



What's new in 2016

ERS is always striving to expand healthcare options for its members. This year, active employees and retirees will have several new choices and healthcare benefits.

Vision Insurance

Vision insurance will be offered as an optional benefit beginning September 1, 2016. Details are still being finalized, and more information will be provided to you as it becomes available. Until then, basic vision benefits such as routine eye exams are available through most ERS health plan providers. Some providers also offer coverage or discounts for eyeglass frames and lenses. For more information, contact your medical provider. You can also get discounts on eyewear and contacts through the Discount Purchase Program.

Consumer-Directed Health Plan

Beginning September 1, 2016, employees and non-Medicare eligible retirees have the option of enrolling in a consumer-directed health plan (CDHP) instead of HealthSelectSM of Texas or a regional HMO. (Under IRS regulations, Medicare participants cannot participate in this type of health plan.)

The CDHP combines a high-deductible health plan with a health savings account (HSA).

The network of doctors, hospitals and other providers will be the same as HealthSelect.

Participants will pay the full cost of most medical services and prescriptions until they reach the annual deductible of \$2,100. Preventive services such as annual check-ups, screenings and vaccines will be covered at 100%. To help cover these costs, the state will contribute the following amounts to the member's HSA: \$45 per month (\$540 per year) for member only coverage and \$90 per month (\$1,080 per year) for family coverage.

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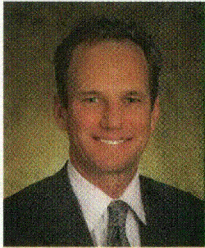


Monthly annuity payment dates

- March 31, 2016
- April 29, 2016
- May 31, 2016
- June 30, 2016

Get your money faster and more safely: As a rule of thumb, direct-deposit annuities are deposited into your account on the last business day of each month. Paper checks are mailed on the second-to-last business day of the month.

[www.ers.state.tx.us/
Customer_Support/
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Annuity_Payments](http://www.ers.state.tx.us/Customer_Support/Online/Manage_Your_Annuity_Payments)



EXECUTIVE DIRECTOR'S CORNER

Porter Wilson

Here at ERS, we're proud to serve more than half a million public employees, retirees and their families with competitive, comprehensive health insurance benefits. It's our job to ensure state dollars used for employee and retiree health care are spent wisely.

We take that responsibility very seriously.

We set high standards for managing health care costs. We work tirelessly to prevent fraud and abuse. And we do so very efficiently while making sure participants continue to receive high-quality care. HealthSelectSM of Texas spends only three cents per dollar on administrative costs, with the other 97 cents going to pay health care claims. This is far less than the 12 cents per dollar average for large, private health plans.

In the **ERS Cost Management and Fraud Report FY15** (see highlights at right) you'll see how ERS and its vendors work behind the scenes to control costs. The report also describes how wellness and other cost-saving programs are helping us better serve our growing retiree population.

You can play a role in helping control costs so the state can continue to offer competitive benefits at a reasonable rate. Staying healthy by eating right, getting plenty of exercise and managing any health conditions you may have are all ways you can help us support you.

Another way of keeping overall costs low is to use generic drugs whenever possible.

By sharing and controlling health costs, we can all help the state provide valuable health benefits that mean so much to retirees.

Porter Wilson

Highlights of ERS Cost Management and Fraud Report FY15

- Total HealthSelect charges were lowered by \$6.4 billion through effective cost-management programs.
- Medicare Advantage (MA) plan enrollment increased 9% in FY15, to 62,700 Medicare-primary participants. About 69% of Medicare-eligible participants are now enrolled in MA plans. Enrollment in MA plans has increased 35% since FY12.
- ERS collected \$86 million in subsidies for prescription drug benefits for Medicare-primary retirees.
- Generic prescription use continues to increase, resulting in lower costs for you and the plan. After generic copays were lowered to \$10 for a 30-day supply, generic use grew to 82.6% of all HealthSelect prescriptions, compared to 80.2% in FY14. Most generic drugs are virtually identical to their brand-name counterparts, but cost you and the plan much less.
- The ERS provider network continued to expand across the state.

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www.beneplace.com/discountprogramers/

1099-R Information

If you received a payment from ERS in 2015, you can view and request your 1099-R online, or by calling ERS.

To view your 1099-R information online:

1. Sign into your account (upper-right corner of the ERS website),
2. Under My Payroll Information, click the 1099-R Information link, and
3. Click the link under 1099-R Description.

To request a reprint 1099-R online:

1. Sign into your account (upper right corner of the ERS website),
2. Under My Payroll Information, click the 1099-R Information link,
3. Click the link under 1099-R Description,
4. Verify the address on the form is correct, and
5. Click the Reprint 1099 button near the end of the page.

Change to EOB Letters for Non-Medicare Eligible Retirees

Beginning January 1, 2016, explanation of benefits (EOB) letters from UnitedHealthcare include prescription drug expenditures as part of your annual out-of-pocket expenses. The Date of Service listed in the EOB is the date your prescription drug claim was processed by Caremark, not the date it was picked up. As a result, you may receive an EOB letter listing a prescription before you have picked it up.

Don't forget: An EOB is not a bill. You don't have to pay the amount listed on your EOB. If you're expecting a bill from a doctor, hospital or other provider, wait until you get a bill from them before paying or questioning the amount you owe.

If you have questions, please contact HealthSelect customer service at (866) 336-9371.

IRS warns: Don't be a victim of tax scams

The IRS continues to warn people to guard against scam phone calls from thieves trying to steal their money or their identity. Criminals pose as the IRS to trick victims out of their money or personal information. Here are tips to help you avoid being a victim of these scams:

- Scammers make unsolicited calls. They con you into sending cash, usually through a prepaid debit card or wire transfer.
- Callers try to scare you. Many phone scams use threats to bully you into paying.
- Scams use caller ID spoofing. Scammers often alter caller ID to make it look like the IRS or another agency is calling.
- Cons try new tricks all the time. Some schemes provide an actual IRS address where they tell you to mail a receipt for the payment they make. They try these to make the scam look official.

Remember the IRS will NOT:

- Call you to demand immediate payment. If you owe taxes, the IRS will send a bill in the mail before calling you.
- Demand that you pay taxes and not allow you to question or appeal the amount you owe.
- Require that you pay your taxes a certain way. For instance, require that you pay with a prepaid debit card.
- Ask for your credit or debit card numbers over the phone.
- Threaten to bring in police or other agencies to arrest you for not paying.

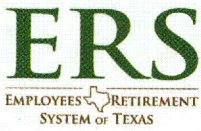
Find the complete article at:

www.irs.gov/uac/IRS-Urges-Public-to-Stay-Alert-for-Scam-Phone-Calls.



Need Documents from ERS?

Log in to your ERS account to view or request a reprint of your 1099-R form and other important documents, including Annuity Verification Letter, Annual Out-of-Pocket Letter and more.



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The member also can contribute to the account, up to a yearly maximum set by the IRS. Funds in the HSA can be carried over from year to year.

Detailed information about this new healthcare option will be available in the coming months.

Virtual Visits

HealthSelectSM of Texas participants can consult real-time with a licensed physician from a computer, tablet or smart phone using secure online audio and video technology. This is a convenient and reliable way to get high-quality treatment for non-emergency medical conditions, such as sinus problems, sore throat, pink eye and bronchitis.

The service is available 24 hours a day, including weekends and holidays.

HealthSelect In-Area participants can use the virtual visit service for a \$10 copay per visit. Out-of-Area participants pay 30% coinsurance per visit after satisfying the \$200 plan deductible. A referral is not required, but you must use a network virtual visit provider. If you are a Medicare-primary retiree, certain conditions apply.

To find out more about virtual visits, log in to your HealthSelect of Texas account at myuhc.com/hs and click on the Virtual Visits link or download the Health4Me app for Apple or Android devices.




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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.