



# **Part II – Retiree Education Session**

## **Medicare Part D and HRA Basics**

Benefits Office

March 2017 – 1:00 p.m. CST

# Agenda

- Updated retiree website
- Medicare Part D overview
- Coverage gap – “donut hole”
- Catastrophic drug reimbursement
- Health care reform impact on the coverage gap
- Health Reimbursement Accounts (HRA)
- Funding & Reimbursement Process
- Frequently Asked Questions

# Retiree Website

<http://retirees.fnal.gov>



## Fermilab Retirees

Towers Watson OneExchange	>
Non-Medicare Eligible Retirees	>
Contacts	
Retirement Savings Plans	

This site is a resource to provide easy access to forms, documents and tools for you to manage your benefits. These resources provide valuable information on your coverage through Fermilab.

## Resources

### Towers Watson One Exchange

- Medicare-Eligible Retiree Forms
- Towers Watson One Exchange Guides

### Non-Medicare Eligible Retirees

- Medical Plan Information
- Locate a Medical Provider
- Preventative Care Services
- Non-Medicare Eligible Retiree Forms
- FAQs

### Contacts

### Retirement Savings Plans

## Announcements

### Retiree Education Meetings – March 7 and 14

There are no plan design changes. This is an education opportunity. RSVP is not required. All sessions will be held at Wilson Hall in One West. Web conference is available for access at the same time as the onsite sessions.

The same program will be presented in two parts on both dates.

*Part I (10:00 a.m. – 12:00 p.m.) – Medicare Basics & Supplemental Coverage Overview*

*Part II (1:00 p.m. – 3:00 p.m.) – Medicare Part D, catastrophic drug coverage & HRA*

#### Web Conference instructions

Both March 7 and 14 will be available via web conference. To hear the audio and view the slides, login to both the website and dial into the conference call. To access the web conference go to <https://fnal.zoom.us/j/2445358019>. The link will take you directly to the meeting. To hear the audio, dial 1(408) 638-0968 (US Toll) and enter meeting ID 2445358019#.

Part I – Medicare Basics

Part II – Medicare Part D & HRA Basics

# Medicare Prescription Drug Coverage

- The Medicare Prescription Drug, Improvement, and Modernization Act (also called the Medicare Modernization Act or MMA) is a federal law of the United States, enacted in 2003. It produced the largest overhaul of Medicare in the public health program's 38-year history.
- Prior to MMA there was no prescription drug coverage for Medicare participants.
- Medicare Part D plans and Medicare Advantage plans cover commercially available drugs or vaccines when medically necessary to prevent illness.
- Plans are administered through private insurance companies.
- Each plan must be approved by Medicare.

# Medicare Prescription Drug Coverage

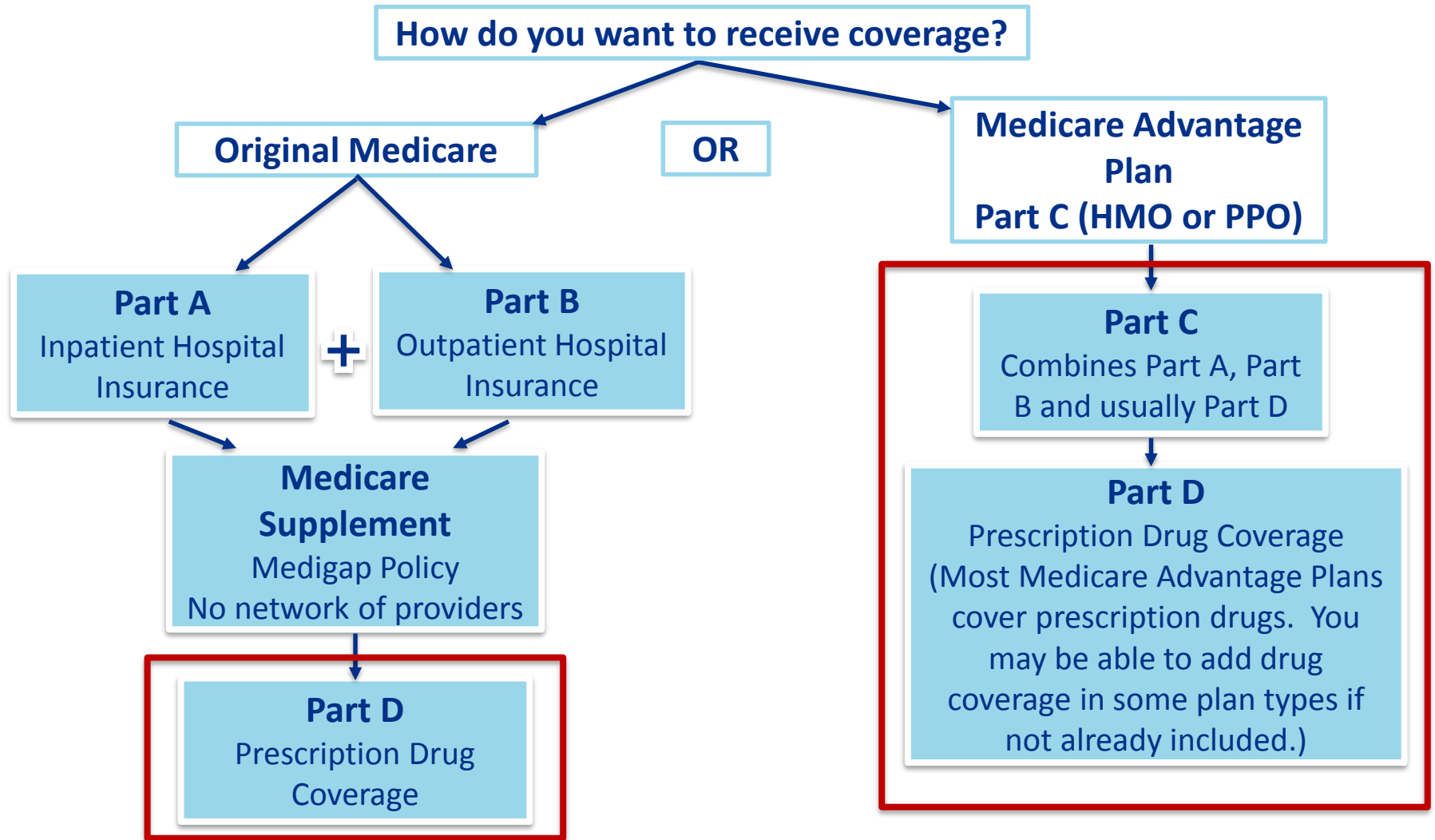
Medicare offers prescription drug coverage two different ways

- Medicare Advantage Plan – Part C
  - If you have a Medicare Advantage Plan your drug coverage is typically included with the plan.
  - The cost of the drug coverage is typically included with your medical premium
- Medicare Part D
  - Sometimes called PDP
  - This is separate coverage from your Medigap and you pay a separate premium for the coverage

# Medicare Part D - Eligibility

- Medicare Part D is available to everyone eligible for Medicare Parts A and B.
- The same enrollment period applies; birth month, 3 months prior and 3 months after.
- You must be enrolled in Medicare Parts A and B to join a Medicare Prescription Drug Plan (PDP) or a Medicare Advantage Plan with drug coverage (MA-PD)
- You must live in the plan's service area
- You must join a plan to get drug coverage.
- If you decide not to get Medicare drug coverage when you're first eligible, you will pay a late enrollment penalty unless you have other creditable prescription drug coverage such as an employer group plan.
- You may switch plans with no medical underwriting during Medicare's Open Enrollment Period is October 15 – December 7 each year, coverage starts January 1.

# Your Medicare Coverage Choices



*You may not enroll in both a Medigap and a Medicare Advantage.*



# Medicare Part D Covered Drugs

- Prescription brand-name and generic drugs
  - Approved by the U.S. Food and Drug Administration
  - Used and sold in the U.S.
  - Approved by Medicare as medically accepted to treat the condition
- Includes drugs, biological products and insulin
- Plans must cover a range of drugs in each category
- Coverage and rules vary by plan
- In some circumstances drugs are covered under Part B instead of by your drug plan:
  - Drugs administered at a dialysis facility
  - Some oral cancer drugs
  - Treatment for ESRD
  - Immunosuppressive drugs after transplant (criteria apply)



# Medicare Part D – Plan Design

- Each Medicare Prescription Drug Plan has its own list of covered drugs (called a formulary).
- Many Medicare drug plans place drugs into different "tiers" on their formularies. Drugs in each tier have a different cost to the member.
- Each plan has different coverage levels or tiers for generic, formulary, non-formulary and specialty drugs.
- A formulary is essentially a preferred drug list.
- Brand name drugs are referred to as “preferred” or “non-preferred”. These terms have the same meaning as “formulary” and “non-formulary”.
- A drug in a lower tier will generally cost you less than a drug in a higher tier.
- Sometimes, if your prescriber indicates you need a drug that's on a higher tier and there are valid reasons why you can't take the lower cost drug, your prescriber can ask your plan for an exception to get a lower copayment.
- A Medicare drug plan can make some changes to its formulary during the year within guidelines set by Medicare. If the change involves a drug you're currently taking, your plan must do one of these:
  - Provide written notice to you at least 60 days prior to the date the change becomes effective.
  - At the time you request a refill, provide written notice of the change and a 60-day supply of the drug under the same plan rules as before the change.

# Medicare Part D – Plan Design Example

Tier	You Pay	Prescription Drugs Covered
1	Lowest copayment	Most generics
2	Medium copayment	Preferred, brand name
3	High copayment	Non-preferred, brand name
4 or Specialty	Highest copayment or coinsurance	Unique, very high cost drugs

- The copayment amounts would vary depending on the plan.
- Some plans may have co-insurance instead of a copayment
- Each plan includes a list of prescription drugs covered by the plan.

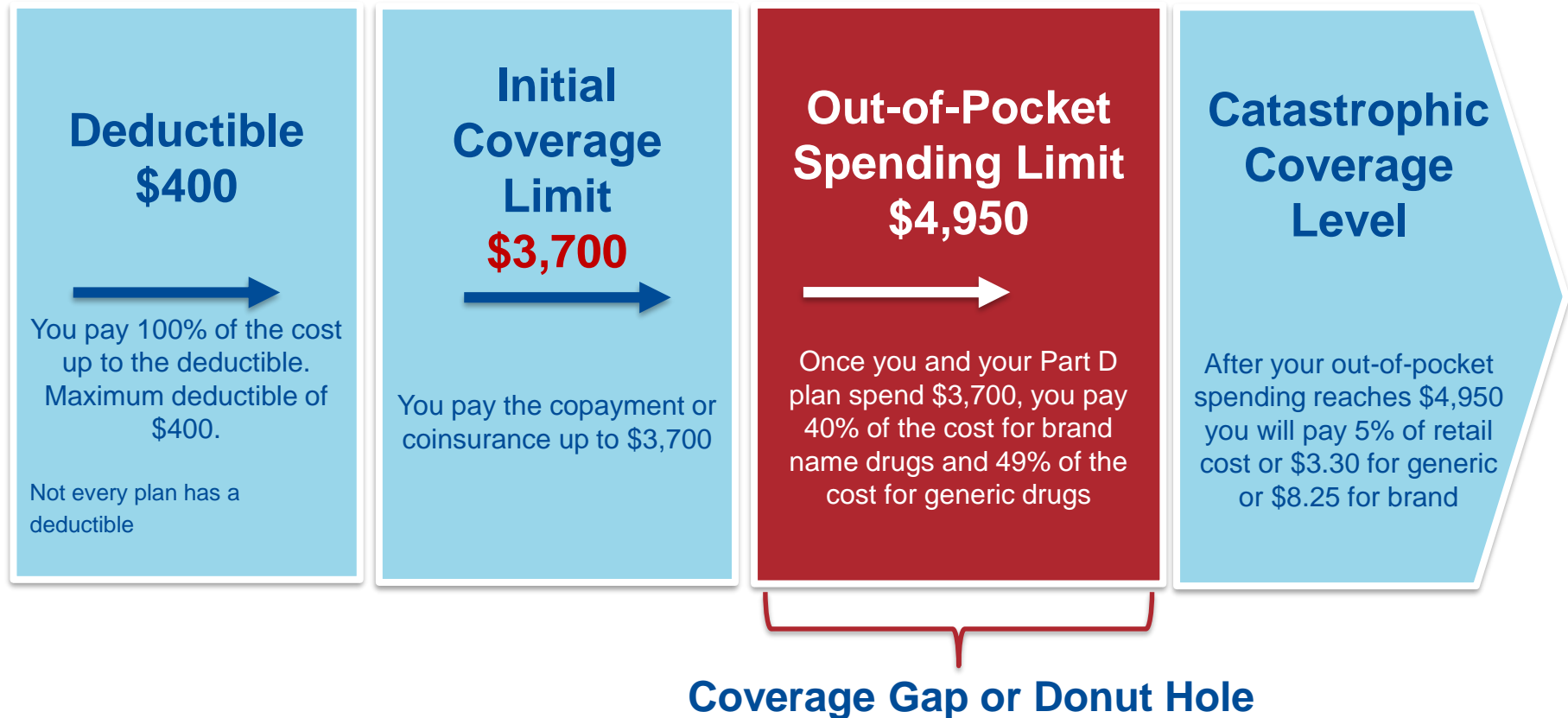
# Medicare Drug Plan Costs

In 2017 most participants will pay:

- Monthly premium\*
- Yearly deductible\* – maximum of \$400
- Co-payment/coinsurance\* depending on the drug tier up to \$3,700 (you and plan)
- 40% of the cost for covered brand name drugs while in the coverage gap
- 49% of the cost for covered generic drugs while in the coverage gap
- After the coverage gap limit of \$4,950, you will pay 5% of retail cost. This is the catastrophic drug level.

\*premium, deductible and co-pay/coinsurance varies by plan

# Medicare Drug Plan Costs



# Coverage Gap or “donut hole”

- When Congress created Medicare Part D's in 2003, the program included a feature called the “**coverage gap**” or “**donut hole.**”
- This means there is a temporary limit on what the drug plan will cover for drugs annually.
- The coverage gap was meant to create an incentive for seniors to use generics and less expensive brand drugs, and manage the costs of the new program.
- Not everyone will enter the coverage gap.
- The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs.

# Coverage Gap or “donut hole”

- Once **you and your drug plan together** have paid a total of \$3,700 in 2017, you are in the coverage gap or “donut hole”.
- While in the coverage gap you pay the full costs of your drugs.
- The **Patient Protection and Affordable Care Act** (ACA) created a provision that will close the coverage gap gradually between 2010 and 2020.
- The ACA mandated that drug companies provide discounts for drugs covered by Medicare.
- The size of the discounts increases each year until 2020, when the maximum a senior will pay while in the coverage gap is 25% of the drug’s costs.
- It is unclear what impact an ACA repeal, if passed, will have on these discounts.

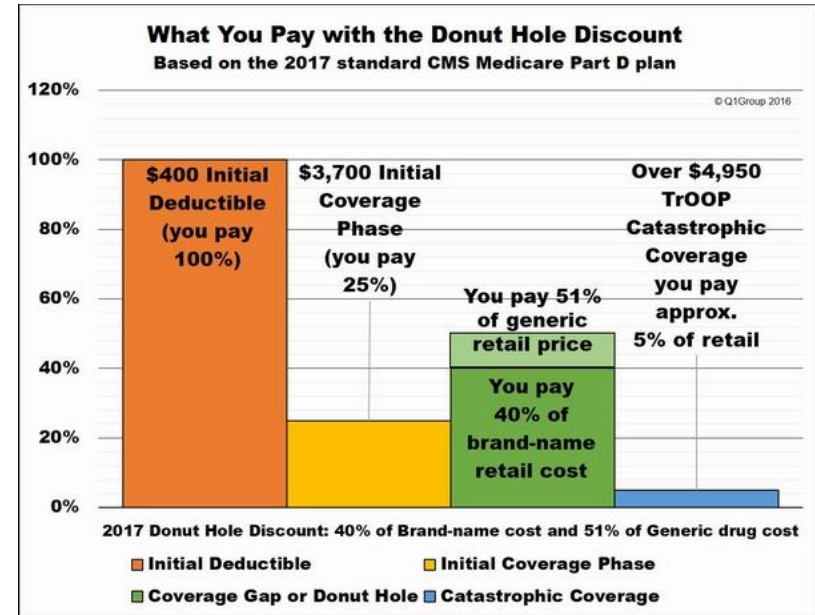
# Coverage Gap or “donut hole” - Example

- **Initial Deductible**

- 2017 \$400 (your plan may have a \$0 deductible)
- You pay 100% for your prescriptions and the amount goes toward the donut hole
- Some plans may cover generic prescriptions at 100%. The retail cost goes toward the donut hole

- **Initial Coverage Phase**

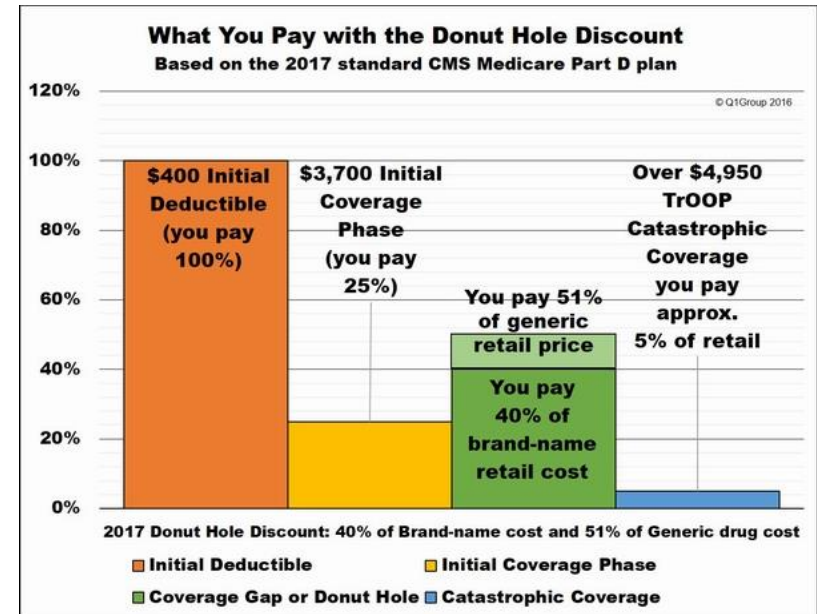
- After the initial deductible where Medicare Part D covers a portion of your costs and you pay a co-payment or co-insurance
- You leave the initial coverage phase and enter the coverage gap or donut hole when the retail value of your drugs reaches \$3,700 (2017)
- If the retail value of your medications exceeds \$309 per month, you will enter the 2017 donut hole
- If you have an expensive drug one purchase could place you in the coverage gap
- The explanation of benefits from the Medicare Part D carrier indicates the amount you have accumulated towards the coverage gap





# Coverage Gap or “donut hole” - Example

- **Coverage Gap or Donut Hole**
  - In this phase you pay a larger percentage of the retail drug cost.
  - The 2017 donut hole discount for brand name drugs is 60% (you pay 40%)
  - The 2017 donut hole discount for generic drugs is 49% (you pay 51%)
  - You stay in this phase until your total drug out-of-pocket equals \$4,950.
- **Catastrophic Coverage Phase** - Once in this phase you pay:
  - The greater of 5% or \$3.30 for generic drugs
  - The greater of 5% or \$8.25 for all other brand name drugs

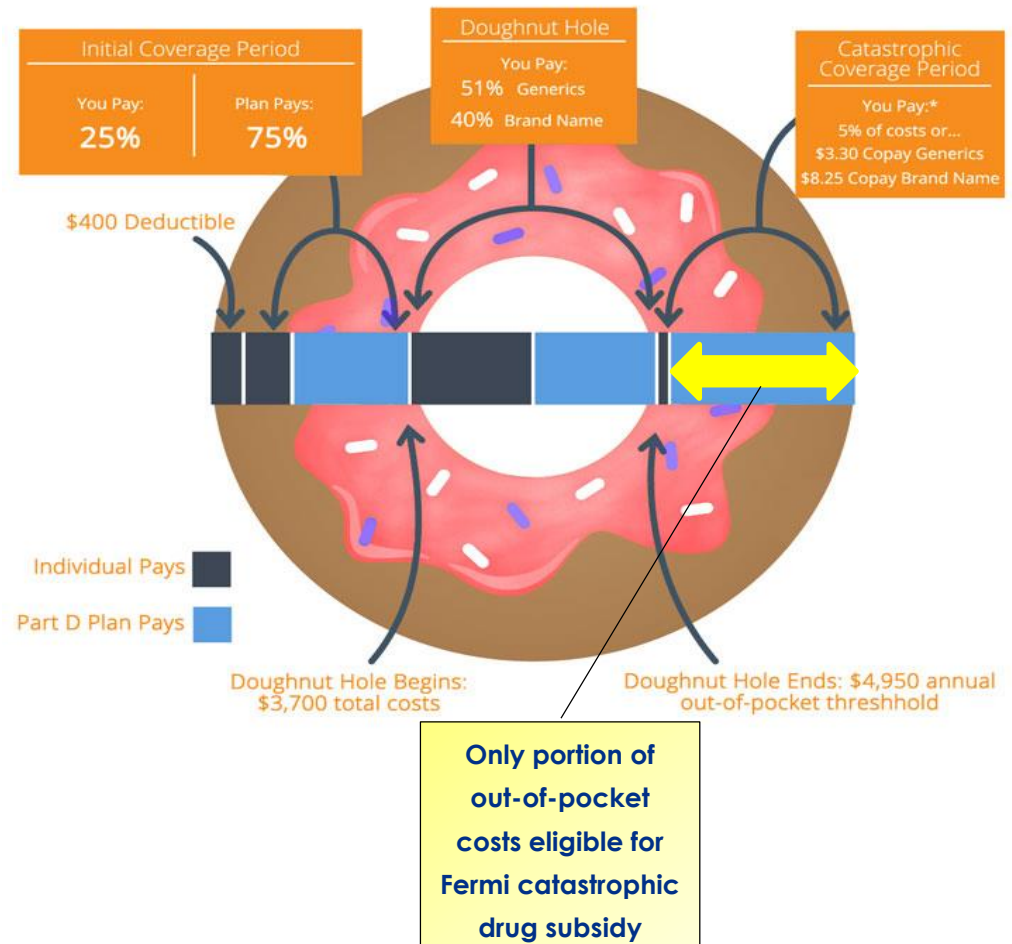


# Catastrophic Drug Subsidy

- Fermilab offers additional funds to reimburse participants for out-of-pocket prescription drug expenses paid after the \$4,950 catastrophic coverage threshold is met.
- Eligible prescription drug expenses that exceed this threshold will be documented on the Explanation of Benefits (EOB) provided to you by your prescription drug plan insurer.
- Prescriptions not covered by your Medicare prescription drug plan are not eligible for reimbursement.
- All requests for reimbursement must be made by March 31 following the year in which the expense was incurred by using this claim form. Funds will be paid out in April; 2016 expenses must be submitted by March 31, 2017.
- Once your reimbursement request is approved, you will receive a reimbursement of some or all of your eligible expenses depending on the size of the subsidy pool and the number of requests.

# Catastrophic Drug Subsidy - Example

- Fermilab funds a pool of money each year to pay for the catastrophic drug subsidy program.
- How much you will actually be reimbursed depends not only on the amount you request, but also on the total number and amount of all catastrophic drug reimbursement requests received for the year.
- Example: Fermilab has a balance of \$100,000 in the subsidy pool for the year. If there are 4 participants, each of whom request \$50,000 in approved subsidy, they will each receive 25% of the \$100,000. Each participant would receive a subsidy of \$25,000 for the year.



# Catastrophic Drug Coverage Reimbursement Process

- Keep all of your Explanation of Benefits (EOB) from your drug plan carrier.
- The EOB indicates the drugs and the costs you paid toward the initial coverage phase and coverage gap.
- Also include the EOB for the drug costs you incurred after entering the catastrophic drug phase through the remainder of the calendar year.
- All of this is submitted to OneExchange for processing and reimbursement.
- The benefits office is available to assist you with this process.

## Catastrophic Coverage Special Payments Reimbursement Request Form

**OneExchange**  
from Towers Watson

Mail: P.O. Box 981155, El Paso, TX 79998-1155

Fax to: 1-855-321-2605

① Former Employer Name		Total Number of Pages	
<input type="text"/>		<input type="text"/>	
Account Holder — Last Name	First Name	Middle Name	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Social Security Number	ZIP Code		
<input type="text"/> - <input type="text"/> - <input type="text"/>	<input type="text"/>		
② Covered Participant — Last Name		First Name	
<input type="text"/>		<input type="text"/>	
Social Security Number		Middle Name	
<input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/>	
		Relation to Account Holder (e.g., self, spouse)	
		<input type="text"/>	

- ③ **Step 1: Qualification Documentation**  
To qualify for the catastrophic coverage special payments benefit, you must have reached the catastrophic coverage threshold as documented in the Explanation of Benefits (EOB) provided monthly by your Medicare prescription drug plan.

Catastrophic Coverage Threshold Qualification Date (MM/DD/YYYY):

### Step 2: Reimbursement Documentation

Once you have qualified for the catastrophic coverage special payments benefit for the calendar year, you must submit a catastrophic coverage special payments reimbursement request form each time you incur a prescription expense. You will need to provide supporting documentation of your prescription drug expenses. Supporting documentation can be the EOB provided by your Medicare prescription drug plan or prescription drug receipts for prescription expenses incurred after the catastrophic coverage threshold qualification date. The EOB can be used for both qualification and reimbursement documentation.

④ **Pharmacy Request Documentation (use additional pages if needed)**

Date of Purchase	Amount Requested	Date of Purchase	Amount Requested
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		Total Amount Requested	
		<input type="text"/>	

# Affordable Care Act Impact on Medicare Part D

- The Patient Protection and Affordable Care Act enacted in 2010 requires pharmacy drug manufactures to provide discounts to Medicare Part D participants.
- These discounts apply while participants are in the coverage gap.
- In 2020 the coverage gap will close by maintaining the 55% discount the manufacturers offer and increasing what Medicare drug plans cover.
- By 2020, you will pay no more than 25% for covered brand name and generic drugs during the coverage gap. This is the same maximum percentage you pay from the time you meet the deductible until you reach the out-of-pocket spending limit (up to \$4,950 in 2017).
- Repeal of the ACA could impact the closure of the coverage gap.

Year	Percentage you pay for brand-name drugs in the coverage gap	Percentage you pay for generic drugs in the coverage gap
2017	40%	51%
2018	35%	44%
2019	30%	37%
2020	25%	25%

# Six ways to lower your prescription drug costs

- Look into generic drugs. Ask your doctor if there are generics that will work as well as your current brand-name drugs.
- Ask your doctor about less expensive brand-name drugs or formulary changes.
- Consider using mail-order pharmacies.
- Contact OneExchange to compare Medicare drug plans to find a plan with lower costs. You can change plans annually.
- Find out if your state offers help paying for drug costs.
  - SHIP (Senior Health Insurance Program) or [www.illinois.gov/aging/ship](http://www.illinois.gov/aging/ship)
  - 1-800-252-8966 or [Aging.SHIP@Illinois.gov](mailto:Aging.SHIP@Illinois.gov)
  - Local site at Northwestern Medicine - Delnor Hospital (630) 208-3927
- Find out if the company that makes your drug offers help paying for it.
  - [www.Rxassist.org](http://www.Rxassist.org)
  - [www.medicare.gov/pharmaceutical-assistance-program/Index.aspx](http://www.medicare.gov/pharmaceutical-assistance-program/Index.aspx)

# Towers Watson OneExchange – HRA benefit

- Fermilab provides a subsidy of \$175/month, per person, funded to a Health Reimbursement Account (HRA)
- The account may be used to pay insurance premiums, Medicare Part B premiums and other eligible health care expenses not covered by insurance.
- If a retiree is Medicare-eligible and his/her spouse is not, the spouse remains in the current Fermilab PPO or HMO until Medicare-eligible.
- If the spouse is Medicare eligible, and the retiree is not, the spouse joins OneExchange.



# HRA Definition

- A Health Reimbursement Account (HRA) is an arrangement set up and funded by an employer.
- HRA's can be used to reimburse employees or retirees for certain medical expenses they incur.
- A HRA is a tax free account approved by the Internal Revenue Service (IRS).
  - You do not need to report contributions as income to the IRS
  - You will not receive any income tax reporting forms from Fermilab or Towers Watson One Exchange.
  - The IRS has not set any annual or lifetime contribution limits for HRA's
  - There is no “use it or lose” it provision in a HRA

# HRA Definition

- Some items that may be reimbursed by an HRA (this list is not all inclusive):
  - Healthcare (medical, prescription, dental, vision) premiums
  - Healthcare out-of-pocket expenses, including co-pays, deductibles or items not covered by Medicare or other insurance, such as hearing aids.
  - Medicare Part B premiums
- The types of medical expenses that may be reimbursed from an HRA are defined by IRS code 213(d) and are listed in IRS Publication 502.
- The IRS publication is available at <https://www.irs.gov/publications/p502/>

# Funding & Reimbursement Process

- Fermilab contributes **\$175 per month per retiree** to the HRA
- A covered spouse and/or disabled dependent receives an additional contribution of \$175 per month.
- Contributions for all covered family members are made to **one HRA** in the retiree's name.
- Retirees and spouses **must be enrolled in a medical plan** through One Exchange to receive an HRA contribution.
- Retirees who return to Fermilab as active employees in any capacity (including on-call) **cannot receive an HRA contribution** by law.
- HRA contributions are notional. No actual dollars are paid by Fermilab until you submit a claim to the HRA and it is reimbursed.

# Funding & Reimbursement Process (cont.)

- **HRA funding remains at \$175 per month per eligible retiree and \$175 per month for each eligible dependent in 2017.**
- **Effective January 1, 2017 monthly HRA funds will be available for reimbursement effective the first day of the current month.**
- This is a change from our past practice of allocating HRA funds 7 to 10 days in advance, with the actual date of funding varying from month to month.
- For example, in November 2016, HRA funds were available for reimbursement on October 20, 2016. This process caused confusion for Fermilab retirees. To provide better predictability for our retirees, the current month's HRA contribution will always be funded and available for reimbursement on the first calendar day of each month, but not sooner.
- Many Fermilab retirees take advantage of the automatic reimbursement feature. If you do not have automatic reimbursement set up for your HRA, please review the information below and contact OneExchange to elect this option.

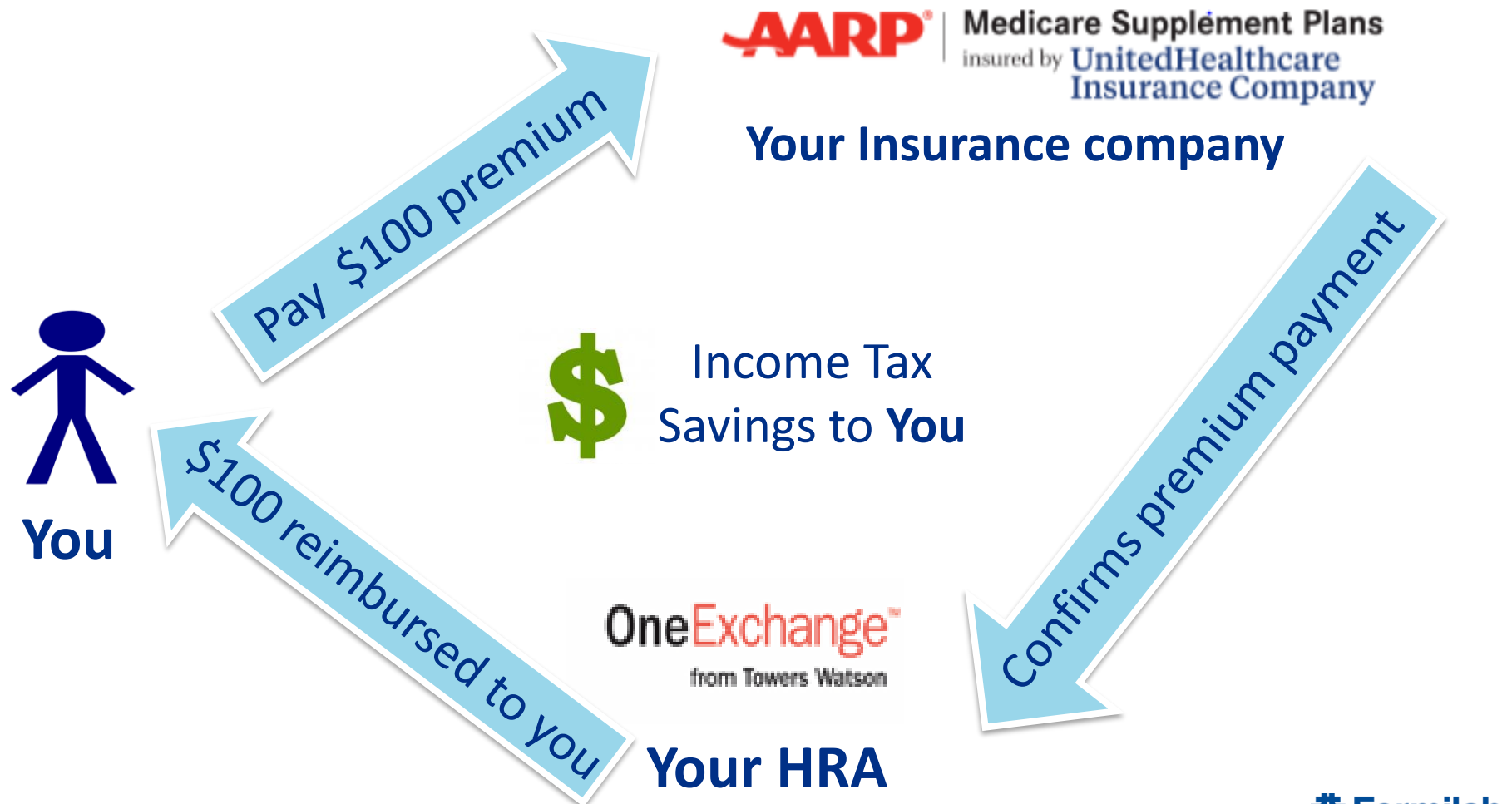
# Funding & Reimbursement Process (cont.)

There are three ways to receive reimbursement from your HRA:

- Set up **Automatic Reimbursement** of Medical or Prescription Drug premiums:
  - Many, but not all, insurance carriers participate in this service.
  - Typically this is set with Towers Watson One Exchange as part of your initial enrollment call.
  - You may elect automatic reimbursement at any time.
- File a **Recurring Claim form** to receive reimbursement for:
  - **Medicare Part B** premiums. Part B premiums may change for some people, so you will be asked to complete a new form every year.
  - **Premiums you pay to insurance carriers** that do not participate in automatic reimbursement.
- File a standard **claim form**:
  - File a paper claim each time you have eligible out-of-pocket expenses.
  - You should not file a claim for out-of-pocket expenses if your total medical and prescription insurance premiums exceed \$175/month.

# Automatic Reimbursement Process

Retirees may set-up automatic reimbursement for their premiums with One Exchange:



# Health Reimbursement Account Process Example

- In the example, the retiree is using Auto-reimbursement for both her Medicare Supplement insurance premium and her prescription drug plan premium.
- Remember the HRA funding remains at \$175 per month per eligible retiree and \$175 per month for eligible dependents.
- The account is funded the first day of each month.
- In the example, the retiree's 2017 premiums are **\$165** per month for her Medicare Supplement and **\$35** per month for her prescription drug coverage.
- This is a total of **\$200** in premiums she pays to her insurance carriers each month.

HRA Account Activity	Day of Month	JAN	FEB	MAR	APR	MAY	JUN
Beginning of month balance in HRA	1st	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Fermi HRA funding	1st	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Reimbursement of prior month's "pending" claims	2nd	\$0.00	(\$25.00)	(\$50.00)	(\$75.00)	(\$100.00)	(\$125.00)
Medigap Premium (\$165/month) reimbursement	15th	(\$165.00)	(\$150.00)	(\$125.00)	(\$100.00)	(\$75.00)	(\$50.00)
Prescription plan premium (\$35/month) reimbursement	15th	(\$10.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total claims "pending" to next month	16th	\$25.00	\$50.00	\$75.00	\$100.00	\$125.00	\$150.00
End of month balance in HRA	31st	(\$25.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



# Health Reimbursement Account Process Example

- In the example, the medical and prescription drug insurance companies both notify OneExchange on the 14<sup>th</sup> of each month that the retiree has paid her premiums. This date varies depending on when the carrier's file transmission schedule and the date the retiree pays the premiums. The date may vary from month to month.
- Since the retiree's premiums total **\$200** each month, and the HRA funding is less - **\$175**, the remaining amount of premiums she paid but was not reimbursed in January will be "pended" for the next month's HRA funding.
- In the above example, there are no pended claims from prior months in **January**, but **February** has **\$25** of pended claims from **January**.

HRA Account Activity	Day of Month	JAN	FEB	MAR	APR	MAY	JUN
Beginning of month balance in HRA	1st	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Fermi HRA funding	1st	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Reimbursement of prior month's "pended" claims	2nd	\$0.00	(\$25.00)	(\$50.00)	(\$75.00)	(\$100.00)	(\$125.00)
Medigap Premium (\$165/month) reimbursement	15th	(\$165.00)	(\$150.00)	(\$125.00)	(\$100.00)	(\$75.00)	(\$50.00)
Prescription plan premium (\$35/month) reimbursement	15th	(\$10.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total claims "pended" to next month	16th	\$25.00	\$50.00	\$75.00	\$100.00	\$125.00	\$150.00
End of month balance in HRA	31st	(\$25.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Health Reimbursement Account Process Example

- If the HRA has any pended claims, OneExchange will make a reimbursement one business day after the next date the HRA account receives more funding from Fermilab.
- The retiree received another reimbursement on **February 2nd for \$25**. Her HRA was funded on **February 1<sup>st</sup>**, and she was reimbursed the **\$25** of pended claims from January the next day.
- After the insurance carriers confirmed the retiree's February premium payments, OneExchange processed a reimbursement for **\$150 on the next day – February 15th**. This is the remaining amount in the account. The pended claim balance is now **\$50**.
- Note that because of the effect of pended claims, both the timing and the amount of the retiree's reimbursements can vary from month to month.

HRA Account Activity	Day of Month	JAN	FEB	MAR	APR	MAY	JUN
Beginning of month balance in HRA	1st	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Fermi HRA funding	1st	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Reimbursement of prior month's "pended" claims	2nd	\$0.00	(\$25.00)	(\$50.00)	(\$75.00)	(\$100.00)	(\$125.00)
Medigap Premium (\$165/month) reimbursement	15th	(\$165.00)	(\$150.00)	(\$125.00)	(\$100.00)	(\$75.00)	(\$50.00)
Prescription plan premium (\$35/month) reimbursement	15th	(\$10.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total claims "pended" to next month	16th	\$25.00	\$50.00	\$75.00	\$100.00	\$125.00	\$150.00
End of month balance in HRA	31st	(\$25.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Health Reimbursement Account Process Example

HRA Account Activity	Day of Month	JAN	FEB	MAR	APR	MAY	JUN
Beginning of month balance in HRA	1st	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Fermi HRA funding	1st	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Reimbursement of prior month's "pending" claims	2nd	\$0.00	(\$25.00)	(\$50.00)	(\$75.00)	(\$100.00)	(\$125.00)
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Prescription plan premium (\$35/month) reimbursement	15th	(\$10.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total claims "pending" to next month	16th	\$25.00	\$50.00	\$75.00	\$100.00	\$125.00	\$150.00
End of month balance in HRA	31st	(\$25.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

HRA Account Activity	Day of Month	JUL	AUG	SEP	OCT	NOV	DEC
Beginning of month balance in HRA	1st	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Fermi HRA funding	1st	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Reimbursement of prior month's "pending" claims	2nd	(\$150.00)	(\$175.00)	(\$175.00)	(\$175.00)	(\$175.00)	(\$175.00)
Medigap Premium (\$165/month) reimbursement	15th	(\$25.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Prescription plan premium (\$35/month) reimbursement	15th	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total claims "pending" to next month	16th	\$175.00	\$200.00	\$225.00	\$250.00	\$275.00	\$300.00
End of month balance in HRA	31st	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Recurring Claims and Manual Claim Forms

The easiest way to receive the maximum benefit from your HRA is to:

Ask yourself -	If Yes:	If No:
1. Are my <b>medical</b> premiums \$175/month or more?	<p>Set up auto-reimbursement for your medical premiums only. Nothing more is needed. You will receive the full \$2,100 in HRA funds for the year.</p> <p>If your medical carrier does not participate in auto-reimbursement, use a Recurring Claim form.</p>	<p>Consider adding auto reimbursement for your Prescription Drug plan.</p> <p>If your prescription drug carrier does not participate in auto-reimbursement, use a Recurring Claim form.</p>
2. Are the <b>total of my medical and prescription drug premiums</b> less than \$175/month?	<p>Consider filing a manual claim form to be reimbursed for a portion of your Medicare Part B premiums or other-out-of-pocket expenses.</p>	<p>Nothing more to do. You will receive the full \$2,100</p>

# Recurring Claim Forms

## There are two uses for a Recurring Claim form:

- When you want your medical or prescription drug premiums to be reimbursed to you every month without having to file forms each month, but your insurance carrier does not offer auto-reimbursement.
- When you have low medical and/or prescription drug premiums each month (for example, you are in an inexpensive Medicare Advantage plan), and you wish to receive monthly reimbursement of your Medicare Part D premiums.

Recurring Premium Reimbursement Form

**OneExchange**  
from Towers Watson

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Mail: P.O. Box 981155, El Paso, TX 79998-1155 Fax: 1-855-321-2605

① Employer Name Total Pages

Account Holder Name – Last First Middle

Social Security Number Zip Code

②

Action	Relationship	Premium Type	Start Date	End Date	Monthly Amount
New	Self	Medicare Part B	1/1/2016	12/31/2016	\$XXX.XX

③ By signing below, I certify that the information provided on this reimbursement request form is correct and that the expenses for which I am requesting or for which I am providing validation: were incurred for expenses for the covered participant while eligible under the plan on or after its effective date, have not been reimbursed in any other way from any other source, and will not be submitted for future reimbursement. Upon receiving notice of a change in premium or a cancellation of coverage, I will notify OneExchange within a suitable time period.

Account Holder Signature

Date

④ To qualify for your reimbursement you must provide a third party document that includes the information to the right.

☒ Does your documentation cover these items?

Please CHECK ☒ Each Reimbursement Request Qualification as you complete them.

☐ Covered Participant's Name (John Doe)  
☐ Provider Name  
☐ Date of Service (1/1/2016 thru 12/31/2016)  
☐ Monthly Amount (e.g., \$104.50)  
☐ Coverage Description (e.g., Medical)

200003-151101-FRMTSH-OneExchange Recurring Premium Reimbursement Form MB



# Manual Claim Forms

- If you have HRA funds left over every month after reimbursement of all of your insurance and Medicare premiums, you request reimbursement of other types of out-of-pocket health care expenses using a **manual claim form**.
- A manual claim form is a paper form you file each time you want a reimbursement. Receipts are required.

**Reimbursement Form**

OneExchange<sup>®</sup>  
from Towers Watson

Mail: P.O. Box 981155, El Paso, TX 79998-1155Fax: 1-855-321-2605

①

Former Employer Name

Total Pages

Account Holder Name – LastFirstMiddle

Social Security Number - Zip Code

②

Date of Service MM/DD/YYYY	Type of Coverage	Covered Participant Name	Relationship e.g., Self	Amount Requested
01/01/2016	Medical	John Doe	Spouse	\$XXX.XX
Total Amount Requested				

③

By signing below, I certify that the information provided on this reimbursement form is correct and that the premiums for which I am requesting or for which I am providing validation: were incurred for premiums for the covered participant while eligible under the plan on or after its effective date, have not been reimbursed in any other way from any other source, and will not be submitted for future reimbursement.

Account Holder SignatureDate

④

To qualify for your reimbursement you must provide a third party document that includes the information to the right.  
  
Please CHECK ☒ Each Reimbursement Qualification item as you complete them.

☒ Does your document(s) include these items?  
☐ Covered Participant Name (e.g., John Doe)  
☐ Provider Name (e.g., AARP)  
☐ Date of Service (e.g., 01/01/2016)  
☐ Description of Coverage (e.g., Medigap)  
☐ Proof of Payment

200002-151101-PRMTSH-OneExchange Reimbursement Form PO  
®

# Contacting Towers Watson One Exchange

**One Exchange Toll Free Number**  
**1-855-241-5721**

**Step 1:**

Enter zip code and say “yes” to confirm

**Step 2:**

Enter last 4 digits of SSN and say “yes” to confirm

**Press 3 or say “funding”** for reimbursement questions. You will be connected with a funding representative

**Press 1 or say “coverage”** to enroll or ask enrollment questions. You will be connected to a Benefits Advisor

**Press 2 or say “other”** for all other questions. You will be connected with Customer Service.



# Frequently Asked Questions

- Why can't Fermilab cut me a check for \$2100 instead of using the HRA?
  - If we did this, the payment would be taxable to you as income. An HRA is a tax free account as allowed under the IRS regulations.
- Do I need to report HRA reimbursements on my income tax return?
  - No. There is no reporting requirement. You will not receive any documentation to file with your tax return because it's not necessary.
- Can I make a contribution to the HRA?
  - No, the HRA does not allow for contributions from the retiree.
- Is there a maximum limit in the HRA?
  - No, the IRS has not imposed a limit on the HRA.
- Why didn't I receive a reimbursement in December?
  - December funds are allocated to retiree HRA accounts during the third week of the previous month. December funds were allocated the third week of November. If your monthly premiums exceed \$175 you already received the December allocation.
  - In December 2017 you will receive your reimbursement after the account is funded on December 1, 2017.

# Frequently Asked Questions

- Why do I receive different amounts throughout the year?
  - The amounts correspond to the amount available in your HRA account at the time you file a claim or the carrier notifies OneExchange of your payment.
- How can I keep track of the claims I've filed and how much I have been reimbursed?
  - Contact OneExchange to request a report showing all of your reimbursements.
  - When you call OneExchange with HRA questions, always **press Option #1 for “funding”** to reach an HRA specialist.
- How can I get paper claim forms, set up direct deposit, or initiate auto-reimbursement?
  - Contact OneExchange **1-855-241-5721**.
  - When you call OneExchange with HRA questions, always ask for the **funding department** to reach an HRA specialist.

# Contact information

**One Exchange at 1-855-241-5721**

## **Benefits Office**

Our hours are M-F 8:30 a.m. – 5 p.m. Please contact us by phone or email to make an appointment.

Fermilab Benefits Office contact information:

**Fermilab Benefits Office  
Fermilab National Accelerator Laboratory  
Wilson Hall, 15 West  
P.O. Box 500, MS 126  
Batavia, IL 60510  
phone: 630.840.3395  
email: [benefitsoffice@fnal.gov](mailto:benefitsoffice@fnal.gov)**

# Questions & Answers

