



Benefit Services

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MEMORANDUM

DATE: August 8, 2008
TO: All NMSU Retirees Enrolled in Medical Coverage
FROM: René Yoder SPHR – Benefits Manager
SUBJECT: 2008-2009 Retiree Health Benefits

General Information:

There will be no change to the medical portion of the retiree insurance program. Retirees under the age of 65 will see approximately an increase in premium of about 5%, and retirees enrolled in Medicare and under the age of 70 will see a slight decrease in premiums (see attached premium charts). The university began paying 30% of the premiums for retirees over age 70 beginning July 1, 2008.

New

- Retirees or Retiree Spouses who give birth or adopt a child have 31 days from the date of birth or date of adoption to add the child to the health plan. Proof of birth/adoption will be required to add the child to the health plan. If the 31 day deadline is not met, there will not be an option to add the child at a later date.
- Disabled dependent children of the Retiree or Retiree Spouse who are covered on Medicaid may add the child if the child loses coverage through Medicaid. Proof of the loss of coverage will be required and the Retiree has 31 days from the date the child loses Medicaid to add the disabled dependent child. If the 31 day deadline is not met, there will not be an option to add the child at a later date.

PLEASE NOTE, IF YOU ELECT TO DROP THIS COVERAGE, YOU WILL NOT BE ALLOWED TO ENROLL IN NMSU’S MEDICAL COVERAGE PROGRAM AT A LATER DATE.

Prescription Coverage:

Prescription benefits for the participants in the NMSU PPO plan and not covered by Medicare will not see any changes in the prescription plan.

	Retail Pharmacy 1-month supply			Mail Order 3-month supply		
	Generic	Formulary	Non-Formulary	Generic	Formulary	Non-Formulary
Co-insurance	20%	30%	40%	20%	30%	40%
Minimum	\$10	\$25	\$45	\$20	\$50	\$90
Maximum	\$20	\$45	\$80	\$40	\$90	\$160

* If a retiree chooses a name brand prescription when a generic is available, the retiree will pay the generic co-pay, plus the cost difference between the generic and name brand prescription.

Retirees on the Medicare Carve Out plan should have received a packet of information regarding the change in the NMSU Retiree prescription plan that goes into effect on September 1, 2008. A summary of the changes to the prescription plan are outlined below.

- Prescription coverage will be a Medicare Part D product effective 09/01/08 for retirees and/or retiree spouses eligible for Medicare.
- NMSU plan year will move to January – December
- Rate guarantee from BCBSNM from 09/01/08 – 12/31/09
- NMSU prescription plan will cover the “donut hole” with only co-pays being paid by the participant
- All participants impacted by the change in regards to their current prescriptions will receive a notice with the specific changes to their prescriptions
- Participants will receive a separate card for prescriptions
- If participants opt out of the Medicare Part D program they will also have to opt out of the medical program
 - Participants currently enrolled in another Medicare Part D program will be enrolled in the NMSU Medicare Part D program and automatically dropped from their current Medicare part D program as Medicare does not allow double coverage.
 - If participants wish to continue participation in their current Medicare Part D program they will need to complete the NMSU discontinuance form and submit the completed form to NMSU Benefits Services no later than August 25, 2008. Form are located on the NMSU benefits website at <http://hr.nmsu.edu/benefits/retire/retiree.html> or by coming to Hadley Hall Room 17.

	Retail Pharmacy 1-month supply			Mail Order 3-month supply		
	Generic	Formulary	Non-Formulary	Generic	Formulary	Non-Formulary
Co-insurance	\$5.00	\$30.00	\$60.00	\$12.50	\$75	\$150

Specialty drugs provided from an in-network preferred pharmacy will have a 30% co-insurance.

Premium Payments:

Retirees who currently have their monthly benefit premiums taken out of a personal savings or checking account will not need to do anything. NMSU will make the appropriate changes to your monthly premium deduction. Retirees should check their monthly bank statement to ensure that the appropriate amount is being deducted each month.

Retirees who currently pay for their monthly benefit premiums via coupon will receive new coupons for September 1, 2008 through December 31, 2009. Retirees paying via coupon can set up an automatic withdrawal from a personal savings or checking account at any time by contacting NMSU Benefit Services at 575-646-8000 or by e-mailing benefits@nmsu.edu.

Employee Health Center:

Effective September 1, 2006 all retirees and their dependents enrolled in the university medical program and using the Employee Health Center will be charged \$5.00 co-pays for office visits. More information regarding this program may be obtained from the Employee Health Center at 646-6600.

Information Meeting:

NMSU Benefit Services will be holding a question and answer meeting for all interested parties regarding the Retiree medical insurance program on **Wednesday, August 20, 2008 at 12:00 pm in the Gerald Thomas Auditorium.** There will be a representative from Blue Cross Blue Shield of New Mexico at the meeting. If you do not have an NMSU parking sticker you can print an e-permit from the NMSU parking website at <http://www.campusvisitor.com/>.

Questions:

If you have any questions regarding this memo, please contact Benefit Services at (505) 646-8000 or benefits@nmsu.edu . For more information about Blue MedicareRx or questions about changes to your prescriptions, **contact Blue Medicare Rx Customer Service at (877) 838-3875** (TTY/TTD users call 800-693-3816), 8 a.m. to 8 p.m. M.T., 7 days a week.

RETIRES UNDER AGE 65**
PREFERRED PROVIDER ORGANIZATION (PPO) 250
NMSU HEALTH PLAN
PREMIUMS BEGINNING SEPTEMBER 1, 2008 - JUNE 30, 2009

Retiree Under 65	TOTAL	UNIVERSITY	RETIREE
A1. Retiree	\$ 474.40	\$ 284.64	\$ 189.76
A2. Retiree and Spouse, both under 65	\$ 948.82	\$ 569.29	\$ 379.53
A3. Retiree and Spouse, spouse on Medicare	\$ 811.69	\$ 487.01	\$ 324.68
A4. Retiree, Spouse, both under 65 with Child(ren)	\$ 1,375.77	\$ 825.46	\$ 550.31
A5. Retiree, Spouse, spouse on Medicare with Child(ren)*	\$ 1,286.09	\$ 771.65	\$ 514.44
A6. Retiree and Child(ren) only	\$ 948.80	\$ 569.28	\$ 379.52

Retiree Under 65 with New Spouse Acquired After Retirement	TOTAL	UNIVERSITY	RETIREE
A8. Retiree and Spouse (Under 65)	\$ 948.82	\$ 284.64	\$ 664.18
A9. Retiree and Spouse (Over 65 or Under 65 on Medicare)*	\$ 811.69	\$ 284.64	\$ 527.05

Surviving Spouse Under 65 Unless Remarried**	TOTAL	UNIVERSITY	SPOUSE
D1. Spouse Only	\$ 474.40	\$ -	\$ 474.40
D2. Spouse and Child(ren)	\$ 948.82	\$ -	\$ 948.82
D3. Child Only	\$ 474.40	\$ -	\$ 474.40

* All spouses and child(ren) age 65 and over, and under age 65 and enrolled in Medicare will have coverage only through Blue Cross Blue Shield of New Mexico Medicare Carve Out Plan.

** Retirees or Surviving Spouses under age 65 and enrolled in Medicare will have coverage only through the Blue Cross Blue Shield of New Mexico Medicare Carve Out Plan, and should refer to the chart for Retirees over 65 or Under 65 on Medicare.

RETIREES OVER AGE 65 OR UNDER 65 ON MEDICARE
MEDICARE CARVE OUT WITH MEDICARE PART D PRESCRIPTION PROGRAM
NMSU HEALTH PLAN
PREMIUMS BEGINNING SEPTEMBER 1, 2008 - JUNE 30, 2009

Retiree Over 65 And Under 70	TOTAL	UNIVERSITY	RETIREE
B1. Retiree	\$ 337.29	\$ 202.37	\$ 134.92
B2. Retiree and Spouse, spouse under 65	\$ 811.69	\$ 487.01	\$ 324.68
B3. Retiree and Spouse, both on medicare	\$ 674.58	\$ 404.75	\$ 269.83
B4. Retiree, Spouse, spouse under 65 with child(ren)	\$ 1,286.09	\$ 771.65	\$ 514.44
B5. Retiree, Spouse, spouse on medicare with child(ren)	\$ 1,148.98	\$ 689.39	\$ 459.59
B6. Retiree and Child(ren)	\$ 811.69	\$ 487.01	\$ 324.68

Retiree Over 65 and Under 70 with New Spouse Acquired After Retirement	TOTAL	UNIVERSITY	RETIREE
B7. Retiree and Spouse, spouse under 65	\$ 811.69	\$ 202.37	\$ 609.32
B8. Retiree and Spouse, spouse on medicare	\$ 674.58	\$ 202.37	\$ 472.21

Retiree 70 and Older	TOTAL	UNIVERSITY	RETIREE
C1. Retiree Only	\$ 337.29	\$ 101.19	\$ 236.10
C2. Retiree and Spouse, spouse under 65	\$ 811.69	\$ 243.51	\$ 568.18
C3. Retiree and Spouse, spouse on medicare	\$ 674.58	\$ 202.37	\$ 472.21
C4. Retiree, Spouse, spouse under 65 with child(ren)	\$ 1,286.09	\$ 385.83	\$ 900.26
C5. Retiree, Spouse, spouse on medicare with child(ren)	\$ 1,148.98	\$ 344.69	\$ 804.29
C6. Retiree and Child(ren)	\$ 811.69	\$ 243.51	\$ 568.18

Retiree 70 and Older with New Spouse Acquired After Retirement	TOTAL	UNIVERSITY	RETIREE
C7. Retiree and Spouse, spouse under 65	\$ 811.69	\$ 101.19	\$ 710.50
C8. Retiree and Spouse, spouse on medicare	\$ 674.58	\$ 101.19	\$ 573.39

Surviving Spouse Over 65 or Under 65 on Medicare Unless Remarried	TOTAL	UNIVERSITY	SPOUSE
D4. Spouse Only	\$ 337.29	\$ -	\$ 337.29
D5. Spouse and Child(ren)	\$ 811.69	\$ -	\$ 811.69

Revised 08/05/08