

Retiree Report

October, 2006



Open Enrollment information for 2007 benefits from the
Fairfax County Retirement Administration Agency
Designed for County Government Retirees~

Open Enrollment Oct. 23 - Nov. 17, 2006

Changes Become Effective January 1, 2007

Included in this package is a special "Focus on Benefits" issue that specifically addresses retiree benefit information. Open Enrollment gives eligible retirees the opportunity to make changes in health and dental insurance coverage. This edition of the Retiree Report includes insurance rates for 2007 and specific information to help you make your benefit plan decisions.

If you plan to make changes to your health coverage, please send us an enrollment/change form. These forms are available by calling the Retirement Administration Agency (RAA) and telling us which health plan change form you need (e.g. CareFirst, CIGNA, or Kaiser).

ALL FORMS should be returned to the Retirement Administration Agency at 10680 Main Street, Suite 280, Fairfax, VA 22030. Please DO NOT return forms to the insurance companies or the Department of Human Resources. It is not necessary for you to submit an enrollment/change form for your health insurance if you do not plan to make any changes. If you are making a change to your address, phone number or other personal information, please mark your form in the upper right hand corner with the words "Change of _____". This note will help us expedite the change.

CareFirst members
will receive new
benefit plan booklets
in early 2007



Highlights to look for in the "Focus on Benefits"

- **Enhanced Vision Benefits** with Davis Vision for all retirees with County health insurance. Please see pages 2 & 3 of "Focus" and the enclosed Davis Vision brochure for details.
- **Additional County health subsidy** that was approved for last year **will continue for 2007**
- **CIGNA Open Access Plan (OAP) - Nationwide Network** Flexible new option for retirees under age 65. See pages 1 & 10 of "Focus"
- **No rate increase for BlueChoice POS, Blue Preferred PPO or CIGNA OAP**
- **Small increase in Kaiser rates for 2007**
- **Dental premiums will increase approximately 11% for 2007**
- **FairChoice name dropped --** New ID cards coming for BlueChoice POS members - see page 2 of "Focus"
- **Each health insurance provider will be mailing plan information** directly to all County retirees who have health insurance.

CY 2007 Health Insurance Monthly Premiums for Retirees

Rates Effective January 1, 2007 through December 31, 2007

Health Insurance Plan Options	Monthly Premiums for ALL Retirees (without subsidy)
<i>Care First BlueChoice POS + Davis Vision</i>	
Individual -----	\$452.20
1 Individual with Medicare -----	315.80
2 Individuals -----	888.66
2 Individuals - 1 with Medicare; 1 without Medicare -----	768.00
2 Individuals with Medicare -----	631.59
Family -----	1,306.94
Family - 1 Medicare -----	1,218.44
Family - 2 Medicare -----	1,129.94
Family - 3 Medicare -----	1,041.44

Care First Blue Preferred PPO + Davis Vision

Individual -----	\$ 520.02
1 Individual with Medicare -----	363.18
2 Individuals -----	1,021.96
2 Individuals - 1 with Medicare; 1 without Medicare -----	883.20
2 Individuals with Medicare -----	726.35
Family -----	1,503.00
Family - 1 Medicare -----	1,414.50
Family - 2 Medicare -----	1,326.00
Family - 3 Medicare -----	1,237.50

CIGNA + Davis Vision

Please Note: CIGNA does not provide a Medicare Risk Plan - If you or your spouse is age 65 or over, DO NOT choose CIGNA as your provider.

Individual -----	\$ 358.62
2 Individuals -----	699.34
Family -----	1,043.58

Kaiser Permanente + Davis Vision

Individual -----	\$ 349.26
2 Party -----	680.49
Family -----	1,012.58
Individual with Medicare* -----	285.56*
2 Individuals with Medicare* -----	570.36*
2-Party; 1 with & 1 without Medicare* -----	634.06*

**Only available to existing Kaiser members who turned age 65 prior to January 1, 2005*

If you are currently **NOT** enrolled in a County-offered health/dental plan, you are **NOT** eligible to enroll!
New premium amounts will be deducted starting with the **December payroll**

Who pays for retiree health and dental benefits?

Retirees pay the full cost of their health and/or dental insurance premiums. Retirees age 55 or older, or those retired on a disability, receive a monthly subsidy from the County toward the cost of a County health plan.

Monthly subsidy amounts for 2007 are reflected in the tables below:

Monthly Subsidy for Retirees <u>Aged 55-64</u>			
Years of Service at Retirement	Subsidy Amount	2007 Supplement	2007 Subsidy Amount
5 - 9	\$25	\$5	\$30
10 - 14	\$50	\$15	\$65
15 - 19	\$125	\$30	\$155
20 - 24	\$150	\$40	\$190
25 or more*	\$175	\$45	\$220

Monthly Subsidy for Retirees <u>65 and Over</u>			
Years of Service at Retirement	Subsidy Amount	2007 Supplement	2007 Subsidy Amount
5 - 9	\$15	\$15	\$30
10 - 14	\$25	\$40	\$65
15 - 19	\$100	\$55	\$155
20 - 24	\$150	\$40	\$190
25 or more*	\$175	\$45	\$220

*Includes retirees of any age covered under a County health plan who are approved for a service-connected disability retirement.

Fairfax County reserves the right to change or terminate the benefit provided or adjust premiums at any time. If you were not covered by a County life, health or dental plan at the time of retirement, you are not eligible for retiree coverage.

Retirees can pay their share of their health and/or dental insurance premiums in one of two ways: 1.) The premium, less the subsidy, will be deducted from the monthly annuity in the month prior to the month of coverage. 2.) If the individual does not receive an annuity, or if the retiree's check is not large enough to cover the monthly premiums, the retiree must pay any amount not covered by their annuity by mailing a personal check to the Retirement Administration Agency. Personal checks must be received by the Retirement Administration Agency by the 10th of the month to cover the next month's coverage.

Please Note:

Surviving spouses are entitled to a subsidy only if they receive a Joint and Last Survivor benefit.

Members retired on a service-connected disability will receive a subsidy of \$220.

Members retired on an ordinary disability receive a subsidy based on their years of service.

Retirees who were grandfathered at the \$100 subsidy level will receive the 2007 supplement based on their age and service.

New premium amounts will be deducted starting with the December retirement payroll.

Delta Dental Monthly Premiums for Retirees

	Monthly Premium
Individual -----	\$32.24
2 Individuals -----	\$60.88
Family -----	\$100.32

The County does NOT contribute toward the dental premiums for retirees

Premiums are deducted monthly, in the month prior to coverage.

For answers to questions concerning your dental coverage, please call Delta Dental at 1-800-237-6060 or visit www.deltadental.com

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E** Retirees may **decrease** coverage (drop family members from their insurance) **at any time**. However, levels of coverage may only be increased outside of an open enrollment period due to a qualifying change in status.

Remember! If you discontinue your health or dental coverage, you are NOT eligible to regain coverage through Fairfax County!

F.Y.I.

Medicare Changes for 2007

UPDATE -----**Medicare Part B** premium amounts for 2007 are determined by the Department of Health and Human Services (HHS). The premiums paid by beneficiaries enrolled in Medicare Part B cover physician services, outpatient hospital services, certain home health services, durable medical equipment and other items. The standard Medicare Part B monthly premium will be **\$93.50 in 2007**, an increase of \$5.00 from the 2006 \$88.50 premium. In 2007, approximately 4 percent of Medicare Part B enrollees with higher incomes will pay a higher Part B premium based on their income. The income-related Part B premiums for 2007 will be \$106.00, \$124.70, \$143.40, or \$162.10, depending on the extent to which an individual beneficiary's income exceeds \$80,000 (or a married couple's income exceeds \$160,000). The annual deductible amount will be \$131.

The deductible amount for **Part A Medicare** in 2007 will increase to \$992 for each benefit period. For more Medicare information, please visit www.Medicare.gov or call 1-800-MEDICARE (1-800-633-4227).

Two Retiree Informational Meetings are scheduled at the Government Center

Friday, October 27 -- 10 a.m. - 12 noon
Conference Rooms 9 & 10
Health and Vision Screenings - Room 6

Monday, November 13 -- 10:30 a.m. - 12:30 p.m.
Board Auditorium
Health/Vision Screenings Rooms 9 & 10

Retirees and spouses are required to submit a copy of their Medicare card **showing that they have both Part A and Part B Medicare coverage as soon as they become eligible to receive it.**

Retirees should apply for Medicare Part B three months prior to their 65th birthday and submit proof of coverage to the Retirement Agency as soon as they receive their card. Those who forget or those who choose not to accept Part B will be placed in the County's penalty group and will have to pay, out-of-pocket for any medical expenses that Medicare would have paid. Remember, while you have to pay for Medicare Part B, those retirees enrolled in BlueChoice POS or Blue Preferred PPO, with Medicare coverage, receive a lower rate than those without Medicare. Please do not turn down Medicare Part B coverage - it can be a costly mistake for you and your family. After a retiree receives Medicare coverage, Medicare becomes the primary source for payment of claims, and the Fairfax County Group (FCG) health plan becomes secondary.

Once a covered member becomes eligible for Medicare, the only options the retiree has are to switch his or her health insurance coverage to one of the CareFirst BCBS plans, (BlueChoice POS or the Blue Preferred PPO plan) or drop their County health insurance coverage.

Retirement Administration Agency

703-279-8200 1-800-333-1633
fax: 703-273-3185

Walk-in hours are 11:00 a.m. - 2:00 p.m., Mon - Fri

Walk-in sessions should be limited to 15 minutes or fewer

Business requiring more than 15 minutes, and outside 11 a.m. - 2 p.m. should be scheduled in advance

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A Quarterly Publication from the
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Designed for County Government Retirees~~

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