



New administrators for prescription drug programs

OptumRx and UnitedHealthcare to administer prescription drugs for HealthSelectSM and KelseyCare Advantage plans beginning January 1, 2017

Earlier this year, the Employees Retirement System of Texas (ERS) selected UnitedHealthcare to be the administrator for HealthSelectSM Medicare Rx, the prescription drug program for the HealthSelectSM Medicare Advantage, HealthSelect Secondary and KelseyCare Advantage HMO plans. OptumRx, an affiliate of UnitedHealthcare, will administer prescription drug programs for non-Medicare retirees enrolled in HealthSelectSM of Texas and Consumer Directed HealthSelectSM. This decision came after ERS reviewed bids from several potential administrators. UnitedHealthcare and OptumRx offered substantial cost savings over other bidders, while offering similar benefits and service.

Here are few important reminders about the transition:

- You should have already received your new ID card in the mail. You should begin to use your new card on January 1, 2017.

- The annual deductible for prescriptions and the copays for different drug tiers will remain the same in 2017.
- The formulary list has changed. You can request a copy of the list by calling UnitedHealthcare or OptumRx, or find the list on their websites:
 - UnitedHealthcare (members enrolled in Medicare): (866) 868-0609 (TTY: 711) www.HSMedicareRx.com
 - OptumRx (members not enrolled in Medicare): (866) 336-9371 (TTY: 711) www.HealthSelectRx.com

If you find that your drug is not covered, talk to your doctor to see if other options are available for you.

- You will continue to have access to a mail order program through OptumRx, which operates the mail order program for both prescription programs.
- If the drug you are taking requires prior authorization, in many cases you will be given at least a 30-day supply to give you time to talk to your doctor. UnitedHealthcare or OptumRx will work with your doctor regarding the information needed for the prior authorization. If you continue to fill your prescriptions for the drug without getting a prior authorization, the drug will not be covered and you may have to pay the full retail price.
- You will be able to view claims and other personal information on both websites beginning January 1, 2017.
 - Retirees who are not eligible for Medicare can contact Optum Rx at UnitedHealthcare customer care toll-free at (866) 336-9371 (TTY: 711) or go to www.OptumRx.com/ERS for more information.
 - Retirees who are eligible for Medicare can contact HealthSelect Medicare Rx customer care at UnitedHealthcare toll-free at (866) 868-0609. You can also view your HealthSelect Medicare Rx plan information online at www.HSMedicareRx.com.



What your survivors need to know

Do your loved ones know who to contact in the event of your death? Having important phone numbers and other information available and easy to find can make a difficult time less stressful.



To read the full article, go to ERS homepage and click the "Retirees" tab, then click "Retiree News" on the left.



EXECUTIVE DIRECTOR'S CORNER

Porter Wilson

The Texas legislative session begins January 10, 2017. As always, ERS will focus on protecting and improving retirement and insurance benefits for our retirees and active employees.

Two years ago, during the 2015 legislative session, lawmakers took significant steps to shore up the health of the ERS Trust Fund by increasing state and member contributions. We'll be working to make sure the contributions are maintained.

In 2015, lawmakers made three important changes:

- increasing the state's retirement contribution to 9.5% of payroll (while keeping the state agency contribution at 0.5%, for a total of 10%),
- raising employees' contributions to 9.5% of their salaries, and
- eliminating the 90-day waiting period for new employees.

Before the changes, we expected the ERS Trust Fund to run out of money in less than 50 years. With the changes, we now expect the retirement program to be 90% funded in the same timeframe.

These changes, if they stay in place, should ultimately lead to having a trust fund that is "actuarially sound." This means the fund will be able to pay out to everyone who has paid in. The Texas Constitution requires that the fund be actuarially sound before the Legislature can authorize an additional retirement payment (sometimes called a "13th check") or cost-of-living adjustment (COLA) for retirees.

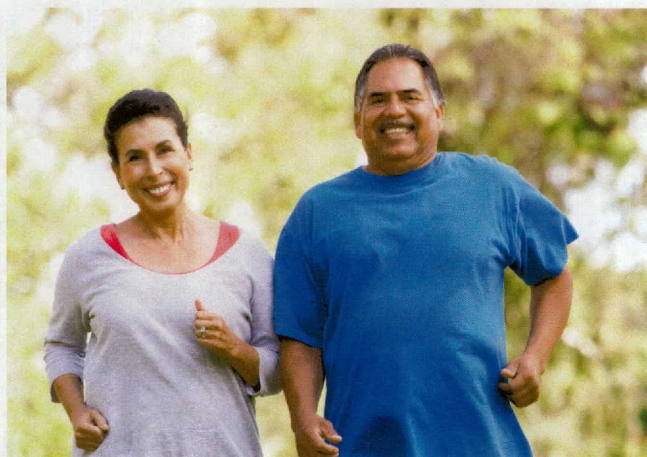
It's also important to note that these positive changes could be reversed if contributions change or if ERS doesn't meet its long-term investment earning goals. Just as we work every legislative session to protect the retirement plan, we work all year, every year, to achieve the best investment earnings while managing risk.

As in most legislative sessions recently, we're asking for additional funding to attain actuarial soundness in all our retirement funds. Of course, we'll be competing with many other state priorities.

In the coming months, we will keep you informed about our efforts. Check regularly on the ERS website and our Facebook page for updates.

Stay in touch, and stay informed!

Porter Wilson



Wellness programs for retirees

Retirees often say they enjoy having more time to exercise and take care of their health. As an Employees Retirement System of Texas (ERS) retiree, you have many opportunities to get and stay healthy.

For Medicare-eligible retirees:

- HealthSelectSM Medicare Advantage members love the SilverSneakers fitness program. They enjoy free membership at gyms throughout the state, exercise and yoga classes just for seniors, and other benefits. Visit www.silversneakers.com/learn/ for more information.
- KelseyCare Advantage members can take advantage of a variety of wellness tools, including information to prevent and treat illness. Visit www.kelsey-seybold.com and click on the Health Information tab. Start by completing a health needs questionnaire. Sign up for popular Webinars led by Kelsey-Seybold physicians and specialists. Read the "Doc Talk Blogs" written by Kelsey-Seybold doctors or sign up to receive Doc Talk Blog Updates via email.

For retirees who are not eligible for Medicare:

- Real Appeal helps you develop healthy eating habits for lasting weight control. Real Appeal is available at no cost to eligible HealthSelect members (18 and older) with a BMI of 23 or higher. To enroll visit healthselect.realappeal.com.
- Health maintenance organizations (HMOs) offer disease management programs, online health management tools and medical information resources, as well as discounts on gyms, massage therapy, acupuncture and more.

To find out more about the wellness programs your health plan offers, go to the ERS home page, www.ers.state.tx.us, click Retirees at top and then click Wellness.

Taking care of your health and wellness is an investment that pays dividends for the rest of your life!



End-of-the-year reminders:

Update your personal information in your Employees Retirement System of Texas (ERS) account now to ensure you receive your important tax forms and other information.

Remember to look for your 1099-R form in the mail

By January 31, 2017, ERS will mail 1099-R forms to anyone who received annuity payments from ERS in 2016. ERS provides this form for tax filing purposes and will mail it to the address on file. If you don't receive this form by February 15, 2017, you may request that another form be mailed to you.

To view your information:

Visit www.ers.state.tx.us.

1. Access your ERS account online by clicking "Access My Account" button in the upper right corner.
2. Click "View Benefits Summary" to be prompted for login.
3. Confirm your mailing address under "Addresses and Eligibility Basis."
4. To confirm your email address, click "Email Address and Password."
5. Click the 1099-R Information link from your Member Home Page.
6. Click the link under 1099-R Description.

Note: The 1099-R information will not be viewable online until after the second week of January.

Retirees to receive federal Form 1095-B from medical providers

Medical coverage providers are required to report medical coverage enrollment information to the IRS and to issue federal Form 1095-B to each individual who received coverage under one or more of their plans. Visit www.ers.state.tx.us/1095-B for more information about Form 1095-B.



Coming Soon...

2017 ERS Board of Trustees nominations and election!

Nominating petitions will be distributed Monday, January 2, 2017 and the nomination period will end Wednesday, February 1, 2017 at 5 p.m. The election process begins Friday, March 10, 2017 and runs through Friday, April 14, 2017.

Please plan to vote in this important election. More information is coming in the new year.



When your deductible starts over

A medical deductible is the amount you pay before your insurance starts to pay its share of the cost. Whether or not you and your family have a deductible, and the date the deductible starts over depends on your health plan.



Do you have a deductible?



If you are in Medicare and enrolled in:

- HealthSelectSM Medicare Advantage (insured by Humana) or KelseyCare Advantage HMO, you save money because you do not have a deductible.
- HealthSelectSM Secondary (out-of-area), administered by UnitedHealthcare, you have a deductible in the health plan.
- a health maintenance organization (HMO), there is no HMO deductible. However, you are still subject to the Medicare deductible.



If you are not in Medicare and enrolled in:

- Consumer Directed HealthSelect, you have an in-network deductible of \$2,100 for an individual or \$4,200 for a family for covered health services and/or prescriptions.

Note: There is a \$50 deductible per person per year prescription drug deductible for those enrolled in Medicare and not enrolled in Medicare.



Medical deductibles and coinsurance maximums start over on:



January 1, 2017 for Medicare eligible retirees who are enrolled in:

- HealthSelect Secondary (out-of-area)



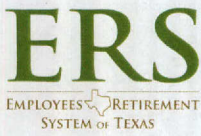
January 1, 2017 for non-Medicare eligible retirees who are enrolled in:

- HealthSelectSM of Texas
- Consumer Directed HealthSelectSM, and
- Texas Employees Group Benefits Program (GBP) coverage but use a non-network provider



September 1, 2016 for non-Medicare eligible who are enrolled in:

- Community First
- Scott & White, and
- KelseyCare powered by Community Health Choice



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Feast your eyes on the great savings available through your Discount Purchase Program! Save 10% with Blue Nile—the leading online retailer of diamonds and fine jewelry. Sam’s Club has everything you need to make the season bright. Join or renew your membership and save \$100—plus enjoy additional savings all year long. Visit <http://communications.beneplace.com/ers/> for these deals, plus special savings on head phones, luxury watches and more!

Monthly annuity payment dates:

- December 30, 2016
- January 31, 2017
- February 28, 2017
- March 31, 2017


Direct-deposit annuities are deposited in your account on the last business day of each month. Paper checks are mailed on the second-to-last day of the month.

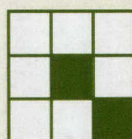
TRS retirees, please contact TRS for information on your annuity payment dates.



Choose Electronic Version of Your ERS Connection to:

- Get information sooner
- Go green
- Cut costs
- Read the full story

More details and information are available online for articles with the  icon. On the ERS homepage click the “Retirees” tab, then click “Retiree News” on the left to read the full story.



Complete the Winter Connection online crossword puzzle.

Visit www.ers.state.tx.us/YEC/Crossword-puzzle-Winter-2016-Connection to download a copy.