

Chevron's New Medical Program for Retirees Age 65+ ©

November 1, 2016
76 Research CRA Chapter

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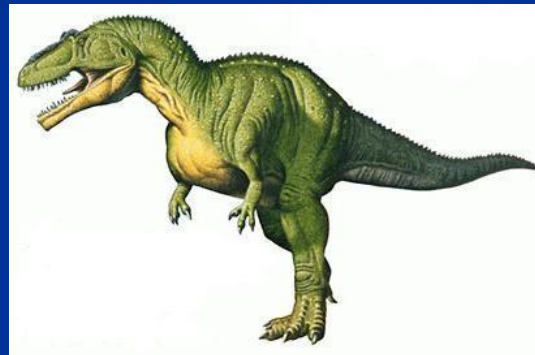
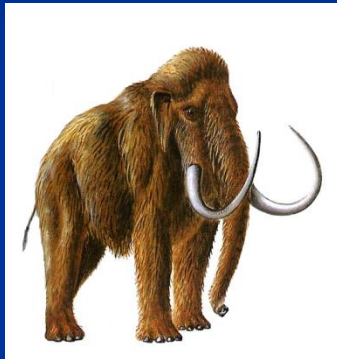
Background

- Employee Benefits Manager, Unocal Corporation, 32 years
- Area Vice President, Chevron Retirees Association (CRA)
- Member, National Benefits Committee, CRA
- Certified Financial Planner[®]

My Opinion

- Volunteer for CRA
- Not a Chevron or OneExchange employee or agent
- No personal bias for or against Chevron's health program changes
- Have personal experience with OneExchange (family member)

Adapt or Die







Chevron's Existing Medical Plans

Chevron, as plan sponsor:

- Makes plan design decisions
 - Size of deductibles and copays
 - Out of pocket maximums (catastrophic coverage)
 - Prescriptions and other special coverages
- Makes cost decisions
 - Cost to company
 - Cost to employees and retirees

Changing Business Environment

Corporations moving away from paternalism

- 401(k) plans replacing pension plans
- Sponsorship of retiree medical plans disappearing

“Consumerism” (JW)

- Each retiree will have a large choice of plans
- Each retiree decides if they want a “rich” or “cheap” plan
- Each retiree decides on importance of monthly premium amount vs. level of benefits and coverage



Chevron's New Medical Program (Age 65+)

- Chevron will no longer sponsor health plans for age 65+ retirees
 - Pension deductions and billings for medical premiums will end 1/12017
- Chevron Health Reimbursement Account (HRA) will replace above
 - Separate account for each retiree and for each spouse
 - Children under age 65 can remain in Chevron's group medical plan
- Administration by OneExchange, not Chevron.



Chevron's Medical Plans (under age 65)

Currently enrolled in Chevron plan

- Retirees, spouses, and children under age 65 can remain in Chevron's group medical plans. When they become age 65, they will move to the Chevron medical program for retirees age 65+.
- Retirees under age 65 will be grouped with employees for premium rating purposes
 - Should moderate future retiree premium increases



Chevron's New Medical Program (Age 65+)

Health Reimbursement Account (HRA)

- Chevron will make monthly contribution to retiree's individual account
 - Monthly contribution will approximately equal current Chevron contribution towards individual retiree's medical plan.
 - Must be enrolled in OneExchange medical plan to get HRA
- Retiree pays premiums, deductibles, copays, etc. up front
- Retiree then makes a claim for reimbursement to OneExchange
- Reimbursement is dependent on the balance in your HRA account



Chevron's New Medical Program (Age 65+)

- Health Reimbursement Account (HRA) continued
 - Retiree will have to pay entire health plan premium (if any)
 - Retiree can be reimbursed for health plan premiums
 - Retiree can be reimbursed for Medicare Part B premiums also !
 - Can enroll for automatic reimbursement of health plan premiums
 - Retiree can be reimbursed for deductibles and co-payments
 - Retiree can be reimbursed for dental and vision costs
 - Latter two require retiree to submit claims for reimbursement



Chevron's New Medical Program (Age 65+)

- OneExchange
 - Private insurance exchange, not public
 - Not part of ACA (Obamacare) exchanges
 - Set up for use by Chevron retirees
 - Administrator: Towers Watson
 - One of the largest benefits consulting firms in the world



Chevron's New Medical Program (Age 65+)

- OneExchange (continued)
 - Will handle enrollment in new healthcare program
 - OneExchange has licensed insurance advisors
 - Will provide individual advice / service to each retiree
 - Telephone access
 - Will reimburse qualified retiree claims
 - Chevron only provides monthly contributions to HRAs
 - HRA balances “roll over” monthly and annually



Chevron's New Medical Program (Age 65+)

Taxes and HRAs

- Chevron contributions to HRA are not taxable to retiree
 - Same as current Chevron subsidy for retiree plans
- Reimbursements to retiree are not taxable to retiree

Healthcare Plans I

Medicare

- Part A: Hospitalization
- Part B: Non-hospital medical care
- Part C: Medicare Advantage
- Part D: Prescription Drug

Healthcare Plans II

“Medigap” aka Medicare Supplement Plans

- Fills some or all of the Medicare gaps in coverage
- Standardized Plans: A, B, C, D, F, G, K, L, M, N
 - F = “Full” coverage
- Higher benefit level plan = higher monthly premiums
- No network, no “gate keeper”
- Premiums generally higher than Medicare Advantage plans
- Does not cover drugs, so you need to enroll in Medicare Part D

Healthcare Plans III

Medicare Advantage (Medicare Part C)

- Choice versus cost
 - Preferred Provider Organization (PPO)
 - More choice, more cost
 - Health Maintenance Organization (HMO)
 - Less choice, less cost
- Does provide prescription drug coverage

Healthcare Plans IV

Medicare Advantage (Medicare Part C)

- Preferred Provider Organization (PPO)
 - You have choice of doctors, clinics, hospitals, labs
 - No “gate keeper”, you choose doctors, specialists
 - PPO is a network of doctors, hospitals, labs
 - Lower deductibles and copays if network provider used
 - Can go outside network
 - Higher deductibles and copays if you go outside network
 - Higher monthly premiums than HMOs

Healthcare Plans V

Medicare Advantage (Medicare Part C)

- Health Maintenance Organizations (HMO)
 - Lower monthly premiums than PPOs
 - Low deductibles and copays
 - You choose a Primary Care Physician (PCP) from the network
 - You have to go to network doctors, clinics, hospitals, labs
 - You cannot go to a specialist without your PCP approval

Healthcare Plans VI

Medical

■ Foreign Travel

■ Medicare

- Generally does not provide coverage

- A few exceptions

■ Medigap & Medicare Advantage plans

- May provide foreign travel coverage

- Check individual plan

■ Travel Insurance

- If your medical plan doesn't cover, buy travel insurance

Healthcare Plans VII

Medical

- Prescription Drug Plans
 - Medicare Part D
 - Medicare Advantage plans provide drug coverage

Healthcare Plans VIII

Dental

- OneExchange to offer dental plans
- Potential reimbursement for premiums, deductibles, copays

Vision

- OneExchange to offer vision plans
 - Some vision plans will be part of medical plan
- Potential reimbursement for premiums, deductibles, copays

Caution

- Although OneExchange offers Dental & Vision, your monthly HRA reimbursement will probably be used up by medical/Medicare costs

Chevron & OneExchange

Existing Medical Plans for Retirees Age 65+

- Ends December 31, 2016

OneExchange

- New program effective January 1, 2017
- Open Enrollment Period
 - Currently enrolled in Chevron group medical plan
 - October 3 through December 31, 2016
 - Not currently enrolled in Chevron group medical plan
 - October 15 through December 7, 2016

Chevron & OneExchange

Your Action Needed

- Now
 - Review brochures you received from Chevron/One Exchange
 - Study website: www.medicare.oneexchange.com/chevron
 - Has list of medical plans available in your area
 - Input your doctors, prescriptions, and other information
 - Make a reservation for your enrollment phone call
 - Call OneExchange at the reserved time and date to enroll
 - You must call them, they cannot call you

Chevron & OneExchange

Important – Only Opportunity:

- **Failure to enroll** in the new Chevron program (OneExchange) during this Fall's open enrollment will result in **permanent loss of eligibility** for Chevron's retiree healthcare program.
 - Must enroll in a OneExchange-offered medical plan
- **Enrollment in new program is not automatic**, you must call OneExchange to enroll

OneExchange

Towers Watson

Has licensed insurance agents manning the OneExchange telephones

- Will provide individual counselling by telephone
 - Call them !
- Will enroll you in the plan(s) you choose
 - Enroll !

OneExchange Information

Internet

<https://medicare.oneexchange.com/chevron>

- Website with a large amount of information
- 30 minute YouTube video presentation
- Available 24 / 7
- You need to set up your own account online
 - Will then have access to individualized information
 - Can see estimated costs for each medical plan

Telephone

(844) 266-1392 To set up enrollment telephone call

(844) 431-7914 OneExchange agents & audio of Info Meetings

CRA Southern California Area

Website

www.socalretirees.org

- Website with information about your chapter, So. Calif. Area, CRA and Chevron benefits

Facebook Page

[Chevron SoCal Retirees](#)

- Go to Facebook page and request to be a member
- Many of your fellow Unocal retirees are members
- Can get updates about the Chevron medical program
- Information about the CRA and Southern California Area retirees
- You can exchange information with your former co-workers

Tips for Choosing a Medical Plan

- Cost versus choice decision
- If PPO or HMO:
 - Are your doctors in the plan's network?
 - Is your preferred hospital available in the plan's network?
 - Do you have a special prescription?
 - If so, is it covered by the plan?
- If HMO, beware that referrals for specialists are required
 - This can delay treatment
 - You can't pick any specialist, only those in network that PCP refers

Adapt or Die

(Enroll or Chevron coverage dies)



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