable medical insurance for all KTRS participants.

**MEHP Hearing Aid
Allowance**

Members of the KTRS Medicare Eligible Health Plan have up to a \$500 hearing aid allowance to use on the purchase of hearing aids once every three years!

Remember, this allowance can be used to purchase hearing aids through the UnitedHealthcare hi HealthInnovations Hearing Aid discount program or any other discounted hearing aid plan or provider. This \$500 allowance does not apply to your annual maximum out of pocket amount of \$1,200. Please contact UnitedHealthcare at 1-844-518-KTRS (5877) for more information.

~ KEHP & MEHP ~
**Reemployed
Retirees**

If you are retired and employed by an agency that participates in the Kentucky Employees' Health Plan (KEHP) and you are eligible for health insurance, you must terminate coverage through KTRS.

If you are retired and employed by an agency that does not participate in the KEHP, but you are eligible for health insurance through that employment, you must terminate KTRS coverage unless that coverage is not as good as KTRS coverage. You may be asked to certify this information.

Additionally, once you terminate that employment or lose eligibility for active insurance, it is your responsibility to contact KTRS within the qualifying event period (usually 30 days) to re-enroll and provide the required documentation.

If you become re-employed, please contact KTRS to determine your eligibility for health insurance.



1-800-618-1687

**479 Versailles Road, Frankfort, KY 40601
8:00am - 5:00pm EST, Monday - Friday**

**TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF KENTUCKY**

479 Versailles Road
Frankfort, Kentucky 40601-3800

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