

PLEASE READ IMMEDIATELY

**SEPTEMBER 2011 ANNOUNCEMENT REGARDING
NEW MEDICAL PLAN ARRANGEMENT:
KAISER AND BLUE CROSS PLAN CHANGES**

➡ **WHY YOU ARE RECEIVING THIS ANNOUNCEMENT:**

If you are a retiree or the beneficiary of a Marin County Employees' Retirement Association (MCERA) retiree who is receiving medical insurance through your monthly allowance, this announcement is to let you know that there will be a change in the medical plan offerings effective January 1, 2012, barring any unforeseen circumstances. You will also receive an official written notice of the changes no later than 90 days prior to the anticipated January 1, 2012 effective date.

➡ **BACKGROUND:**

The County of Marin, which contracts with Kaiser and Blue Cross for medical insurance, is making important changes to the Kaiser and Blue Cross plans which cover both active employees and retirees.

Over the past several years, the County has been exploring the option of providing more affordable medical plans for both active employees and retirees. In 2007 and 2008, the County convened a joint labor-management benefits advisory committee in an attempt to come up with alternatives to the escalating costs of its medical plans. Retiree representatives participated in these meetings. During that process, the County explored entering into contracts with other medical plan providers, but none were interested in insuring County employees and retirees. There were also barriers to joining CalPERS medical plans.

There have been many forces driving the need to control the costs of medical insurance, including GASB 45 requirements, the economic situation that has left retirement systems (and the counties that support them) with staggering unfunded liabilities, the sustainability of high cost medical plans, the sentiment of the public regarding the post-retirement benefits of public employees, and a desire to provide more market-based plans.

➡ **MEDICAL PLAN DESIGN CHANGES:**

The County currently offers six medical plans for actives and retirees. They are:

Blue Cross Prudent Buyer Plus
Blue Cross Prudent Buyer Classic
Kaiser High
Kaiser Low
Kaiser Limited
Kaiser Silver

(In addition, there are retirees enrolled in out of state Kaiser plans, which are Kaiser Northwest, Kaiser Hawaii and Kaiser Colorado.)

Effective January 1, 2012, the County will offer three medical plans for active employees and retirees. The summaries of the plans are included with this announcement. The plans will be:

Anthem Blue Cross PPO
Kaiser Low
Kaiser Silver

(In addition, the Kaiser Northwest, Hawaii and Colorado plans will continue.)

➡ **HOW THE CHANGES AFFECT YOU:**

MCERA, in coordination with the County, will offer a one-time MEDICAL PLAN REDESIGN EVENT from October 1 through November 14, 2011. During this time, you will be able to choose one of the following options.

OPTION 1

Take no action and be moved into the plan most like your current plan (default plan):

- If you have Blue Cross Prudent Buyer Plus or Classic, you will be moved into the new Anthem Blue Cross PPO Plan.
- If you have Kaiser High, you will be moved into Kaiser Low.
- If you have Kaiser Low, you will remain in Kaiser Low.
- If you have Kaiser Limited, you will be moved to Kaiser Low.
- If you have Kaiser Silver, you will remain in Kaiser Silver.
- If you have Kaiser Northwest, Kaiser Hawaii, or Kaiser Colorado, you will remain in the plan you are enrolled in.

OPTION 2

Elect to change from your existing County medical plan to a different County medical plan:

- Move from any Kaiser plan into the new Anthem Blue Cross PPO Plan.
- Move from any Blue Cross plan to either Kaiser Low or Kaiser Silver.

- Move from Kaiser High, Low, or Limited to Kaiser Silver.
- Move from Kaiser Silver to Kaiser Low.
- Move from Kaiser Northwest, Kaiser Hawaii, or Kaiser Colorado to the new Anthem Blue Cross PPO Plan.

➡ **THE COSTS OF EACH PLAN:**

The 2012 rates will be included in the official written notice that you will receive in a subsequent mailing.

➡ **HOW TO MAKE YOUR ELECTION:**

If you are simply defaulting from one plan to another, as outlined in **OPTION 1** above, you do not need to take any action and your coverage will be automatically changed effective January 1, 2012.

If you are changing from one plan to another as outlined in OPTION 2 above, you MUST contact MCERA during the MEDICAL PLAN REDESIGN EVENT from October 1 through November 14, 2011, in order to complete the necessary paperwork.

If you have Medicare, you may be required to complete a new enrollment form even if you want to remain in the default plan. More information will be available in the next communication concerning the new plan arrangement.

YOU WILL NOT BE ABLE TO MAKE ADDITIONAL CHANGES IN THE FUTURE. THIS IS A ONE-TIME EVENT. It is not an open enrollment but an opportunity to change medical plans due to the changes being made in the plan offerings. The change event applies to changing your choice of medical plan only.

➡ **HOW YOU CAN GET MORE INFORMATION ABOUT THE PLANS:**

MCERA, in conjunction with the County, will offer several educational sessions with the insurance providers. The new plan arrangements will be reviewed and representatives from Blue Cross and Kaiser will be available for group and private questions.

These sessions will be held:

September 20	1 p.m. – 3 p.m.
September 28	9 a.m. – 11 a.m.
October 11	12 noon – 2 p.m.
November 8	10:30 a.m. – 12:30 p.m.

All of the sessions will be held in the Board Chambers at the MCERA office: One McInnis Parkway, Suite 100, San Rafael. **Because seating for each session is limited, you MUST pre-register by calling MCERA at (415) 473-6147.**

The County's website (www.co.marin.ca.us) and MCERA's website (www.mcera.org) will both have information about the plans.

Frequently Asked Questions (FAQs) and benefit summaries are included in this announcement and on the above-identified websites.

➡ **IF YOU HAVE QUESTIONS:**

If you currently have questions, please contact one of the following MCERA staff in writing by e-mail at:

Helen Moody, Assistant Administrator	hmoody@co.marin.ca.us
David Sousa, Benefits Supervisor	dsousa@co.marin.ca.us
Todd Miller, Post-Retirement Benefits Team	tmiller2@co.marin.ca.us
Cookie Shamrock, Post-Retirement Benefits Team	lshamrock@co.marin.ca.us

Or, you may contact any of the Retirement representatives at:

Marin County Employees' Retirement Association
One McInnis Parkway, Suite 100
San Rafael, CA 94903-2764
(415) 473-6147
Website: <http://www.mcera.org>

Enclosures:

- Plan Summaries
- Frequently Asked Questions