



PACE UNIVERSITY  
HUMAN RESOURCES  
100 SUMMIT LAKE DRIVE  
VALHALLA, NY 10595

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To: Qualified Retirees, Long-Term Disabled (LTD) Faculty and Staff, Surviving Spouses, and Post-Retirement Eligible (Active) Employees

From: Matt Renna, Vice President, Human Resources

Date: October 23, 2019

Re: Post-Retirement Plan Modification

On June 17, 2015, the University sent notification to all qualified retirees, LTD participants, surviving spouses and active employees who were hired, full-time, prior to October 2, 2000, that the plan was being integrated with Medicare Part D (prescription coverage) effective January 1, 2020.

In lieu of the integration with Medicare Part D, the University has decided that it will instead transition the post-retirement plan to the group Aetna Medicare<sup>SM</sup> Plan (PPO) with extended service area (ESA) ["Aetna Medicare Advantage Plan"]. The Aetna Medicare Advantage Plan will become effective January 1, 2020. If you are enrolled in the current (Cigna) post-retirement medical plan, and are a Medicare Part B primary qualified retiree, LTD participant, or surviving spouse, your Cigna coverage will end on December 31, 2019.

### **Why was this decision made?**

The University is constantly looking for ways to continue to provide retiree health benefits at a cost that is financially sustainable. The marketplace is ever-evolving and this alternative to the Medicare Part D integration was more favorable to current and future participants, as well as to the University.

### **Why was Aetna selected over other carriers?**

The University underwent a significant bidding and vetting process to review all available options from several carriers. Aetna was ultimately selected because it met our plan design needs, quality standards (both in plan operation and customer service), and cost. Retired employees, representing both faculty and staff, were involved in the process.

## **Enrollment in the Plan**

If you are currently enrolled in Medicare Parts A and B as primary coverage and are currently covered under the post-retirement (Cigna) medical plan as secondary, then you will be automatically enrolled in the Aetna Medicare Advantage Plan as of January 1, 2020. If you are currently enrolled in a Medicare Part D plan, you must drop that coverage or you will be terminated from Medicare D (prescription) coverage once enrolled in the Aetna Medicare Advantage Plan, which includes medical, vision and prescription coverage.

You must enroll in Medicare Part A & B to enroll in the Aetna Medicare Advantage Plan.

## **Can I opt out of the Aetna Medicare Advantage Plan?**

If you do not wish to be enrolled in the Aetna Medicare Advantage Plan, you can opt out of coverage by submitting the enclosed “Form to Opt Out of Aetna Medicare PPO ESA for January 1, 2020” (not provided to active faculty and staff). You may return the signed form to the University Benefits office in one the following ways:

- Email: [benefits@pace.edu](mailto:benefits@pace.edu)
- Fax : 914-989-8506
- Mail to:  
Pace University  
Attn: University Benefits Office  
100 Summit Lake Drive  
Valhalla, NY 10595

Your “Form to Opt Out of Aetna Medicare PPO ESA for January 1, 2020” must be received by **Friday, November 22, 2019.**

## **What does this mean for current active employees who are eligible for this plan, but have not retired?**

This change does not impact the healthcare coverage for active employees, aged 65+, while they are still working full-time and are covered by Pace’s active employee medical plan. The Aetna Medicare Advantage Plan will become effective on the first of the month following date of retirement, if the retiree is eligible for Medicare and has enrolled in Medicare Part A and B coverage.

## **Details on the Plan**

The Aetna Medicare Advantage Plan was designed at Pace’s direction to match, as closely as possible, the current retiree (Cigna) plan. The Aetna Medicare Advantage Plan should not be confused with other individual Medicare Advantage plans that participants might see or hear about (in which the benefit levels are determined by the carrier, rather than by the group). This plan cannot be purchased on the individual market. In addition, the Aetna Medicare Advantage Plan

currently covers over 90% of the same prescription drugs that Cigna covers and offers coverage for some prescription drugs that Cigna currently does not cover.

The Aetna Medicare Advantage Plan provides similar coverage, including Medicare Part A and Part B, as well as prescription drug coverage, but also offers new features, such as:

- Hearing aid allowance (up to \$500), every 36 months
- SilverSneakers® gym membership
- NurseLine – registered nurses answer calls 24 hours per day/7 days per week
- Geriatric podiatry services
- Healthy Home visit
- Compassionate Care program
- Only 1 card (the Aetna ID card) is needed for services

Copayments will also remain the same as they were under the current (Cigna) post-retirement medical plan. However, there will no longer be healthcare-related deductibles (except on the prescription plan for non-generic drugs, which is currently \$125 per person, per year). Referrals are not needed to see a specialist.

The network will be the Aetna Medicare network. Participants are not limited to a specific network of doctors and can see any provider that is eligible to receive Medicare payment. An Aetna Medicare participating provider will submit the claims directly to Aetna. In this case, the participant will not need to take any action. Many providers who participate with Medicare, and not the Aetna Medicare network, will also submit the claim to Aetna for processing. However, in some rare cases, the participant will need to submit payment for the provider's bill and forward the claim to Aetna for reimbursement.

Participants who are currently enrolled in the Network Core plan (which currently does not provide out-of-network benefits) will have expanded access to providers at **no additional cost**.

Participants who are currently enrolled in a plan with out-of-network benefits will see a **reduction in out-of-pocket costs**, because there are no in- or out-of-network deductibles or coinsurance associated with this plan.

Participants will NOT lose their current Medicare benefits, although Aetna, rather than the federal government, will administer Medicare benefits as of January 1, 2020.

The Aetna Medicare Advantage Plan is a Medicare 4.5-Star Rated plan that meets the University's high-quality standards. This rating is 4.5 out of 5 stars (5 being the highest rating).

## Monthly Premiums for Current Retirees, LTD Participants, and Surviving Spouses

|   | <b>Category</b>   | <b>Monthly Premium</b>   | <b>Provider</b>               |
|---|---|--|-------------------------------|
| 1 | Retiree under age 65 and hired before January 1, 1996:                      | No change to individual premium.   | Current Active Plan           |
| 2 | Retiree age 65+ and hired before January 1, 1996:                           | The lesser of current individual premium or Aetna Medicare Advantage Plan rate (\$253.11/mo. for 2020*).   | Aetna Medicare Advantage Plan |
| 3 | Retiree under age 65 and hired between January 1, 1996 and October 1, 2000: | A percentage of the active individual premium based on your Years of Service – refer to your retirement letter.  | Current Active Plan           |
| 4 | Retiree age 65+ and hired between January 1, 1996 and October 1, 2000:      | The lesser of a percentage of the active individual premium based on your Years of Service – refer to your retirement letter - or Aetna Medicare Advantage Plan rate (\$253.11/mo. for 2020*). | Aetna Medicare Advantage Plan |
| 5 | Spouse or Surviving Spouse under age 65:                                    | Premium based on (100%) monthly active plan rate until age 65.   | Current Active Plan           |
| 6 | Spouse or Surviving Spouse age 65+:   | Aetna Medicare Advantage Plan rate (\$253.11/mo. for 2020*).   | Aetna Medicare Advantage Plan |
| 7 | LTD ( <b>not</b> Medicare Parts A & B primary):                             | No change to current individual premium.   | Current Active Plan           |
| 8 | LTD (Medicare Parts A & B primary):   | The lesser of current individual premium or Aetna Medicare Advantage Plan rate (\$253.11/mo. for 2020*).   | Aetna Medicare Advantage Plan |

\* The Aetna Medicare Advantage Plan monthly rate for 2020 is \$253.11 and is subject to annual change each January 1st.

## Questions You May Have

### **1. What happens if an individual retires or is placed on Long-Term Disability, but is not age 65 or otherwise eligible for Medicare?**

An individual who is not eligible for Medicare will stay on the current (active) plan. When the participant turns 65 or otherwise becomes eligible for (and enrolls in) Medicare Parts A and B (as primary coverage), he or she will move to the Aetna Medicare Advantage Plan.

### **2. What happens when a retiree/participant turns 65 and becomes eligible for Medicare but his or her covered spouse remains under age 65?**

When a covered retiree/participant turns 65 and becomes eligible for Medicare, he or she must enroll in Medicare Part A and B and then will be enrolled in the Aetna Medicare Advantage Plan. A spouse under age 65 will remain covered under the active plan (at the full premium cost) until he or she becomes eligible for Medicare.

### **3. Is this a Medicare Rated plan?**

Yes, it is a Medicare 4.5 Star rated plan. This rating is 4.5 out of 5 stars (5 being the highest rating).

### **4. Do participant claims impact future plan cost?**

No. Unlike Pace's current medical plan, where future costs are based on prior usage, and therefore future premiums, paid mostly by Pace, were unpredictable, the Aetna Medicare Advantage plan is not impacted by our utilization. Historically, the premium growth rate under an Aetna Medicare Advantage plan has been 2-7%. While many of our retirees/participants have "locked-in" premiums, there are some that pay a percentage of the cost; they will benefit from this change.

### **5. Will the span of the provider network change?**

Yes. The network will be expanded to include ALL providers who are eligible to receive Medicare payment and will accept the Aetna Medicare Advantage Plan. For providers that are not contracted or will not bill Aetna directly, the participant can either pay upfront and be reimbursed (less the Plan copayment) or contact Aetna, in advance of his/her appointment, to see if the provider will bill directly.

### **6. Does this Plan include prescription drug coverage?**

Yes. As of January 1, 2020, prescription drugs will be covered by Aetna. Participants will use the same Aetna ID card for all medical and prescription drug needs. **If a participant is utilizing Cigna's mail order for prescriptions, he or she will have to enroll in the mail order plan under Aetna.**

### **7. Do retirees/participants still have to present their red, white and blue Medicare cards to providers?**

No. Participants will only use the Aetna Medicare Advantage Plan ID card for all covered medical and prescription drug services. Because Aetna pays all claims directly, the claims are no longer directed to Medicare first. By always showing the Aetna ID card, a participant ensures that claims

are processed accurately and in a timely manner. Participants are urged to keep their red, white and blue cards in a safe place.

**8. Is this a Medicare Advantage HMO plan with a limited network?**

No. This is a national PPO plan that allows retirees/participants to see doctors and hospitals around the nation.

**9. What happens if retirees/participants travel outside the U.S. and need medical coverage?**

Retirees/participants will have worldwide coverage for emergency care. They may have to pay the entire claim at the point of service and then submit the claim to Aetna for reimbursement, at Medicare rates, after returning to the U.S.

**10. Is dental coverage provided under the new Aetna Medicare Advantage Plan?**

No. Retirees/participants who are eligible for dental coverage will continue to receive the dental benefit through the active dental plan (for an additional monthly premium).

**11. Is “vision only” coverage provided under the new Aetna Medicare Advantage Plan?**

No. However, preventive vision benefits and hardware reimbursement are provided under the Aetna Plan.

**12. Since this Aetna Medicare Advantage plan includes prescription coverage, will retirees still receive the \$100 per month reimbursement, as referenced in the June 17, 2015 letter?**

No. As it is not separate prescription coverage, the \$100 per month reimbursement no longer applies.

**Meetings in November**

We will be holding Aetna Group Medicare Advantage Plan informational sessions on the following dates/times:

**Monday, November 4 and Tuesday, November 5, 10:00 a.m.–12:00 p.m, Room 819**

The Fred F. French Building  
551 Fifth Ave. (between 45th and 46th St.)  
Entrance on 8th floor  
New York, NY 10176

**Tuesday, November 12 and Thursday, November 14, 10:00 a.m.–12:00 p.m, Multipurpose Room**

Pleasantville Campus – Kessel Student Center  
861 Bedford Road  
Pleasantville, NY 10570

Please contact the University Benefits office if you are Medicare-primary (Parts A and B) and are not currently covered under the current (Cigna) post-retirement medical plan, but are interested in enrolling in the Aetna Medicare Advantage Plan.

We hope this document provides enough information to give you a strong overview of the new Aetna Medicare Advantage Plan. More information will be mailed to you, by Aetna, shortly. Although Aetna has an excellent reputation for customer service, the University Benefits office will continue to assist you, especially during this transition period, if needed.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Matt Renna", is written over a horizontal line.

Matt Renna  
Vice President, Human Resources

This letter is intended to provide information only. If there are any discrepancies between the information in this letter and the Plan documents, the Plan documents will always govern.

Aetna Medicare is a HMO, PPO plan with a Medicare contract. Enrollment in our plans depends on contract renewal. For accommodation of persons with special needs at meetings, call 1-800-307-4830 (TTY: 711). Out-of-network/non-contracted providers are under no obligation to treat Aetna members, except in emergency situations. Please call our customer service number or see your Evidence of Coverage for more information, including the cost-sharing that applies to out-of-network services. The formulary, provider and/or pharmacy network may change at any time. You will receive notice when necessary. Participating physicians, hospitals and other health care providers are independent contractors and are neither agents nor employees of Aetna. The availability of any particular provider cannot be guaranteed, and provider network composition is subject to change. See Evidence of Coverage for a complete description of plan benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by service area.