



University System of Georgia (USG) Medicare-Eligible Retiree Healthcare — 2016 Changes!

We want to inform you of some upcoming changes to your USG Medicare retiree healthcare plan. While the way in which we provide retiree healthcare coverage to USG Medicare-eligible retirees will be changing, it does not affect our commitment to offering you healthcare coverage. We consider our retirees to be key contributors to the continued legacy, growth, and foundation of the University System of Georgia.

What's changing?

In 2016, secondary healthcare coverage for Medicare-eligible retirees will be provided through a retiree healthcare exchange option. As part of this change, USG will make contributions to a health reimbursement account, which you can use to pay premiums and out-of-pocket healthcare-related expenses. There are no changes to your retiree healthcare coverage for 2015.

Why is USG making this change?

This change is part of our commitment to offering a sustainable healthcare benefit for current and future USG Medicare-eligible retirees while saving on current and future retiree healthcare costs.

Who will be impacted?

All USG Medicare-eligible retirees will transition to the retiree healthcare exchange, effective January 1, 2016.

When will I receive more information?

USG will provide additional details throughout this process. In addition, Medicare and retiree healthcare exchange experts will be available to help you make well-informed decisions for your 2016 healthcare coverage.

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FREQUENTLY ASKED QUESTIONS (FAQS)

1 What is a retiree healthcare exchange?

Retiree healthcare exchanges were developed in 2005. They provide access to all types of Medicare supplemental insurance (also known as “Medigap”), Medicare Part D prescription drug coverage, and Medicare Advantage plans from a variety of insurance companies. They also provide a “concierge” service of expert benefit advisors who help retirees select and enroll in plans based on their individual healthcare needs, budget, and location.

A retiree healthcare exchange is a private exchange. It is different from public exchanges created by The Affordable Care Act that are run by either individual states or the federal government. This announcement is not connected to the public exchanges.

2 What is a health reimbursement account?

A health reimbursement account is an account that can be used toward healthcare premiums or eligible out-of-pocket healthcare expenses. USG will contribute to this account to help eligible retirees and their dependents pay for healthcare. More information, including eligible expenses and allocation amounts, will be provided in upcoming communications.

3 If a Medicare-eligible retiree’s spouse is not Medicare-eligible, how will the coverage work in 2016?

A non-Medicare-eligible spouse of a Medicare-eligible retiree will continue to obtain coverage through the University System of Georgia healthcare plan. The Medicare-eligible retiree will obtain coverage through the retiree healthcare exchange.

4 If a retiree’s spouse is Medicare-eligible but the retiree is not, how will the coverage work in 2016?

The retiree will remain in the University System of Georgia healthcare plan and the retiree’s spouse will obtain coverage through the retiree healthcare exchange.

5 Is the retiree health insurance benefit being eliminated for Medicare-eligible retirees through this change?

No. The retiree health insurance benefit is not being eliminated with this change. Instead, this change transforms the way the University System of Georgia will provide retiree healthcare coverage to its Medicare-eligible retirees and their Medicare-eligible dependents. The University System of Georgia will provide secondary coverage to retirees/dependents through a retiree healthcare exchange.

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