

# Your Retirement

Third issue 2024

A Publication of  
the Arizona State  
Retirement System

Special Open Enrollment Edition

## Director's Message

By Paul Matson,  
Executive Director

Dear Retirees:

We are once again pleased to announce our annual Open Enrollment Period for our retiree group health insurance program. It takes place during the full month of November.

**Now is an opportunity to review your medical and dental plans, your prescription coverage, and other benefits to determine whether they are working for you or if you would like to make any changes.**

### PASSIVE ENROLLMENT

This will again be a passive enrollment, meaning you will be automatically re-enrolled in your current plan, or the nearest matching plan, for 2025.

If you are satisfied with your upcoming 2025 plan details as outlined in our Open Enrollment Guide, no action is needed on your part to continue coverage in 2025.

While the ASRS will be offering medical and dental plans with the same vendors for both non-Medicare and Medicare-eligible retirees for 2025, some plan details have changed, so I strongly encourage you to read through the included Enrollment Guide.

### NON-MEDICARE

We have added some benefit enhancements to the plan options for 2025. The monthly premium for the Choice Value and Choice Economy plans will remain the same and the Premier plan premium will increase. The Choice Plus PPO plan will not be offered in 2025. If you are currently enrolled in the Choice Plus PPO plan and take no action during the Open Enrollment Period, you will automatically be enrolled in the Choice Premier plan to avoid any lapse in coverage for 2025.

### MEDICARE

The Centers for Medicare & Medicaid Services (CMS), which runs the Medicare program, is implementing significant regulatory and legislative changes for 2025 that impact all Medicare Advantage plans, including the ASRS HMO and PPO. The changes will impact both benefits and premiums beginning in 2025. Please read the article titled "Medicare Program Regulatory and Legislative Changes" in this newsletter for more information.

### DENTAL

Your dental insurance options remain in place with no changes to plans or coverages. Monthly premiums for plans will increase.

### ADDITIONAL INFORMATION

During this year's Open Enrollment Period, we will feature four in-person

meeting opportunities. There are also a number of other opportunities to learn about the retiree health insurance features, with a host of virtual meetings and other web-based and telephonic learning opportunities, including webinars, on-demand videos, and teleconferences. Be sure to visit our website to see schedules and to learn more.

When reviewing the Enrollment Guide, please note there are three sections: one with information applicable to all retirees, including dental, one for non-Medicare retirees, and another for Medicare-eligible retirees. Each section has been color-coded to make information easy to identify.

The ASRS online health insurance application - available through your secure myASRS account - will allow you to view your current ASRS medical and dental elections, enroll in a new plan, terminate coverage, make changes to your plans, and add or remove dependents.

You may also call us and request a paper enrollment form be mailed to you, although this is a slower process. Know that we are here to assist, so don't hesitate to contact us.

But remember, since this is a passive enrollment, you only need to submit an application if you want to change your plans. Otherwise, you will be automatically re-enrolled as outlined in these materials.

To your best health,  
Paul Matson

ASRS  
Executive Director



For members enrolled in an ASRS medical plan:

## You have access to a fitness program for body and mind at no additional cost

Did you know you can receive a free gym membership with access to a nationwide network of gyms and fitness locations? This includes access to many premium gyms, on-demand workout videos and live streaming fitness classes, social activities and more.

Programs include Renew Active® for UnitedHealthcare® Group Medicare Advantage plan participants and One Pass™ for non-Medicare plan participants.

**For UnitedHealthcare® Group Medicare Advantage plan members, Renew Active® is available to help reach fitness goals.**

To find a fitness location near you, please visit [UHCRenewActive.com](https://UHCRenewActive.com)

**For UnitedHealthcare® non-Medicare plan members, One Pass is available to help reach fitness goals.:**

To find a fitness location near you, please visit [youronepass.com](https://youronepass.com)



152,000

DENTISTS

NATIONWIDE

Join Delta Dental and serve up a winning smile with robust coverage for ASRS members. In addition, you'll enjoy access to over 152,000 dentists nationwide. Stay in the game with Delta Dental!

▶ Go to [deltadentalaz.com/asrs](https://deltadentalaz.com/asrs) to enroll

 **DELTA DENTAL®**

# 2025 BENEFIT HIGHLIGHTS

The ASRS is committed to offering value-based health plans to eligible retirees and their families.

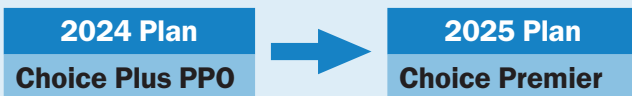
Here are some plan highlights for 2025.

## Non-Medicare: UnitedHealthcare Group Plans

### Choice Plus PPO Plan Closure

The Choice Plus PPO plan will not be offered in 2025. If you are currently enrolled in the Choice Plus PPO plan and take no action during the Open Enrollment Period, you will automatically be enrolled in the Choice Premier plan to avoid any lapse in coverage for 2025.

Or, you may select a different plan during the Open Enrollment Period. The default plan migration is shown below. For more information about the plans, see “Medical Plan Comparisons.” starting on **guide page 22**.



### Monthly Premiums

The monthly premium has changed for the Choice Premier plan. The monthly premium for the Choice Value and Choice Economy plans are unchanged.

### Benefit Enhancements

90 Day prescription (Mail Order and Retail) member copays will decrease for all plans. For more information about copays, see the plan comparison section starting on **guide page 25**.

The Choice Economy plan will now feature reduced member copays for visits with Tier 1 designated Primary Care and Specialist providers. For more information about Tier 1 designated providers, see **guide page 26**.

**See page 21 of the guide**

## Dental Plans

The dental benefit structures remain unchanged and monthly premiums have increased.

**See page 15 of the guide**

## Medicare: UnitedHealthcare Group Medicare Advantage Plans

### Medicare Prescription Drug Redesign

A recent prescription drug law, the Inflation Reduction Act (IRA), requires significant changes to all Medicare prescription drug (Part D) plans including capping member annual out-of-pocket costs at \$2,000, and having the option to pay those out-of-pocket costs in monthly amounts over the plan year. For more information on the Medicare Prescription Drug (Part D) Redesign, see the section starting on **guide page 36**.

### Routine Medical Transportation

New for 2025, a transportation benefit for rides to and from your medical appointments and to the pharmacy to pick-up your prescriptions (up to 24 one-way trips per year). For more detail regarding the Medical Transportation Benefit, see **guide page 39**

### Medicare Advantage PPO Plan

The medical benefit structure remains unchanged and the prescription drug benefit structure has changed as required by the Medicare Prescription Drug Redesign. The monthly premium has increased for calendar year 2025.

### Medicare Advantage HMO Plan

Monthly premiums and the medical benefit structure have changed. Additionally, the prescription drug benefit structure has changed as required by the Medicare Prescription Drug Redesign. For more HMO plan details, see the section starting on **guide page 33**.

**See page 31 of the guide**

# NON-MEDICARE MEETINGS

Meeting times, days, or locations may change due to unforeseen circumstances. Visit [AzASRS.gov/content/health-care](http://AzASRS.gov/content/health-care) for the most up-to-date schedule.

## IN PERSON:

### Meet with an expert

In-person meetings continue this year, with four days of meetings at locations spread across Maricopa County and Tucson. Be sure to pay close attention to the dates and locations for each scheduled meeting.

Friday  
**11/1**      **1:00 - 2:30 pm**  
**Non-Medicare**

DoubleTree by Hilton Hotel Phoenix-Tempe  
2100 S. Priest Drive Tempe, AZ 85282

Thursday  
**11/7**      **1:00 - 2:30 pm**  
**Non-Medicare**

DoubleTree by Hilton Tucson-Reid Park  
445 S. Alvernon Way, Tucson, AZ 85711

Wednesday  
**11/13**      **1:00 - 2:30 pm**  
**Non-Medicare**

Doubletree by Hilton Phoenix-North  
10220 N. Metro Parkway East, Phoenix, AZ 85051

Friday  
**11/22**      **1:00 - 2:30 pm**  
**Non-Medicare**

Embassy Suites by Hilton Phoenix-Scottsdale  
4415 E. Paradise Village Pkwy South, Phoenix, AZ 85032

## ONLINE WEBINARS:

### Get answers to your questions

Visit the Open Enrollment section of [AzASRS.gov](http://AzASRS.gov) to access our open enrollment webinars. You will be able to ask questions in a chat box and get them answered in real-time. Registration via your secure myASRS account is highly encouraged so that you can get helpful reminders about your meeting in the days and hours leading up to it. All webinars are 60 minutes long.

Wednesday  
**10/30**      **11:00 am** **Dental**  
**2:00 pm** **Non-Medicare**

Monday  
**11/4**      **9:00 am** **Dental**  
**11:00 am** **Non-Medicare**

Friday  
**11/15**      **9:00 am** **Dental**  
**2:00 pm** **Non-Medicare**

Tuesday  
**11/19**      **11:00 am** **Dental**  
**2:00 pm** **Non-Medicare**

Wednesday  
**11/27**      **11:00 am** **Dental**  
**2:00 pm** **Non-Medicare**

## TELECONFERENCE:

Teleconference via telephone may be a good option for retirees without an internet connection. Participants may dial in up to 30 minutes prior to the listed start time.

Tuesday  
**11/12**      **1:00 - 2:30pm**      Toll Free:  
**Non-Medicare**      **844-867-6169**  
**and Dental**      Access Code:  
(Dial-in begins 30      **6763637**  
minutes before start)

## ON-DEMAND VIDEOS:

Videos will be available **24/7** at [AzASRS.gov](http://AzASRS.gov) for you to view at your convenience. They are self-paced with segmented navigation to allow you to watch, and re-watch, any part you desire. All aspects of Open Enrollment are covered, including medical and dental plan options.

# MEDICARE MEETINGS

Meeting times, days, or locations may change due to unforeseen circumstances. Visit [AzASRS.gov/content/health-care](https://www.azasrs.gov/content/health-care) for the most up-to-date schedule.

## IN PERSON:

### Meet with an expert

In-person meetings continue this year, with four days of meetings at locations spread across Maricopa County and Tucson. Be sure to pay close attention to the dates and locations for each scheduled meeting.

Friday  
**11/1**      **10:00 - 11:30 am Medicare**  
**3:00 - 4:30 pm Medicare**

DoubleTree by Hilton Hotel Phoenix-Tempe  
2100 S. Priest Drive Tempe, AZ 85282

Thursday  
**11/7**      **10:00 - 11:30 am Medicare**  
**3:00 - 4:30 pm Medicare**

DoubleTree by Hilton Tucson-Reid Park  
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Wednesday  
**10/30**      **9:00 am Medicare**  
**11:00 am Dental**

Monday  
**11/4**      **9:00 am Dental**  
**2:00 pm Medicare**

Wednesday  
**11/6**      **9:00 am Medicare**  
**11:00 am Medicare**  
**2:00 pm Medicare**

Friday  
**11/15**      **9:00 am Dental**  
**11:00 am Medicare**

Tuesday  
**11/19**      **9:00 am Medicare**  
**11:00 am Dental**

Monday  
**11/25**      **9:00 am Medicare**  
**11:00 am Medicare**  
**2:00 pm Medicare**

Wednesday  
**11/27**      **9:00 am Medicare**  
**11:00 am Dental**

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Teleconference via telephone may be a good option for retirees without an internet connection. Participants may dial in up to 30 minutes prior to the listed start time.

Tuesday  
**11/12**      **9:00 - 10:30am Medicare and Dental**  
(Dial-in begins 30 minutes before start)

Toll Free:  
**844-867-6169**  
Access Code:  
**6763637**

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# Medicare Program Regulatory and Legislative Changes

**The Centers for Medicare & Medicaid Services (CMS), which runs the Medicare program, is implementing significant regulatory and legislative changes for 2025 that impact all Medicare Advantage plans, including the ASRS HMO and PPO offerings. Changes will impact both benefits and premiums beginning in 2025.**

Following is a description of two ways Medicare will operate differently in 2025 and what that means for you and the ASRS Medicare Advantage plans.

## **Federal Medicare Advantage Payments Not Keeping Pace with Increasing Medical Claims Costs**

The Federal government, through CMS, pays Medicare Advantage plans a fixed (or capitated) monthly amount per beneficiary to provide Medicare-mandated health benefits (“Standard Medicare”). If the monthly payment from CMS is insufficient to cover the full anticipated cost of providing a plan, Medicare Advantage Plans may charge a monthly premium to enrollees to cover any difference. Because ASRS Medicare Advantage plans offer more generous benefits than the average Medicare Advantage plan, a premium is charged to our enrollees.

In recent years, the monthly Medicare payments to Medicare Advantage plans have not kept pace with

increasing medical claims. In turn, without benefit changes to plan coverages and member cost-sharing (i.e., copays and deductibles), ASRS Medicare Advantage premiums must be increased for 2025 to cover increasing medical care costs.

## Medicare Prescription Drug Redesign

The Inflation Reduction Act (IRA) of 2022 includes a number of provisions that require significant changes to all Medicare prescription drug (Part D) plans for 2025, including the elimination of the Coverage Gap stage (or “donut hole”), the capping of member annual out-of-pocket costs at \$2,000 (with many members anticipated to actually pay less than \$2,000), and having the option to pay those out-of-pocket costs in monthly amounts over the plan year.

Payment for prescription drug costs is currently a shared responsibility apportioned across the member, the plan, the drug manufacturer, and CMS. In 2025, the portion of prescription drug costs paid by each party will change, with CMS paying a smaller portion than today. While the Part D benefit changes will enhance coverage and limit costs for many retirees, these Part D program changes have pushed up ASRS Medicare Advantage premiums.

## Impact on You and the ASRS Medicare Advantage Plans

In anticipation of the Medicare program changes outlined above, the ASRS conducted a competitive bidding process (Request for Proposal) to ensure we continue to offer benefit-rich plans at competitive prices with high-quality programs and innovative services. An evaluation committee comprised of ASRS staff and assisted by an external benefits consultant and ASRS Retiree Health Insurance Advisory Committee members met throughout the Spring to evaluate the bids. Based on the evaluation criteria, contracts have been awarded to our current carrier, UnitedHealthcare, to continue offering plans and services for both Medicare and non-Medicare retirees.

## 2025 Medicare Advantage PPO plan

The benefits and member cost sharing for the PPO plan will remain unchanged for medical coverage, but benefits and member cost sharing for prescription drugs have been enhanced as required by the Medicare Prescription Drug Redesign described in this article. The monthly premium for the PPO plan will increase to \$199.26 before reductions from eligible ASRS Premium Benefit. This premium increase is largely due to federal limits in funding for Medicare Advantage plans and statutory changes in benefits.

## 2025 Medicare Advantage HMO plan

Without plan design changes, the mandated Medicare program changes detailed in this article would have increased the HMO plan monthly premium by a similar amount as the PPO experienced. To differentiate the plan options and maintain an option with a lower monthly premium, the HMO plan will have increased member cost-sharing (copays and deductibles) for most services. For complete details on the member cost-sharing amounts, please review the Medicare pages in the Enrollment Guide. The monthly premium will increase to \$96.38 before reductions from eligible ASRS Premium Benefit. The plan changes for 2025 limit the premium increase associated with funding for Medicare Advantage plans and statutory changes in benefits.





**Arizona State Retirement System**

*Your Retirement*

PO Box 33910  
Phoenix AZ  
85067-3910

AzASRS.gov

In Phoenix:  
602-240-2000

In Tucson:  
520-239-3100

Toll-Free:  
800-621-3778



Facebook: AzASRS  
LinkedIn: ASRS



*An agency of the  
State of Arizona*

# 2024 ANNUAL NOTICE

Pension payments may be subject to federal income tax withholding unless you elect not to have withholding apply. In the absence of an election, your withholding will automatically be calculated in the same manner as withholding from wages. If you do not wish to make an election or change a prior election, no action is necessary.

If you wish to make, change or revoke an election, ASRS retirees may do so by logging in to their secure myASRS account at AzASRS.gov. You can also make or revoke an election by

completing Form W4-P, which is available at your local IRS office, library or on the IRS website at: [IRS.gov/pub/irs-pdf/fw4p.pdf](https://www.irs.gov/pub/irs-pdf/fw4p.pdf)

You may revoke an election at any time. Your withholding election will remain in effect until revoked. Any election not to have withholding apply is prospective only and any election made after a payment is not an election with respect to that payment.

If you elect not to have withholding applied to your periodic pension payments, or if you do not have enough federal income tax withheld from such payments, you may be responsible for payments of estimated tax. You may also incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. |



## SMILE MORE. STRESS LESS.

With the Cigna Dental Care (DHMO) plan, you don't have to stress over calendar year maximums, pay a copayment as you receive services.

Preventive Care | Crowns | Root Canals | Periodontics  
Dentures | Orthodontia | Teeth Whitening | and More!\*

To learn more about the Cigna Dental Care Plan (Dental Care Access Plus), visit [Cigna.com/ASRS](https://Cigna.com/ASRS) or call Cigna Customer Service at 1-800-244-6224.

\*All plans have exclusions and limitations. For details, please refer to your plan documents.

Offered by Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company or their affiliates.

