



REFLECTIONS

A monthly source of information for beneficiaries of the Adventist Retirement Plans

A Word From the President...

In the mid-eighties I served as president of the Kansas-Nebraska Conference. Those were tough days; we had two boarding academies, and couldn't afford both. A study committee, comprised of people from out of the conference, was asked to analyze the situation. This group recommended merging operations at Platte Valley Academy and closing Enterprise Academy. Soon after, a constituency meeting was held on the Enterprise Academy campus. The long and contentious day culminated in the decision to keep both academies open—a decision I felt the conference could not afford.

The next morning at breakfast, I said to my wife, "Do you know what job I'd really like to have?" "No," she answered. "I'd really like to be assistant editor of *Ministry* magazine. There would be no more constituency meetings, no one would be mad at me—that would be heaven on earth."

"I doubt that you're going to be offered that job," Beverly responded. And I knew she was right.

But to my astonishment, Elder Russell Holt, the associate editor of *Ministry*, called me shortly after our office worship.

"Steve," he began, "we're looking for an assistant editor for *Ministry* magazine." I nearly passed out from excitement. Then Russell continued, "Would you give us permission to talk to your Valentine, Nebraska, pastor?"

We hear he has excellent writing skills."

That's all I remember of the conversation, as I passed from the zenith to the nadir in ten seconds, absolutely crushed in disappointment.

Full Circle

Now life has come full circle. Elder Holt is the director of editorial services for *Renewed & Ready*, the magazine you hold in your hands. And at last, I get to write for one of his magazines. God hears our prayers. It just took Him and Russell twenty-two years to answer.

Stephen Gifford is the president of the North American Division Retirees Association.



Important Notice From SHARP

About SHARP's Prescription Drug Coverage (Rx Option) and the Medicare Prescription Drug Coverage

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with SUPPLEMENTAL HEALTHCARE, ADVENTIST RETIREMENT PLAN (SHARP) Rx Option¹ and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage under the Rx Option, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare

prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is provided at the end of this notice.

There are two important things you need to know about your current SHARP Rx Option coverage and Medicare's prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. This coverage is sometimes referred to as Medicare Part D prescription drug coverage. In general, Medicare Part D provides

coverage for prescription drugs not covered under Medicare Part A and Part B. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some Medicare plans may also offer more coverage for a higher monthly premium.

2. The Supplemental Healthcare, Adventist Retirement Plan has determined that the prescription drug coverage offered under its Rx Option is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage under Medicare. Because your prescription drug coverage under SHARP's Rx Option is, on average, at least as good as standard Medicare prescription drug coverage, you can keep (or enroll in) SHARP's Rx Option coverage (instead of enrolling in a Medicare prescription drug plan) and not pay a higher premium (a penalty) if you later decide to enroll in a Medicare prescription drug plan.

When Can You Join a Medicare Drug Plan?

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from November 15th to December 31st.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide To Join a Medicare Drug Plan?

If you do decide to enroll in a Medicare prescription drug plan and drop (or decline to enroll in) SHARP Rx Option coverage, be aware that you will not be able to get the SHARP Rx Option coverage back unless and until the next open enrollment period occurs for you under SHARP that allows you to add coverage. There are very few open enrollment periods under SHARP, and you may not be eligible for one.

Under SHARP, you are not allowed to receive prescription drug coverage under both Medicare prescription drug coverage and the SHARP Rx Option. You must choose one or the other. Therefore, it is important

to make an informed, deliberate decision. Do not enroll in Medicare prescription drug coverage "just in case."

You have the following two options concerning prescription drug coverage in the SHARP:

1. You may stay with SHARP's Rx Option coverage and not enroll in the Medicare prescription drug coverage at this time. You will be able to enroll in the Medicare prescription drug coverage at a later date without penalty, either (1) during a Medicare prescription drug open enrollment period, or (2) if you lose coverage under SHARP.
2. You may drop your SHARP's Rx Option coverage (when allowed to do so under SHARP), or decline to enroll in the Rx Option, and instead enroll in Medicare prescription drug coverage. If and when you enroll in a Medicare prescription drug plan, you become ineligible to participate in SHARP's Rx Option, and SHARP will not assist you with the premium you will pay to participate in a Medicare prescription drug plan. You will not be able to enroll or reenroll in SHARP's Rx Option coverage until the next open enrollment period for such coverage, and you will only be able to enroll or reenroll if you drop your Medicare prescription drug coverage. **If you do decide to enroll in a Medicare prescription drug plan and decline or drop SHARP Rx Option prescription drug coverage, be aware that you may not be able to get SHARP Rx Option drug coverage until the next open enrollment period.** If you have chosen not to participate in the SHARP Rx Option, you may continue to participate in other SHARP options provided, such as Dental/Vision/Hearing and Medicare Extension.

If you have questions, please contact us for more information about what happens to your coverage under the Rx Option if you enroll in a Medicare prescription drug plan.

The standard Medicare prescription drug plan has the following features. The threshold amounts are subject to annual adjustments by the Centers for Medicare and Medicaid Services. The thresholds for 2009 are shown below, with the thresholds for 2008 shown in parentheses.

We are pleased to welcome the more than 10,000 beneficiaries of the Adventist Retirement Plans to *Renewed & Ready!* "Reflections" is a new monthly feature with important news and information specifically tailored for retired Adventist workers. —The Editor

- ▶ Annual Deductible of \$295 (\$275 for 2008).
- ▶ After you have met the annual deductible, Medicare pays 75 percent of the next \$2,405 (\$2,235 for 2008) and you will be responsible for paying 25 percent coinsurance.
- ▶ After you have incurred \$2,700 (\$2,510 for 2008) in prescription drug costs, Medicare will pay nothing and you will pay 100 percent until your prescription costs for the year reach \$6,153.75 (\$5,726.25 for 2008), at which point you will be out-of-pocket \$4,350.00 (\$4,050 for 2008). This gap in Medicare coverage is referred to as the “donut hole.”
- ▶ After you have reached the \$6,153.75 (\$5,726.25 for 2008) threshold, Medicare pays most of the cost of your drugs.
- ▶ Premiums are expected to be approximately \$30-\$50 per month for standard Medicare prescription drug plans. You should consult the Medicare prescription drug plans in your area for the exact premium amounts.

In making this comparison, please also consider the following: (1) Rx Option has no gap in coverage similar to Medicare’s “donut hole”; (2) Rx Option provides prescription drugs on the plan’s formulary in 2009 by you paying a copay of \$11 (generic) or \$22 (brand name) for a 30-day supply and a copay of \$25 (generic) or \$50 (brand name) for a 90-day supply; (3) many retirees receive an Earned Credit which assists them or fully pays for their SHARP Rx Option costs; and (4) the formulary used by the Medicare prescription drug plan may differ from the formulary for the Rx Option.

As stated above, if you enroll in a Medicare prescription drug, SHARP will drop your Rx Option (or not allow you to enroll in the Rx Option) and will not assist you with the premium you will pay to participate in a Medicare prescription drug plan. Although SHARP cannot state that in all cases its Rx Option prescription drug coverage is more advantageous than Medicare prescription drug coverage, in most cases you will have better prescription drug coverage under SHARP Rx Option than under Medicare prescription drug coverage and you will not benefit from enrolling in Medicare prescription drug coverage. One situation

in which Medicare Prescription drug coverage may be more advantageous is if you qualify as a low-income retiree. If you have received an application to apply for low-income Medicare prescription drug coverage, you should carefully review our plan and Medicare Prescription drug coverage and judge for yourself.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

You also should know that if you drop or lose your coverage with SHARP’s Rx Option, and don’t enroll in Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare prescription drug plan later.

If you go 63 days or longer without prescription drug coverage that’s at least as good as Medicare’s prescription drug coverage, your monthly premium for Medicare prescription drug coverage may go up at least 1 percent per month of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may consistently be at least 19 percent higher than the base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next November to enroll.

For More Information About This Notice or Your Current Prescription Drug Coverage ...

Read the SHARP booklet carefully. Then, for further questions, contact our office (e-mail and phone listed below) for further information regarding SHARP Rx Option. However, please note that our office cannot assist you with information about a Medicare prescription drug plan.

E-mail: SHARP@nad.adventist.org (*preferred method*).

SHARP Healthcare Enrollment Line:

(301) 680-5036 9 A.M. – 5 P.M. Monday–Thursday
and 9:00 A.M. – 12:00 P.M. Fridays, eastern time.

NOTE: You will receive this notice every year. You will also get it before the next period you can join a Medicare drug plan, and if the SHARP Rx Option coverage

Adventist Retirement Plans

Del Johnson
Administrator

Lyn Wick
Associate Administrator

Judy Glass
Associate Administrator

Judy Beers
Assistant Administrator

Adventist Risk Management: 1-800-447-5002
Healthcare Claims Queries

SHARP: 301-680-5036
SHARP@nad.adventist.org
Healthcare Eligibility Queries

Submit all claims to:
Adventist Risk Management—SHARP
PO Box 1928
Grapevine, TX 76099-1928

Medco Health: 1-800-841-5396
Verify pharmacy participation with
Medco Health

Steve Gifford
President, NAD Retirees Association
817-271-1160
2712 Dorothy Drive
Cleburne, TX 76031
E-mail: LFORD99@aol.com

Payroll: 1-888-838-8955
Bulletin Board of Payroll Information

NAD Retirement Department
Fax: 301-680-6190
12501 Old Columbia Pike
Silver Spring, MD 20904-6600

Barbara Yowell: 301-680-6244
Lost checks, direct deposits, 1099R,
tax withholding, change of address,
verification of benefits for loans,
housing, Medicaid

Dolores Allen: 301-680-6249
General Retirement Office Information

Chris Meier: 301-680-6192
Reporting a death, disability reviews

Diane B. Gatling: 301-680-6289
Tuition assistance for children

changes. You also may request a copy at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is available in the “Medicare & You” handbook. You’ll get a copy of the handbook every year in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans.

For more information about Medicare prescription drug coverage:

- ▶ Visit www.medicare.gov.
- ▶ Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help.
- ▶ Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and whether or not you are required to pay a higher premium (a penalty).

Date: September 1, 2008

Name of Entity/Sender: Supplemental Healthcare,
Adventist Retirement Plan

Contact—Position/Office: Administrator

Address: 12501 Old Columbia Pike,
Silver Spring MD 20904

Phone Number: 301-680-5036

¹ SHARP’s Rx Option is the only coverage available to participants in SHARP that offers prescription drug coverage to persons eligible for Medicare.