More on Changes in Medical Coverage
for Retired Faculty (RFA & Emeriti Assembly)

At the invitation of the AAUP-AFT and as a representative of the AAUP Emeriti Assembly, I attended a preliminary meeting / presentation (hosted by the AAUP-AFT) about the coming changes in medical coverage for retirees provided by the NJ State Health Benefits Program (SHBP). The presentation was by Richard Burton, Sales Manager for Government Programs from Horizon Blue Cross Blue Shield of New Jersey (BC/BS). Others in attendance were Elfriede Schlesinger, President of the Emeriti Assembly, Patrick Nowlan, Executive Director of Rutgers Council of AAUP Chapters, and representatives of New Jersey State Firefighters and state nursing unions. Elfi and I were the only people who will be immediately affected by the changes and, presumably. were there to represent the interests of retirees. The primary propose of the meeting was to advise Burton about the presentation, which was a kind of test version of those that will made throughout the state starting on Monday, 7 November. We were also given the opportunity to ask questions.

All the information presented at the session was directly relevant only to those insured by BC/BS, to which the state has awarded the SHBP contract. No information was provided about other medical insurance groups.

The following is a distillation of my notes and of my responses to the meeting. I have indicated the things about which I am not certain. Fuller accounts will be provided at the various meetings that BC/BS has scheduled, including the one for members of the RFA and Emeriti Assembly on November 22nd (about which an announcement will be forthcoming).

Let me say first, despite continuing ambiguities and lingering questions, Thursday's meeting provided the only nearly coherent account of what we can expect that I have encountered. It was even marginally reassuring – that is, the bad news is still not good, but not so bad as many of us inferred from the misinformation and silences – but still just marginally.

Under the new benefits program, BC/BS will replace Medicare as the primary insurer and Medicare will provide secondary coverage. Everything else is a consequence of that change.

The most important difference is that the BC/BS rules and standards rather than those of Medicare will apply, especially

- initial determination of whether the service is covered to begin with (the claim from BC/BS seems to be that Medicare eligibility will be determinative, but….)
- pre-authorization for some services from BC/BS
- annual deductibles (in addition to co-payments); somewhat higher than under the current plan.

The change will occur "automatically" on January 1st without any action by the members. There will be opportunities to change to other plans and even an option to keep a new incarnation of the current coverage (Medicare as primary; BC/BS as secondary), but now with $15-25 or $20-30 deductibles rather than the current $10-15. All the costs and consequences of moving to that plan were not specified, but the online webpages and a handout suggest that there will be a deductible in excess of $5,500. (This is one of the things that I still find most confusing.) That option should be exercised sometime before December 1st, and there should be some notifications, but that may only come at the information meetings.

Various relevant materials – including new membership cards and a "welcome kit" – will be distributed in early December, and the full benefits booklet, 100+ pages, will be available then as well but only online at horizonblue.com/shbp (which does not yet work; http://shbp.horizonblue.com/ is up and running but contains no information about the changes). There are further bells and whistles – including wellness assessments, and "managed care" programs – that I will not go into.

On the positive side, we were told that:

- provider-networks will not change
- non-participating physicians will submit to Horizon rather than Medicare
- all providers should be told that the plan is Horizon PPO not Medicare Advantage
- we will still be able to use out-of-network physicians, but the criteria were a bit vague: however, Burton did say that we will continue to be reimbursed even if they do not accept PPO assignment and that the reimbursements will be subject to the "reasonable and customary" limits of BC/BS (I infer as well that the procedure and/or medical condition must meet whatever eligibility criteria are in place)
  - =but clearly, BC/BS is trying to push everyone to use in-network providers
  - the use of out of state providers – even those as far away as California – will be approved and paid for or reimbursed, but it would be "best" (easiest, more convenient – but for whom?) if they were in some other "Blue" (i.e., BC/BS) network; this very much needs further clarification
- NJ will continue to reimburse monthly Medicare payment deductions from SS payments for retirees.

For more complete and later information, everyone should at least attend one of the scheduled meetings; the one at Rutgers on November 22nd (see above) would be best. The other meetings – I went to one on Monday the 7th – are for all people covered by the SHBP, many of whom have coverages, entitlements interests, and needs that differ from those of the retired faculty.

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