

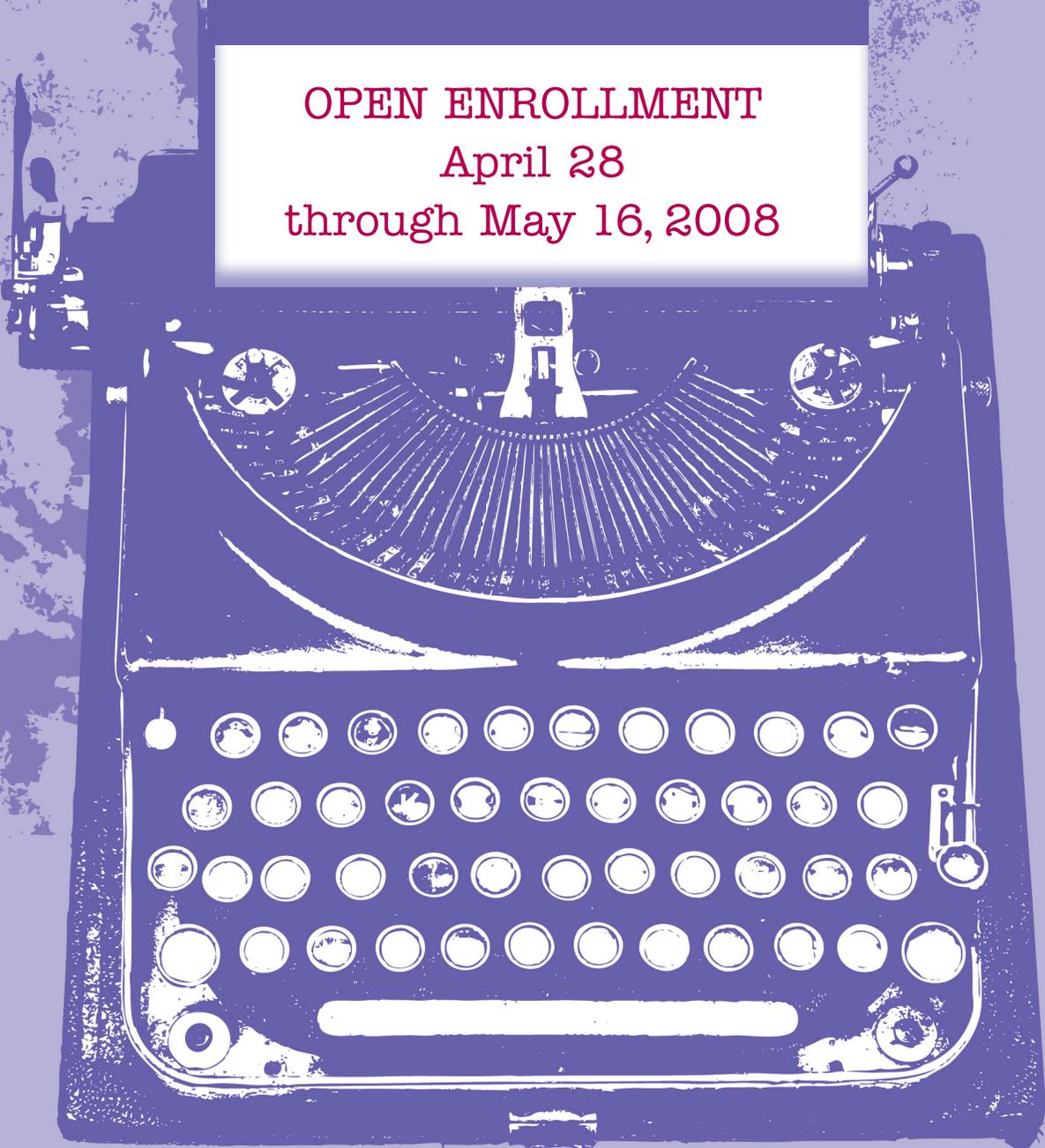


# Retiring Times

New Directions for MCPS Retirees

VOLUME 5 • NUMBER 3

OPEN ENROLLMENT 2008



OPEN ENROLLMENT  
April 28  
through May 16, 2008

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### Retiree Open Enrollment Announcement

The Montgomery County Public Schools (MCPS) will be conducting the annual retiree benefit plan open enrollment beginning Monday, April 28, and continuing through Friday, May 16, 2008.

During open enrollment, MCPS retirees will have the opportunity to make changes to their medical, dental, vision, and prescription plan options; to drop coverage; or, under certain circumstances, add coverage that was previously dropped.

In mid-April the Employee and Retiree Service Center (ERSC) will be forwarding detailed information to all retirees participating in MCPS benefits. If you currently have benefits with MCPS and do not receive an enrollment booklet, please call ERSC at 301-517-8100.

The mailing will include benefit comparison charts, rate information, and an enrollment form if you want to make changes to your current level of benefits.

MCPS retirees will have the opportunity to meet with benefit program vendors and ERSC staff to discuss open enrollment options at three health fairs held during the month of May. Representatives from ERSC and benefit plan vendors will be available to answer retirees' questions.

Changes during open enrollment include the replacement of Optimum Choice HMO and the mandatory use of Caremark for diabetic supplies. There are no changes to the method of covering diabetic supplies for Kaiser Permanente plan participants.

In 2004, UnitedHealthcare (UHC) acquired the MAMSI/Optimum Choice health plan, and UHC is consolidating plans by moving from the

old Optimum Choice platform to the UnitedHealthcare platform.

Effective July 1, 2008, the Optimum Choice HMO will be replaced by the UHC Select HMO. The UHC Select HMO will offer the same local network, plan design, and benefit levels as the Optimum Choice plan, with some improvements.

Plan participants will have access to UHC's national network of doctors. The availability of the national network improves access to care for members when they travel. Under the current Optimum Choice plan, out-of-area coverage is only available for emergency care.

The UHC Select HMO allows plan members to visit a participating specialist without requiring a referral from your primary care physician. It is still necessary to obtain a prescription from your provider for laboratory and x-ray services. Some coverage, such as outpatient mental health services, will continue to require prior notice or authorization from your provider.

Diabetic supplies began to be covered under the Caremark prescription drug plan instead of through the medical plan for all UHC and CareFirst plan participants, effective January 1, 2008. Retirees were then encouraged to utilize Caremark.

However, as of July 1, 2008, coverage through Caremark is mandatory. This provides a more consistent benefit to retirees. Retirees will be able to receive up to a 30-day supply at a participating retail pharmacy without a co-pay. You can receive up to a 90-day supply through the mail-order program, also without a co-pay.

Coverage includes test strips, lancets, lancet devices, and glucose monitoring meters. Plan participants newly diagnosed with diabetes may receive a free glucose monitoring meter by calling Caremark Customer Care at 1-800-966-5772. Insulin pumps will continue to be covered under the durable medical equipment feature of your medical plan.

Caremark also is providing a year's worth of prescription-utilization data to every member who has filed a claim during the last three months. This data is currently being mailed in coordination with this document to retirees in Caremark's *iBenefit Report*.

At the vendor health fairs, MCPS retirees will have the opportunity to receive vision screening from BlueChoice, blood pressure screenings from UHC, and a hand-washing workshop from Kaiser. Caremark will have a pharmacist present to discuss Caremark Plan Options A and B with retirees. ■

#### Vendor Health Fairs

Fairs are from 9:30 to 11:30 a.m. on the following dates at the Carver Educational Services Center Auditorium, 850 Hungerford Drive, Rockville, MD

**Thursday, May 1, 2008**

**Tuesday, May 6, 2008**

**Monday, May 12, 2008**

Please check the ERSC Web site at [www.ersc.org](#) for up-to-date information throughout open enrollment.

## Engaging Retirees in Health-Care Decisions

The Montgomery County Public Schools (MCPS) offers a variety of medical plans, as well as the opportunity for our retirees to become more engaged in their health-care decisions.

Studies show that consumers who actively engage in their health care decisions have 22 percent fewer hospitalizations, 14 percent less emergency visits, and 5 percent higher utilization of preventive care—an overall lower medical cost for health consumers engaged in their medical decisions.

MCPS retirees often inquire, “How do I find a good cardiologist?” Or, “Where is the best place to go for knee replacement surgery?” Your health plans can assist you in answering these questions. For instance, UnitedHealthcare (UHC) offers tools, resources, and personal support to enable plan participants to make informed decisions and seek high-quality and efficient care.

UHC plan participants have access to a wealth of data, and information is available on [www.myuhc.com](http://www.myuhc.com). Registration is required. Once registered, you will have unlimited access to information about UHC’s UnitedHealth Premium Physician Designation program. The program is designed to support and promote evidence-based medicine with physicians and facilities.

The UnitedHealth Premium Physician Designation program evaluates and identifies network physicians and cardiac facilities that adhere to nationally recognized, evidence-based criteria for quality and efficiency of care.

### UnitedHealth Premium Physician Designation Program

The UnitedHealth Premium Physician Designation program categorizes physicians across 21 specialties (including primary care) and cardiac facilities. Physicians are measured on their compliance with externally developed, nationally accepted evidence- and consensus-based guidelines for good-quality care and based on local market and specialty-specific benchmarks for efficiency of care.

Physicians are assessed for quality and efficiency. A “quality first” methodology signifies all physicians must first meet quality standards before being reviewed for efficiency of care. Physicians and cardiac facilities can receive either a one-star (quality) or a two-star (quality and efficiency) designation.

Therefore, if you are looking for a primary care physician or a specialist who practices high-quality, efficient medicine, you would log on to [www.myuhc.com](http://www.myuhc.com) and locate a primary care physician with a one- or two-star designation.

### UnitedHealth Premium Hospital Comparison Program

The UnitedHealth Premium Hospital Comparison program provides quality and cost information on 54 inpatient procedures for facilities in more than 160 markets.

Patient safety measures, mortality, and complication rates are provided through additional drill-down capabilities. You also can construct

side-by-side comparisons on multiple hospitals. This method can further assist with your decision making. The multiple hospital comparison provides applicable data for the level of care requested.

**Quality**—Hospital and condition-specific quality information is depicted on a three-star scale.

**Cost**—Cost information is depicted using a relative numeric range in addition to a description of “lower than average,” “average,” or “higher than average.”

You can search for a high-performing specialty center or a hospital that meets UnitedHealth Premium program quality and cost-efficiency criteria when you access [www.myuhc.com](http://www.myuhc.com).

### CareFirst BlueChoice

If you are enrolled in a CareFirst BlueChoice health plan, you also have access to information about providers and facilities. For example, when you register with [www.carefirst.com](http://www.carefirst.com), you have access to CareFirst’s hospital comparison tool.

The hospital comparison tool provides a side-by-side evaluation of the hospitals in your area, based on the number of procedures completed, the rate of complications, the average length of stay, and more.

When planning for surgery or another procedure, finding the best place to receive care is very important.

Your medical plan Web sites are a value-added part of your benefits program. MCPS encourages you to become an engaged and informed health-care consumer. ■

## New Retirement Savings Web Site

The Montgomery County Public Schools (MCPS) has created an educational Web site dedicated to defined contribution plans offered to all active employees. We want to make retirees aware of the new Web site, which is full of important information, including vendor contact information and additional resources for our retirees. Please also consult the Minimum Required Distributions article (page 6) for important information you should know when you or your spouse reach age 70½.

The new Web site includes comprehensive question-and-answer sections for both the 403(b) tax-sheltered savings plan and the 457(b) deferred compensation plan.

The Web site is structured by plan and includes investment terminology, forms, and documents. It also offers basic financial calculators.

Financial calculators provide a general estimate of your savings growth in your 403(b) or 457(b) account and the impact of fees on returns. MCPS has published investment product information, performance reports, account applications,

beneficiary designation forms, and distribution request documents from all approved vendors.

Vendor financial representatives, along with their contact information, local office location and hours, are listed for each company.

This new and comprehensive Web site is expected to provide MCPS retirees and employees with all of the information they need to compare vendors, understand basic investment concepts, and find all the necessary forms in one easy, convenient Web site at [www.yourplan.info/mcps](http://www.yourplan.info/mcps). ■

**MCPS** **Montgomery County Public Schools**  
Everything you need to know about starting and investing in your 403(b) and 457(b) retirement plans.

**403(b) PLAN INFO**   **457(b) PLAN INFO**   **VENDORS**   **FORMS AND DOCUMENTS**   **INVESTMENT REFERENCE**   **CALCULATORS**

**EMPLOYEE AND RETIREE SERVICE CENTER (ERSC)**  
PHONE: 301-517-8100  
EMAIL: [ERSC@mcpsmd.org](mailto:ERSC@mcpsmd.org)

**LOCATION**  
7361 Calhoun Place  
Suite 190  
Rockville, MD 20855

**HOURS OF OPERATION**  
Mon–Fri, 7:30am–5:00pm

**PLAN ADMINISTRATORS**  
John Kevin  
Dodi Lambert

**PLAN DOCUMENTS**  
403(b) and 457(b)  
(both of these are PDF files)

**PENSION INFORMATION**  
Learn about the Maryland State Teachers Pension and the MCPS Employees Pension

[Read the IRS UNIVERSAL ELIGIBILITY NOTICE »](#)

> Home

**MCPS YourPlan.info**

Welcome to the YourPlan.info web site customized for employees of the Montgomery County Public Schools (MCPS). This is where you will find everything you need to know about starting and investing in your 403(b) and 457(b) retirement plans.

**Getting Started Investing**

**NOTE:** All MCPS employees are eligible to participate in both plans

**STEP 1:** Learn about 403(b) plans and 457(b) plans »

**STEP 2:** Read through our frequently asked questions about the 403(b), the 457(b), or about general investment »

**STEP 3:** Download, complete, and submit the required enrollment forms »

**Tools for Investors**

Look for answers to frequently asked questions about the 403(b), the 457(b), or about general investment »

Evaluate your current investments by using one of our calculators »

Access information on 403(b) or 457(b) vendors »

Download forms for making any changes to your investments »

MCPS does not review, approve or endorse any of the investment options that may be offered by any vendor in connection with the plan(s). As a plan participant, you are solely responsible for the review and selection of any and all plan investment options... [read full disclaimer »](#)

More than half of full-time MCPS employees participate in one or both of the plans. MCPS employees contribute more than \$70 million each year to their accounts and total assets of these plans exceed \$1 billion.

Note: Your personal information will not be accessible from this Web site. Please continue to access your retirement savings account through your vendor’s Web site.

## Caremark Option A and Option B

From 1999 to 2003, the Montgomery County Public Schools (MCPS) retiree prescription costs rose by more than 15 percent each year. It was becoming increasingly difficult for retirees to manage the rising premiums associated with the prescription drug plan.

In response, MCPS and the Montgomery County Public Schools Retiree Association (MCPSRA) designed two new prescription drug plan options, providing a competitive prescription drug benefit, while lowering retiree premiums.

For the first time, retirees had a voice in structuring one of the components in their health plan benefit. Over a three-year period, the contribution rate was gradually increased to the current retiree cost share of 36 percent.

The anticipated savings associated with the changes to the prescription plan have kept the current plan rate constant for both plans.

Many retirees continue to ask our staff, "Which prescription option is best for me?" Unfortunately, there is no easy answer to that question. Option A has lower co-pays, but higher monthly premiums. Option B has higher co-pays, but lower monthly premiums. The answer depends mainly on your use of prescriptions.

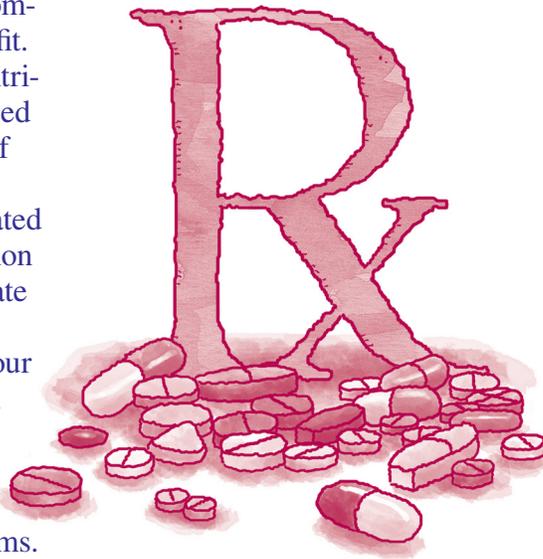
Regardless of your current plan selection, you should remember the following points when using your prescription plan:

- To take advantage of the lowest co-pay, you should choose generic drugs, when available. A decision to use a brand name drug when a generic is available, either because

you prefer it or the doctor prescribes the brand name, will cost you more.

- You can fill an initial prescription for maintenance medication plus one refill at a retail pharmacy. Thereafter, you must use Caremark's mail-order program. Under the mail order plan, you can obtain up to a 90-day supply. Mail order reduces your cost, as the co-pay is lower for one mail order for a 90-day supply than three retail co-pays for the same 90-day supply.

- Preferred or formulary brand name drugs are available to you at



a lower co-pay. Please let your physician know that you are now covered under a three-tier formulary prescription drug plan. Your doctor can work with you to identify a course of treatment to address your medical needs and, when possible, save you money. The list of formulary drugs changes quarterly. We recommend reviewing

the list available on the ERSC or Caremark Web sites.

- If you have any questions about your prescription plan, co-pays, or the options available to you, contact Caremark's customer service unit at 1-800-378-7558. Caremark works for you, and their customer service staff is specially trained and equipped to answer your questions.

Options A and B plans both have a three-tier co-pay structure. Retirees pay the lowest co-pay when purchasing generic drugs, mid-level co-pay when purchasing preferred formulary drugs, and a higher co-pay when purchasing brand-name drugs not on the preferred drug list.

Both plans also provide financial incentives for using generic and preferred brand name drugs and for purchasing maintenance medications through Caremark's mail-order pharmacy. Under both plans, you can fill an initial prescription for maintenance medication plus one refill at a retail pharmacy. Thereafter, you must use the mail-order feature of the plan or pay the retail co-pay plus the difference between the mail-order and retail cost of the drug.

Please consult the Retiree Benefit Summary for the co-pay structure summary, the retiree's share of the cost for prescriptions based on the category of drug (provided by Caremark quarterly), and recommended method for prescription fill at a participating retail pharmacy or through the mail-order program. All the information is available on the ERSC Web site.

### What are Minimum Required Distributions (MRDs)?

Beginning in the calendar year after the year you turn 70½, retirees are generally required to withdraw a minimum amount of money from their tax-advantaged retirement accounts (MCPS 403(b) and 457(b) plans) each year. This amount is called a minimum required distribution, or MRD. Please note, you can always take more than the MRD amount.

You generally have to take MRDs from any retirement account to which you contributed tax-deferred assets.

#### How do I calculate my MRD?

- Generally, your MRD is determined by dividing the adjusted market value of your tax-deferred retirement accounts' as of December 31 of the prior year by an applicable life expectancy factor

taken from the Uniform Lifetime Table. (If your spouse is your sole beneficiary and is more than 10 years younger than you, use the Joint Life and Last Survivor Table). Life expectancy tables are available at [www.irs.gov](http://www.irs.gov). Publications 554, *Tax Guide for Seniors*, and 575, *Pension and Annuity Income*, may be helpful.

#### How are MRDs taxed?

- MRDs are taxed as ordinary income for the tax year in which they are taken and will be taxed at your applicable individual federal income tax rate. MRDs also may be subject to state and local taxes, depending on the rules of the jurisdictions where you reside.

#### When should I take my first MRD?

- You generally have until April 1 of the year following the calendar

year you turn 70½ to take your first MRD.

#### What are the deadlines for taking MRDs?

- You may withdraw your annual MRD in one distribution or make withdrawals periodically throughout the year, but the total annual minimum amount must be withdrawn by the deadline of December 31.

#### What are the penalties if I miss a deadline?

- The penalty for taking less than your minimum required distribution can be severe. If you withdraw less than the minimum required amount, the IRS may assess a penalty equal to 50 percent of the amount of the MRD not taken. Your 403(b) and/or 457(b) plan account vendor should be able to assist you in completing the MRD calculation. ▪

### Is Your Beneficiary Information Up To Date?

It is important for retirees to update their beneficiaries, especially if you are unsure who you have designated in the past. Any new form will replace the existing form, as MCPS cannot provide the information currently in your file. You may use MCPS Form 455-22: *Retiree*

*Benefit Election Form* to make changes to your life insurance designations. Don't forget to contact your retirement savings vendor to update beneficiary designations on your retirement savings accounts. If you receive a pension benefit from the state, please visit the State Retirement Agency's (SRA) Web site as well!

### DID YOU KNOW?

The plan name change from Optimum Choice to UHC Select does not require any action by retirees.

### REMINDER

Diabetic supplies are now available through Caremark. This change was effective January 1; however, using Caremark is mandatory beginning July 1, 2008. (This does not affect members of the Kaiser prescription plan.)

**FOR YOUR INFORMATION**

Retirees can fax or e-mail (in PDF format) a signed enrollment form to ERSC by the May 16 deadline. Please review the following tips when you fax or e-mail an enrollment form to ERSC. Confirmations will be processed and mailed weekly. Please review upon receipt so any errors can be adjusted during open enrollment.

**ERSC fax numbers: 301-279-3642 or 301-279-3651**

- ☛ Please don't call ERSC after you fax or e-mail your enrollment form. Your fax confirmation or e-mail is your receipt that ERSC received the transmission/e-mail.
- ☛ Please make sure to keep a copy of the form and receipt in case ERSC has any additional questions.
- ☛ Please make sure that you fax/e-mail the front and back of the form in the same transmission, and that you write your name on both pages.
- ☛ Please don't send an original form in the U.S. Mail to ERSC after you have faxed or e-mailed the form. This could delay processing.
- ☛ And most important, please sign the form; your selections are not valid unless the form is signed!

**ADDRESS CHANGES?**

Address changes can be made using MCPS Form 445-1: *Change in Personal Information* and via the ERSC e-mail at ERSC@mcpsmd.org. Please make sure to include both your old and new addresses if e-mailing the change to ERSC.

It is important that your address is current, as an incorrect address interferes with processing insurance or Medicare information and the timely delivery of benefits information.

If you receive a benefit from the state, or a check from Aetna, make sure to visit the State Retirement Agency's (SRA) or Aetna's Web site to update your address as well!

**MCPSRA Vision Statement**

The Montgomery County Public Schools Retirees Association (MCPSRA) inspires the dedication, commitment, and abilities of its members to serve fellow retirees and the entire community in our ever-changing society.

If you have questions about the MCPSRA, please visit the MCPSRA Web site at [www.mcpsretirees.com](http://www.mcpsretirees.com) or contact Fred Evans, president, MCPSRA, via e-mail at [Fred\\_S\\_Evans@mcpsmd.org](mailto:Fred_S_Evans@mcpsmd.org).



## Retiring Times

News from the Employee and Retiree Service Center

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Published by the Department of Communications for the Employee and Retiree Service Center (ERSC)  
2261.08 • EDITORIAL, GRAPHICS & PUBLISHING SERVICES • 9500 • 4.08



Montgomery County Public Schools  
Employee and Retiree Service Center (ERSC)  
850 Hungerford Drive  
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U.S. POSTAGE  
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Presorted  
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