

Board of Pensions adopts new health insurance program for retirees

By John Tate

Conference treasurer

On March 13, the Board of Pensions voted unanimously for a new health insurance program that will utilize and leverage federal tax dollars to provide a more efficient program for Holston's 559 retirees. The recommended changes will be implemented Jan. 1, 2008.

The Board recommended to convert retirees to a Medicare Supplement program, BlueCross65, for health insurance and to allow retirees to enroll in Medicare Part D prescription drug programs which best suit individual needs and which should provide net savings for current and future retirees.

Current retirees should see little or no change in their medical and dental coverage, but must enroll in a Medicare-provided prescription program before Jan. 1, 2008. Open enrollment for a Medicare Part D prescription plan begins Nov. 15 and ends Dec. 31. Retirees who do not select a program during this period may have higher premium costs.

The Board of Pensions' recommendation for a new health insurance program follows a long process of careful analysis. In 2005, a Retiree Health Insurance Task Force was established to research various products and available options. The Task Force's recommendations were presented to the Board of Pensions in February 2007 before final approval on March 13.

The Retiree Health Insurance Task Force was comprised of Board of Pensions members with experience in the provision of health-care services. Based upon long-term cost projections and assessment of our current insured population, the Board established that the current health insurance program could not be sustained.

"I believe that the Board of Pensions was very proactive in recognizing that there was a problem and researching all of the available options before recommending this change," stated Charlie Harr, Board of Pensions chair and member of Middlebrook Pike UMC, Knoxville District. "It is nearly impossible to account for each individual circumstance. The Task Force has gone to great lengths to discuss this issue with many retirees and ultimately approve this change. Most retirees will see a significant cost savings in their overall cost of health services when they receive lower monthly premiums, even after adding the cost of their Medicare Part D Supplement."

Harr continued, "With the existing program, we are currently missing an opportunity to leverage our prescription drug program to take advantage of tax

Projected 2008 Health-Care Costs*

Years of service	Retiree's share	Surviving spouse
0-9	\$200	\$100
10-24	\$100	\$50
25+	\$25	\$13

*For those retiring after 12/31/04

monies that are available to those over the age of 65 through Medicare Part D. It is the belief of our Board that these savings can be leveraged to assist in improving our overall program."

Three of the 10 Task Force members have direct experience in providing and administering programs similar to the recommended products. The Task Force compiled data from other United Methodist conferences and found success stories associated with the proposed products.

"Although some other conferences provide no program for retirees, we believe that it is our obligation to assist them in recognition of their many years of service to the United Methodist Church within the Holston Conference," Harr stated.

"The proposed program allows individuals to utilize existing programs for assisting with the payment of the prescription services," Harr added. "Currently, several other conferences within the United Methodist Church utilize a similar program. We believe that this program will meet the satisfaction of most of our current participants but recognize that some individuals will be impacted tremendously. We are currently discussing a process to address these radical situations to anticipate any dramatic problems that might occur. Understanding that there will be several cases in which an individual's costs may increase, we felt it was important to protect the overall health insurance program to insure that it is available to all 1,240 participating enrollees at a competitive price," Harr said.

Three of the Task Force members are retired clergy. They were a vital part of understanding the current health insurance program, stating their concerns that any changes should provide equal or better benefits.

"I was skeptical of any changes to the health insurance program," stated the Rev. Clarence Dishman, a retired pastor in Abingdon District. "After discussing my current medications with Blue Cross Blue Shield of Virginia, it appears that I will see significant savings in my monthly costs. I asked a retired pastor and wife who live in my area to compare their current prescription cost with the cost of securing prescriptions through Medicare D. They

Info meetings

April 12: Cokesbury Center, Knoxville District, 10 a.m.

April 16: St. Paul UMC, Wytheville District, 2 p.m.

April 17: Munsey Memorial UMC, Johnson City District, 10 a.m.

April 20: Holston Conference Center, Maryville District, 2 p.m.

May 7: Pleasant View UMC, Abingdon District, 10 a.m.

May 20: Ooltewah UMC, Cleveland District, 3 p.m.

were surprised to see the savings that they would see as a result of the proposed changes."

Dishman continued, "I also asked another retired pastor and wife who live in Tennessee to make the same comparison. They will see a modest increase to their monthly cost based upon their current medications and pharmacy. In order to reduce their costs, they may need to consider alternative medications such as generics or participate in mail-order programs."

"This program appears to be advantageous to all parties involved," stated the Rev. Charles Lockerby, a Task Force member and retired pastor in Wytheville District. "It is important to note that the current program has holes and situations that appear to be unfair to those negatively affected, and the new program will undoubtedly face the same issue. I would encourage everyone to attend one of the sessions scheduled within his or her area or plan to attend the special sessions that will be held at Annual Conference in June."

In implementing this decision, the Board of Pensions has tried to address concerns expressed by Holston retirees as well as experts: coverage and cost.

"As far as coverage goes, the retirees should be able to continue to see their current doctor," said Patty Muse, Task Force chair and a member at Munsey Memorial UMC in Johnson City District. "The program will be accepted by any doctor that files Medicare reimbursements."

Retirees will be required to obtain their own Medicare prescription plans. The plan costs will be determined by coverage selected for the amount and types of required prescriptions. Retirees can learn more by visiting the *Medicare.gov* website, discussing options with their pharmacies, contacting a local insurance agent, or calling a Medicare Part D provider. The responsibility is placed on the participant, but the new plan also allows individuals to make money-saving decisions which include selecting the right plan, selecting generic drugs, or using mail-order prescriptions.

As in the previous program, the cost of Holston Conference health-care coverage is based on years of service. Please see the chart on this page for projected 2008 costs for those retiring after 2004. For those with limited income and assets who qualify, financial assistance is available through Social Security.

Please also see the schedule for upcoming meetings that will help explain the new program. Blue Cross Blue Shield experts will be available to discuss individual situations and answer questions. A "chat room" will be provided at Annual Conference in Lake Junaluska this June, and additional informational meetings will be scheduled in fall. ■



Jesus said to her, "Do not hold on to me, because I have not yet ascended to the Father."