

County of Mendocino
Human Resources Department
Employee Benefits Division
579 Low Gap Road Ukiah, CA 95482
Phone: (707) 463-6553
Fax: (707) 468-3390

**IMPORTANT INFORMATION ABOUT CHANGES TO
MENDOCINO COUNTY RETIREE HEALTHCARE BENEFITS**

MEDICARE ELIGIBLE RETIREES

Retirees Age 65 and Older (Or those under Age 65 and Eligible for Medicare)

Effective August 1, 2010, the County of Mendocino is transitioning its Medicare-eligible retirees and their Medicare-eligible dependents from the County's medical plan to medical plans available through Extend Health, a leading coordinator of Medicare supplemental insurance. Under this new arrangement with Extend Health, you will be grouped with hundreds of thousands Medicare supplemental insurance participants, which we anticipate will reduce the total cost of healthcare for Medicare-eligible retirees.

We have selected a solution that provides you the ability to choose from a wide selection of Medicare plans and a wide variety of Medicare supplemental insurance carriers, This allows you to personalize your Medicare benefits based on your needs. The County will set up a Health Reimbursement Account (HRA) and fund the account with \$100 per Medicare-eligible retiree per month. The County contribution will only be available until the retiree health trust funds are depleted (which is anticipated to be approximately 14 months from August 1, 2010). Upon depletion of the retiree health trust funds, the HRA account will no longer be funded by the County. Any HRA account balance retirees may have in the HRA accounts will continue to be available to them. Each Medicare-eligible retiree will now be responsible for choosing and paying for their own health coverage. Retirees may continue their coverage through Extend Health. Extend Health will assist retirees in accessing HRA funds to pay for eligible health care expenses, including health insurance premiums.

A benefit of this new arrangement is that you will have a greater ability to manage your healthcare costs. You will now have a choice of plans available at a variety of price points that are tailored to your specific needs from industry leading insurance carriers Aetna, Anthem, Blue Cross Blue Shield, and others.

We are confident Extend Health will provide you the service you deserve. Extend Health's licensed benefits advisors will help match you with the plan that best fits your specific requirements. These advisors are objective and knowledgeable and will be available to support and assist you in making these decisions. These services will be provided at no cost to you. You will be receiving an introductory letter and an enrollment guide from Extend Health the week of May 10th so that you are able to make confident and well-informed decisions. **THIS INFORMATION IS VERY IMPORTANT SO DO NOT THROW IT AWAY.** A benefit advisor from Extend Health will help you apply for and enroll in the Medicare Supplemental Plan you choose during the enrollment period which commences on May 10, 2010 and ends on July 30, 2010. On August 1, 2010 retiree health care benefit changes go into effect. You must enroll in an individual Medicare supplemental health plan prior to this date to avoid any lapse in medical coverage

(see reverse for more information)

INFORMATIONAL MEETING WITH EXTEND HEALTH

A number of informational meetings with Extend Health representatives have been scheduled as follows:

Date: **May 20, 2010 (Thursday)**
Location: **Farm Advisor Conference Room,
890 North Bush Street, Ukiah, CA**
Times: **10am-12pm and 2pm-4pm**

Date: **May 18, 2010 (Tuesday)**
Location: **Mendocino County Social Services Offices,
HARBOR Room,
825 S Franklin Street. Fort Bragg, CA**
Times: **10am-12pm and 3pm-5pm**

For questions, please contact the Human Resources Department, Benefits Administration, at (707) 463-6553 or e-mail hr@co.mendocino.ca.us. Please allow 48 hours for a response.

April 29, 2010

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**IMPORTANT INFORMATION ABOUT CHANGES TO
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NON-MEDICARE ELIGIBLE RETIREES

It is with much regret that the County, based on the most recent projections at the current County contribution and plan experience rate, anticipates that the retiree health reserves will be exhausted by the end of December 2010. The reserves, along with contributions from the retirees, are the sole source of funding for the Retirement Health Plan. Our desire is to continue providing access to health care for retirees. We are hopeful that the new Healthcare Reform legislation that was recently been passed will provide assistance to maintaining coverage at reasonable rates by providing permanent and/or temporary short-term reimbursements which may be used to lower costs to retirees participating in the plan.

In an attempt to stretch the remaining dollars within the retiree health reserve and bridge the gap until provisions of the Healthcare Reform act are implemented, the Board of Supervisors has authorized the transition of the non-Medicare eligible retirees to a Health Plan that mirrors that of the Active Employees Plan II (please note that dental and vision coverage are excluded for retiree coverage). A side-by-side comparison of the current retiree health plan and the Active Employees Health Plan, and the Revised Retiree Medical and Pharmacy Benefit Summary are available on the Human Resources website, Retirement Health Benefits, Retirement Forms & Information. A copy of the detailed Plan Description is presently being finalized and will be mailed to you along with open enrollment material the week of May 10, 2010. Open enrollment commences on June 1, 2010 and ends June 30, 2010. The effective date for this transition is August 1, 2010.

The County will contribute \$200.00 per month towards non-Medicare eligible retiree premiums. The County contribution will only be available until the retiree health trust funds are depleted or approximately 14 months from August 1.

NO ACTION IS REQUIRED AT THIS TIME. You will be receiving information in the near future to help you determine what your premiums will be and help you through the enrollment process so that you are able to make confident and well-informed decisions.

For questions, please contact the Human Resources Department, Benefits Administration, at (707) 463-6553 or e-mail hr@co.mendocino.ca.us. Please allow 48 hours for a response.