



CARE

RAILROAD HEALTHCARE

Serving Current and Former **BNSF** Railroaders

On Track!

Providing Health Care Benefits To Railroaders Since 1884

November 2016

Chief Executive Officer's Report

Shelly Cumby, CEO
September 27, 2016

FINANCIALS

Year to date through August 31, 2016 the unaudited financial for all plans combined reflects an excess of expenses over revenues of (\$635,936).

- Plan #3000 is experiencing an excess of expenses over revenues of (\$20,766)
- Plan #3100 is experiencing an excess of expenses over revenues of (\$ 347)
- Plan #4000 is experiencing an excess of expenses over revenues of (\$1,242,844)
- Plan #4100 is experiencing an excess of expenses over revenues of (\$231,578)
- Plans #5000/5500 is experiencing an excess of revenues over expenses of \$633
- Plan #5100 is experiencing an excess of revenues over expenses of \$17,505

We are fortunate that our investments have increased approximately \$700,000 year to date through August which helps offset the losses in our Plans.

OPERATIONS

The **CARE** Employee Count remains at 17 full-time employees with two of those employees on reduced hours. The employee benefit renewals will be addressed within the next few months. We are expecting increases in health plan premiums for our staff employees but we strive to do our best to provide our employees with the best possible benefits at premiums that are affordable. Since June of this year, we have received \$6,500 in reimbursements on liens as a result of the Asbestosis program that we initiated a few years ago with an outstanding balance on monies to be recouped at \$17,824.

Year to date, we have enrolled 52 new members due to our ongoing Member Recruitment program. This program has proven to be successful in enrolling new members into the **CARE** plans and we will continue the Program until further notice.

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CEO's Report to the Board

MEDICARE NEWS

We continue to strive to be CMS compliant on all CMS issues. As of 9/26/16, we have not received the 2017 Medicare Deductible amounts; however, we expect them to be in line with previous year increases and **CARE** will continue to pay for the Medicare Part A and Part B deductibles.

PHARMACY BENEFIT MANAGEMENT (PBM) NEWS

The 2017 Plan #4000 RX Benefit Design was approved by the **CARE** Board on August 5, 2016. Year to date through July, we have received from Express Scripts, our PBM, a number of anticipated subsidies, manufacturer rebates, coverage gap/reinsurance payments, etc. These subsidies help offset prescription drug costs on behalf of our members. Analysis of 2nd Quarter pharmacy claims illustrate the following:

- Generic utilization = 87.77%/14,677 scripts
- Brand utilization = 11.9%/1,989 scripts
- Average retail utilization = 94.0%
- Average mail utilization = 5.8%
- 99 transactions where the cost to the plan exceeded \$1,000
- PBM Contract Renewal: Will be finalized by end of September

HEALTH & WELFARE NEWS

It is our understanding that collective bargaining dis-

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cussions are at a stand still as both sides (labor & management) are awaiting results of the Presidential election in November. It is also our understanding that the Railroads will more than likely ask for increased cost sharing from the employee. If this is the case, it could place **CARE** in a position to market our supplemental plans (#3000 & #3100) in an effort to help offset increased costs to the BNSF employees and/or their dependents.

UPCOMING/ONGOING PROJECTS

- Mailing of the 2017 marketing materials to include:
 - Dues & Benefit notification letters
 - On Track newsletter
 - Annual Notice of Change packets
 - Medicare & Full Rate Summary Plan Description (SPD) booklets
 - **CARE** member identification cards
- Implementation of year end processes (IT)
- Upon invitation, attend NARVRE and Union meetings (earlier this year we received an updated NARVRE directory; therefore, we will be attending several upcoming NARVRE meetings)
- Analysis of pharmacy claims data for Quarters 3 and 4 & annual evaluation of all Express Scripts pharmacy claims data
- 2016/2017 Employee Evaluations/Benefit Renewals

The next scheduled meeting of the CARE Board will be held June 6, 2017.



CARE Web Site

We invite our members and others to visit our web site at www.carehealthplan.com for up to date information on new happenings or changes with the **CARE** Health Plan. Also located on our web site are applications for our different plans, the prescription drug formulary for Plan #4000, On Track newsletter and the summary plan descriptions for our Medicare and Supplemental & Full Rate members.

Open Enrollment

CARE is currently having an Open Enrollment for the following plans:

Plan #3000, Plan #3100,
Plan #4000, Plan #4100,
Plan #5000 and Plan #5100.

For enrollment information on these plans contact the **CARE** office at
1.800.334.1330.

Our People Make CARE Successful

Berenice Hensley Celebrates 35 Years of Service with CARE



She used to be the practical joker of the company (creator of the "Man in the Women's Bathroom") and the ("Kidnapping of the KC Chiefs Banner"). Just ask if you ever want to hear the interesting stories. But thankfully she has now slowed down...

Now, she focuses her attention on her granddaughters and their softball endeavors.

She monitors the concession stand for her granddaughter. So that when she is playing catcher, she can call to her through the back stop, "Grammy, is the concession stand open yet??" instead of watching the pitcher. Or she might have to direct them down the correct baseball line to 1st (not 3rd) after hitting the ball with a panic stricken face she loudly screams "Don't forget to "RUN"!!!

After 35 years of (singlehandedly for a majority of those years) managing the **CARE** Membership Department, she continues to serve the **CARE** membership with as much devotion as she did 35 years ago. In addition, she manages to entertain everyone with stories instead of those harrowing practical jokes.....we still laugh just as much! — **Ed Paramore, IT Manager**

I have had the privilege of working with Berenice for al-

most 25 years. As a coworker, I have found her to be extremely conscientious in all that she does and a bit of a perfectionist.... Two qualities that I admire and appreciate more than you know. Also as a coworker, I have found Berenice to be extremely entertaining and also the "self-proclaimed" labor representative for all the office staff at **CARE**. In other words, she is the one that comes to my office to ask for an early quit for everyone!!!!

As you can see, Berenice is a pleasure to work with. But more importantly, she is forever dedicated to the **CARE** membership which is reflected in her day to day work and also in the way she communicates with each **CARE** member. Thank you Berenice for your many, many years of service. — **Shelly Cumby, Administrator**

I have had the opportunity and pleasure of working with Berenice on many ventures in her tenure at **CARE**. In the 35 years employed with **CARE** she has maintained her position in the Membership Services department never leaving this area. She often times lends a hand to others when needed, she is definitely an asset to the Association and always puts our membership first. Berenice keeps us all on our toes by making us laugh and wondering when she will make her next move to jump out and scare someone. She is a big fan of Football season, and she does not let us forget who she is rooting for (Broncos). She is a wonderful dedicated Grandmother of 4 and I respect her immensely for that. Carry on Berenice, I am proud to call you my friend and co-worker. Congratulations on 35 years of service!! — **Terry Booth, Provider Relations Manager**

Important Dates to Remember for Plan #4000 and Plan #4100 Members

October 15 - December 7, 2016 — Medicare Open Enrollment - During this time, current **CARE** Medicare members have the opportunity to make selection changes to their plan.

November 2016 — 2017 **CARE** Medicare Secondary Plan Benefit Guide will be mailed to members in Plan #4000 and Plan #4100

November 2016 — Plan #4000 members will be receiving information from *Express Scripts Medicare* (PDP) which will include the Annual Notice of Change (ANOC) and Benefits Overview for Plan Year 2017. Also included will be a copy of the List of Covered Drugs ("Formulary") to be effective January 1, 2017.

December 2016 — New **CARE** identification cards to be mailed to Plan #4000 and Plan #4100 members for Plan Year 2017.

Plan #4000 members should continue to use your current prescription ID card from *Express Scripts Medicare* (PDP) - do not dispose of this card.

CARE 2017 Dues Rates Effective January 1, 2017

PLAN #3000 - SUPPLEMENTAL TO COMPREHENSIVE HEALTH CARE BENEFIT (CHCB) - AETNA, AETNA US HEALTHCARE, BCBS ILLINOIS, CIGNA, HIGHMARK BCBS, UNITED HEALTHCARE GA23000, UNITED HEALTHCARE 0690100, UNITED HEALTHCARE GA107300 & UNITED HEALTHCARE GA23111

	Monthly	Quarterly
Employee	\$ 55.00	\$ 165.00
Employee and One Dependent	\$ 110.00	\$ 330.00
Employee and Two or more Dependents	\$ 165.00	\$ 495.00

PLAN #3100 - SUPPLEMENTAL TO MEDICAL MANAGED CARE PLANS (MMCP) - AETNA US HEALTHCARE, HIGH-MARK BCBS, UNITED HEALTHCARE GA23000 & UNITED HEALTHCARE 0690100

Employee	\$ 35.00	\$ 105.00
Employee and One Dependent	\$ 70.00	\$ 210.00
Employee and Two or more Dependents	\$ 105.00	\$ 315.00

PLAN #4000 / SUPPLEMENTAL TO MEDICARE PARTS A & B WITH PART D COVERAGE

Retired Employee, Spouse, or Surviving Spouse.....	\$ 280.00	\$ 840.00
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PLAN #4100 / SUPPLEMENTAL TO MEDICARE PARTS A & B ONLY – NO DRUG COVERAGE

Retired Employee, Spouse, or Surviving Spouse.....	\$ 150.00	\$ 450.00
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PLAN #5000 / SECONDARY TO UNITED HEALTHCARE GA46000

Retired Employee or Spouse	\$ 264.00	\$ 792.00
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PLAN #5500 / COVERAGE AFTER GA46000 BENEFITS EXHAUSTED / CARE PRIMARY

Retired Employee or spouse	\$ 650.00	\$ 1950.00
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PLAN #5100 - REPLACEMENT PLAN FOR UNITED HEALTHCARE GA46000 DEPENDENTS

Spouse or child of retired employee.....	\$ 705.00	\$ 2115.00
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For Plans #3000, #3100 and #5000, if your dues are currently being paid through Payroll Deduction or Bank draft, the deduction will remain the same.

For all other plans, if your dues are currently being paid through bank draft, your deduction will automatically be changed for the month of January 2017. If you pay dues direct to **CARE**, you should remit the new rate on or before January 1, 2017.

Employees Celebrating Years of Service with CARE



Sharon Marek
20 years
Sr. Claims Specialist



Jeff Thomas
20 years
Systems Analyst / Programmer



Larry Latimer
10 years
Corporate Treasurer/Assistant Administrator

2017 CARE Benefit Changes

CARE PLAN #4000 - PRESCRIPTION DRUG BENEFIT (PART D) CHANGE FOR 2017:

For Plan Year 2017, **Express Scripts Medicare (PDP)** will continue to administer pharmacy benefits for our Plan #4000 members.

- Annual deductible of \$100 for Plan Year 2017.
- During the yearly deductible stage, you will pay the full cost of your Part D drugs until you reach your annual deductible of \$100. You will remain in this stage until you have paid your deductible amount.
- After your deductible is met, you will be responsible for any applicable copayment and/or coinsurance throughout the plan year.
- Increase from \$4,850 to \$4,950 in your prescription drug benefit for Plan Year 2017.

CARE will continue to provide you with an “enhanced” Part D prescription drug benefit with no coverage gap known as the “Donut Hole.” Your copayments and a brief summary of your prescription drug benefit for Plan Year 2017 are listed below.

Open enrollment is from October 15th through December 7th. The benefit period for Plan #4000 is January 1 through December 31. Please see the chart below for further explanation of the stages plus your copayments for 2017. For questions regarding your prescription drug benefit contact the **CARE** Customer Service Department at 1.800.334.1330.

CARE PLAN #4000 RX BENEFIT FOR 2017			
Initial Coverage Stage	\$0 - \$3,700		
Deductible	After you have met your annual deductible of \$100 you will pay the applicable copayment/coinsurance listed below until your total drug costs reach \$3,700.		
Coverage Gap Stage \$3,700 - \$4,950	After your total drug costs reach \$3,700, you will continue to pay the same applicable copayment and/or coinsurance listed below as in the Initial Coverage Stage until you reach \$4,950.		
Catastrophic Coverage Stage > Greater than \$4,950	After your out-of-pocket drug costs reach \$4,950, you will pay the greater of 5% coinsurance or \$3.30 for generics (<i>or drugs treated as generic</i>) and \$8.25 for all other drugs. The Plan will pay the rest.		
TIERS	COPAYMENTS		
	RETAIL		MAIL ORDER
	Up to 34-Day Supply	35 to 90-Day Supply	90-Day Supply
Tier 1: Generic Drugs (lower cost)*	\$15	\$15	\$15
Tier 2: Preferred Brand Drugs	\$40	\$100	\$80
Tier 3: Non-Preferred Brand Drugs	\$60	\$180	\$150
Tier 4: Specialty Drugs	33% of drug costs. \$450 Maximum	33% of drug costs. \$1,350 Maximum	33% of drug costs. \$750 Maximum

Our Membership Drive Incentive Program Still Continues!!!!

CARE has decided to extend our Membership Drive through 2017 to help introduce new persons to our plan. Remember, this membership drive will not only benefit the Hospital Association but YOU as well. YOU can receive \$100 for each new enrollee that you bring on board with **CARE**. We encourage you to tell your fellow BNSF railroad friends and retirees about **CARE** and the plans we have to offer. Below is a reminder of how the program works and remember . . . "Introduce a BNSF Friend to **CARE** and We'll Introduce You to One Hundred Dollars."

MEMBERSHIP DRIVE INCENTIVE PROGRAM - Questions & Answers

Q: How does the Program Work?

A: A current **CARE** member recruits a current or former BNSF employee, retiree, spouse/dependent* or former **CARE** member to enroll in one of **CARE**'s healthcare plans.

The **CARE** member contacts the **CARE** office and provides the "recruited" person's information. When returning the application, the "recruited" person should indicate the **CARE** member who referred them.

Once the application for the new enrollee is received and approved and dues received for the plan they have enrolled in, the recruiter will receive a check in the amount of \$100 within 30-45 days.

Q: How much will I receive for recruiting a new member?

A: \$100 per eligible new member recruited not to exceed \$500 annually (which means you can recruit up to 5 new persons per calendar year).

Q: Who can participate?

A: All current **CARE** members.

Q: What **CARE** Plans are included?

A: Plan #3000, Plan #3100, Plan #4000, Plan #4100, Plan #5000 and Plan #5100.

Q: Definition of a "New" Member:

A: A current or former BNSF employee, retiree, dependent and/or former **CARE** member.

* Does not apply to newborns or children being added to the family plan under Plan #3000 and Plan #3100.



Senior Corner

2017 Medicare Deductibles

At the time of printing of this newsletter, the 2017 Medicare Part A & B deductibles had not been published by the Centers for Medicare & Medicaid Services (CMS).

As a reminder, **CARE** Plans #4000 and #4100 (both secondary to Medicare) pay your Medicare Part A & B deductibles.

2017 CARE Plan #4000 Part D (administered by Express Scripts Medicare PDP)

Deductible - \$100

(Note: The standard Part D Deductible for 2017 is \$400)

Medicare Part D Late Enrollment Penalty (LEP)

The late enrollment penalty (LEP) is an amount added to your Medicare Part D monthly premium. If you are a Medicare beneficiary and go without a Medicare Prescription Drug Plan (Part D), other Medicare health plan that offers Medicare prescription drug coverage, or without creditable prescription drug coverage for any continuous period of 63 days or



more after you initially become eligible for Medicare, you may incur a late enrollment penalty.

You can avoid the late enrollment penalty by:

- Joining a Medicare Prescription Drug Plan when you're first eligible.
- Not going over 63 days or more in a row without a Medicare drug plan or other creditable drug coverage. Medicare states that *creditable prescription drug coverage** could include drug coverage from a current or former employer or union, TRICARE, Indian Health Service, the Department of Veterans Affairs, or health insurance coverage. Your plan must tell you each year if your drug coverage is creditable coverage. They may send you this information in a letter, or draw your attention to it in a newsletter or other piece of correspondence. Therefore, you should keep this information because you may need it if you join a Medicare drug plan later.
- Telling your plan about any drug coverage you had if they ask about it. If your plan believes you went 63 days or more in a row without creditable drug coverage, you will receive a letter in the mail. The letter will include a form asking about any drug coverage you had. You should complete the form and return it to your drug plan by the deadline in the letter. If you don't tell the plan about your creditable drug coverage, you may have to pay a penalty.

If you have been a **CARE Plan #4000 member since you were eligible for Medicare, your prescription drug benefit through **CARE** has always been considered "creditable prescription drug coverage."*

The cost of the late enrollment penalty depends on how long you went without Part D or creditable prescription drug coverage. Medicare calculates this penalty. You should refer to your *Medicare & You 2017* handbook for additional information on how the late enrollment penalty is calculated.

If you owe a penalty, after joining a Medicare drug plan, you will be notified what the amount will be. Please note that you will be responsible for paying this penalty for as long as you have a Medicare drug plan.

If you do not agree with the late enrollment penalty, you may be able to ask for a "reconsideration." You will receive information about how to request a reconsideration. You should complete the form as soon as possible and return it to the address or fax number listed on the form within 60 days from the date on the letter stating you had to pay a late enrollment penalty. You should also send proof of notice of creditable prescription drug coverage from a prior employer or union plan.

By law, the late enrollment penalty is part of the premium. If you have asked for a reconsideration you must continue to pay the penalty until a decision has been made. Medicare drug plans can disenroll members who do not pay their premiums, including the late enrollment penalty portion of the premium.

If you request a reconsideration, decisions are typically made within 90 days. The contractor will try to make a decision as quickly as possible. Once again, additional information regarding the late enrollment can be found in your *Medicare & You 2017* handbook.

National Association of Retired Veterans & Railway Employees (NARVRE)

As another year closes **CARE** would like to thank the NARVRE units for inviting us to come and speak at their monthly NARVRE meetings. If you are not a member, you should seek out your local NARVRE unit and become a member. These meetings are very informative for you as a retiree and/or working railroader and your family. These meetings help you stay informed on your benefits and help guide you through your retirement. This year I have traveled to St Louis, Missouri for the 2016 National NARVRE convention, Topeka, Kansas for an Old Timers Social Group meeting, Cleburne, Texas, Duluth, Minnesota and Burlington, Iowa. In October I will also be traveling to Auburn, Washington and Abilene, Kansas in November.

Please remember that **CARE** is available to attend meetings in your area. We would enjoy the opportunity to speak about the Medicare supplemental plans we have to offer and to talk about any Medicare changes. Please contact me at 1.800.334.1330 Extension 268 with any questions.

Again, to ALL the NARVRE units, **CARE** sends a warm "THANK YOU" for being so hospitable and allowing us to visit you.

Kathy Hampton - Medicare & Compliance Coordinator



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The **CARE** staff
would like to wish
you and your family
a safe and happy
holiday season!

**Express Scripts
Medicare (PDP)**

Customer Care
is available toll-free,
24 hours a day,
7 days a week
at
1.866.725.2511
TTY/TTD users should call
1.800.716.3231

**CARE 2016/2017
Holiday Schedule**

CARE office closed
Thursday, November 24 and
Friday, November 25, 2016

Friday, December 16, 2016
closed from
2:30 p.m. to 4:30 p.m. (CST)
for employee Christmas party.

CARE office closed
Friday, December 23, 2016 and
Monday, December 26, 2016.

CARE office closed
Monday, January 2, 2017.

CARE Members
For Questions You May Have
contact the **CARE** office
at **1.800.334.1330**

**Benefits/Claims Processing/
Customer Service**
Kimberly Stinnett

Member Services
Berenice Hensley

Provider Relations
Terry Booth

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Kathy Hampton

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Lee Todaro

The "On Track" newsletter is published by the Consolidated Associations of Railroad Employees. If you would like to submit articles or announcements concerning Health & Welfare for publication in future editions, you may contact Berenice Hensley at bereniceh@carehealthplan.com. Inclusion of articles will be subject to space available and appropriateness as judged by **CARE** Administration.