

## **Joint Benefits Committee Report CUCEA/CUCRA Spring 2017 Meetings**

### **1. Transition from Blue Shield to Anthem Blue Cross and OptumRx**

When the Office of the President initiated the process for selecting health insurance and prescription drug plans, its primary focus was on keeping costs down. Apparently, not enough attention was paid to potential operational implementation issues and requirements.

Anthem Blue Cross, which was UC's health insurance provider prior to Blue Shield, now has a different operations platform with some weird problems. And when some people found themselves without prescription drug coverage, it was the result of OptumRx using a test file of members to determine the coverage pool instead of the open enrollment member file provided to them. In addition, the University has encountered significant problems with OptumRx regarding pre-approval of prescriptions.

This was not UC's best ever implementation of new insurance plans. But UC currently has three-year contracts with Anthem and OptumRx, and the Office of the President is doing everything in its power to fix the problems. And for future contracts, OP is going to keep a record of this plan implementation so that these problems will not be repeated.

### **2. Medicare Supplement Plans Not Covering Treatments Not Covered by Medicare**

There have been a number of complaints from retirees that treatments they need for continuing long-term health problems that are not covered by Medicare are also not covered by UC supplemental insurance plans. We have been advised by OP staff that people facing this situation should let them know what their situation is, and OP will then analyze the problem and determine whether or not some coverage can be provided. It was recommended that it would be best to work through the campus health care facilitator.

Over the long term, UC needs to decide what kinds of conditions our supplemental health care plans should cover, even if Medicare doesn't cover them or provides only limited coverage, and then UC needs to negotiate supplemental plans that do provide such coverage.

### **3. Family Member Eligibility Recertification**

Periodically, the University certifies family member eligibility for health insurance and pension benefits. This June, OP will begin an effort to re-certify pension benefits eligibility of family members for employees and retirees whose relationship statuses may have changed since they were initially verified three or more years ago. This re-certification effort will include spouses, domestic partners, grandchildren and legal wards. There will be a brief presentation about this process at the joint CUCEA-CUCRA meeting in April at Irvine. Prior to the meeting, you may want to read this article from

UCNet: <http://ucnet.universityofcalifornia.edu/news/2017/02/family-member-eligibility-reverification.html>.

#### **4. Hearing Aids**

Most of the UC supplemental health insurance plans have a hearing aid benefit. They generally offer up to \$2,000 per hearing aid every 36 months with a 20% co-pay. One question is whether Costco could be listed as an accepted provider for insurance payments. If so, then members would not have to pay out of pocket and then seek reimbursement from their insurance company. Costco for instance is a provider for eyeglasses under VSP.

#### **5. The Loss of Campus Health Care Facilitators**

A number of retirees have expressed concern about the absence of a health-care facilitator on their campus. There have been a number of retirements, but these positions haven't been eliminated, and there is an OP HR leadership commitment and budget allocation to assure their continuation. Currently, four campuses are in the process of recruiting health-care facilitators.

#### **6. Customizing Required Minimum Distributions From Retirement Accounts**

The year after people turn 70½ they are required to take Minimum Required Distributions (MRDs) from their tax deferred retirement accounts. If you do nothing, Fidelity will distribute your MRD automatically with withdrawals taken proportionally from each of your investment funds, and with Federal and State tax withholding determined by formula. It is possible, however, to customize your MRD from your tax deferred retirement accounts. For each account, if you have invested in more than one fund, you can decide how you want your MRD distributed across those funds. Likewise, specifying what tax withholding you want could be an advantage to you.

If you want to act, you can do the following: Call Fidelity at (866) 682-7787 and ask to speak with a representative who can handle your customized MRD. This must be done before the cut-off date, which was December 16 in 2016. Several days in advance of the cut-off date would be desirable. For each retirement plan you have (e.g., 403(b); 457(b); DC) you can tell the representative from which investment funds you want the withdrawal to be taken. Be specific about the dollars you want taken from each investment fund for each retirement plan. Also, you can tell the representative how much Federal and State tax withholding you want from each plan withdrawal. After you confirm what you have just agreed to, ask the representative to assure that the automatic withdrawal has been cancelled, so you do not end up with a double withdrawal.

It would be helpful if these options are explained in New Dimensions in a timely way each year.

## **7. Medical Plan Satisfaction Survey**

Several issues discussed during the last JBC meeting indicated the existence of communications problems between OP and retirees. OP staff noted the concerns and expressed a commitment to address the problems. In addition to the cases mentioned above, a survey on Medical Plan Satisfaction was sent without advance notice to some retirees or retiree partners. Even though it was a real survey, there was concern that this was a scam because of no advance notice. OP now knows it needs to come up with an alert system so people can fill out a survey with confidence of identity security.

## **8. Joint Benefit Committee Members**

Beginning this coming summer, Roger Anderson will succeed Dick Attiyeh as JBC Chair. The current membership of the JBC is listed below:

Adrian Harris (UCLA)	Appointed by CUCRA
Randy Scott (UCOP)	Appointed by CUCRA
Joel Dimsdale (UCSD)	Appointed by CUCEA
Dan Mitchell (UCLA)	Appointed by CUCEA

Louise Taylor (UCB)	Selected by JBC
Larry Pitts (UCSF/UCOP)	Selected by JBC
Roger Anderson (UCSC)	Selected by JBC

Marianne Schnaubelt (UCI)	CUCRA Chair
Joe Lewis (UCOP)	CUCRA Chair-Elect
Dick Attiyeh (UCSD)	CUCEA Chair
Caroline Kane (UCB)	CUCEA Chair-Elect