



Regional Conference Retirement Plan

SUPPLEMENTAL HEALTHCARE PLAN





**Regional Conference Retirement Supplemental
Healthcare Plan**

(RCRSHP)

Regional Conference Retirement Plan
Oakwood College - Box 154
Huntsville, Alabama 35896
Office (256) 830-5002
FAX (256) 830-5078

2004



**Retirement Plan
Regional Conference**

Office of the Administrator

To: Retirees of the Regional Conferences
From: Frank L. Jones, Plan Administrator

The Retirement Plan of the Regional Conferences in North America offers a supplemental healthcare assistance plan for all eligible retirees and their eligible spouses. **You are only eligible for this supplemental healthcare plan if you have reached age 65, and have your Medicare Part A and B card.** The purpose of this letter and the enclosed material is to provide details regarding the **Regional Conference Retirement Supplemental Healthcare Plan (RCRSHP)**, and to give you opportunity to select your coverage options.

Depending on your selections and years of church service credit, you may be required to contribute part of the cost of the options you select. Based on your selections, your costs are deducted from your monthly retirement benefits. Also, your opportunity to increase or reduce coverage is limited. Therefore, it is important that you read the attached material that describes the costs, benefits and coverage options available from RCRSHP.

RCRSHP categorizes all eligible retirees on the basis of years of service credit, or policies in place upon retirement. Your Category determines your Earned Credit, which will of course vary from retiree to retiree. **Your personal monthly cost can be calculated by subtracting your Earned Credit from the Total Cost of your selected coverage. If the Total Cost exceeds the Earned Credit, the balance is the amount that will be deducted from your monthly retirement benefits for each Plan Participant.**

Please read carefully the attached material. If you still have questions, you can get help from the following:

E-Mail Response	orcm@oakwood.edu
RCRSHP Healthcare Assistance Plan	Office (256) 830-5002
	FAX (256) 830-5078

Regional Conference Retirement Supplemental Healthcare Plan

As a retired employee of the Seventh-day Adventist Church, you may be eligible to participate in a supplemental healthcare plan. “Regional Conference Supplemental Healthcare Plan” (RCRSHP) is an employer sponsored plan that helps retirees and their eligible Joint & Survivor spouse defray the healthcare costs related to Medical, Prescription Drugs, Dental, Vision and Hearing expenses. Medicare typically covers hospitalization under Medicare “A” coverage and outpatient doctor’s visits are usually covered under Medicare “B” coverage. The Regional Conference RCRSHP coverage is available for the following additional services:

Dental, Vision & Hearing services	RCRSHP “DVH”
Outpatient Prescriptions	RCRSHP “Rx”
Hospital Per Diem Co-pay	RCRSHP “MCx”
Medicare Co-Pays and Deductibles	RCRSHP “MCx”

RCRSHP is not free. Based primarily on your years of service credit with the church and the policies in place when you retired, the Plan pays part of the costs. It is your responsibility to select the coverage that makes sense for you and your eligible spouse.

General Information About RCRSHP

Plan Year:

RCRSHP’s Plan Year is from January 1 to December 31. All benefit limits and deductibles are based on the Plan Year. A person who enrolls in RCRSHP during the Plan Year will have access to full limits and will be subject to full deductibles without pro-ration for the partial year.

Changes To The Plan:

RCRSHP reserves the right to amend the plan based on financial considerations or other unanticipated circumstances such as changes to the Medicare program. This may result in changes in provisions, in contributions and in earned credits.

Administration:

RCRSHP is administered by the Regional Conference Retirement Plan Board.

Affiliation:

RCRSHP is **NOT** a qualified ‘Medicare Supplement Coverage’ as administered by various insurance companies and regulated by various states and designated as plans A through J.

RCRSHP is a part of the Regional Conference Retirement Plan, operated by the Regional Conferences in North America for their retirees.

Limits:

RCRSHP is not a Health Maintenance Organization (HMO) or a Preferred Provider Organization (PPO). **RCRSHP does not limit your choice of physicians or hospitals, except that your medical services provider should be one that accepts Medicare.** RCRSHP does have annual maximums as described elsewhere in this document. This plan includes a life-time maximum payable benefit of \$1,000,000.00.

The Menu

The easiest way to understand the following is to use a metaphor. Based on your years of service credit, you’ve earned a certificate for a meal at a restaurant. In addition to the main course (Medicare’s Inpatient and Outpatient coverage) there are four options on the menu. You can order what you want. If you order them all, you will exceed the amount of your certificate and will have to pay some from your own pocket. If you order none of them, the restaurant keeps your certificate!

Service Credit:

The term 'Service Credit' as used in this document refers only to years of service for the North American Division in the U.S. (including inter-division service outside of the NAD while based in the U.S.) prior to 1/1/2000. (There are some policy exceptions to the above statement, including IDEs to the United States who subsequently retire in the United States, and Career Completion Option employees.)

Eligibility

In order to be eligible to participate in RCRSHP, you must be:

1. A beneficiary of the defined benefit retirement plan operated by the Regional Conferences in North America or a spouse of such a beneficiary who is covered under a **Joint & Survivor plan**, and
2. Eligible by policy for healthcare expense reimbursement from the Regional Conference Retirement Plan. This normally requires at least fifteen years of service in the United States.

RCRSHP Options & Costs

The following are provided with their component costs to eligible retirees and their eligible dependents. The cost is multiplied times the number of eligible participants, usually two.

Base Coverage (Included in plan to eligible retirees and covered spouse) Cost: \$178 per person per month

Base Coverage provides the following healthcare assistance:

- II Reimbursement for Medicare A (inpatient) and B (outpatient) deductibles and co-pays after you have paid \$2,000 of Medicare co-pays and/or deductibles in one year. Your reimbursement will be reduced by a \$15 deductible for items billed to Medicare as office visits or consultations. Reportable expenses include any Medicare-approved expenses that by Medicare rules are your responsibility. This would include the Medicare hospitalization deductible (2004, \$876), hospital co-pay for excess hospital days, the Medicare outpatient annual deductible (2004, \$100), and the outpatient co-pay of 20%. This would NOT include expenses incurred but denied by Medicare.
- II One annual dental exam including bite wing and cleaning on 80%/20% basis, but no other dental, vision or hearing assistance.
- II Limited financial assistance with prescription drug costs. Base Coverage has a co-pay amount of \$10 for generic and \$20 for brand name prescription drugs after a \$250 annual deductible is met. (Co-pays are subject to change.) However the prescription drug coverage is limited to a maximum plan payable of \$1,000 annually.
- II Foreign Travel Emergency Medical coverage. There is a \$1,000 deductible and a \$50,000 maximum coverage per year. Co-insurance is 20%. Coverage is limited to a personal 60-day trip outside of the United States. This coverage is designed for personal travel, and excludes denominationally sponsored mission trips for which short-term medical coverage must be purchased.
- II HMO and Veterans Administration (VA) Co-Pays. HMO and VA Co-Pays for in-patient and out-patient expenses will be fully reimbursed to retirees who send in appropriate documentation of payment of such co-pays to healthcare providers. HMO and VA Co-Pays for prescription drugs will not be reimbursed.

The DVH (Dental, Vision, Hearing) Coverage provides the following healthcare assistance:

- II Reimbursement for Dental services at 80% of costs. You are responsible for 20%. The DVH annual maximum dental payable benefit per participant is \$2,000 per plan year. Implants are generally not covered by RCRSHP's DVH. Exceptions must be pre-authorized.
- II Reimbursement for Vision services at 80% of costs. You are responsible for 20%. The DVH annual maximum vision payable benefit per participant is \$300 per plan year for refraction, corrective lenses, frames and related expenses. This coverage does not cover surgery or other procedures considered to be medical in nature and thus normally billed to Medicare.
- II Reimbursement for Hearing services at 80% of costs. You are responsible for 20%. The DVH annual maximum hearing payable benefit per participant is \$2,000 per plan year.

The Rx (Prescription Drugs) Coverage provides the following healthcare assistance:

- II Improvement of the prescription drug benefit provided in the Base Coverage above by removing the annual deductible and the annual maximum.
- II The Rx option provides coverage for prescription drugs with a co-pay of \$10 for generic and \$20 for brand name prescription drugs. (Co-pays are subject to change.)
- II The co-pay provides up to a 30-day supply of prescription drugs when purchased at a local participating pharmacy, or up to a 90-day supply when purchased through RCRSHP's mail-order plan.
- II RCRSHP provides an identification card which can be used at major pharmacies, as well as with the Medco Health Solutions mail-order system.
- II If the cost of medication is less than the co-pay, actual is paid rather than a co-pay.
- II Certain prescription drugs may require different co-pays or prior authorization before prescription is fulfilled. Call (800) 841-5396 for information on your drug.

Medicare Extension Coverage (Optional)

Cost: \$60 per person per month

The MCx (Medicare Extension) supplements the Base above by eliminating the \$2,000 annual deductible.

MCx reimburses the retiree for:

- II Medicare Hospitalization deductible is (\$876 in 2004)
- II Medicare Outpatient annual deductible (\$100 in 2004)
- II **Outpatient 20% co-pay after you pay the first \$15 per office visit or consultation**
- II Medicare co-insurance for hospital days 61-90 (\$219/day in 2004)
- II Medicare co-insurance for hospital days 91-150 (\$438/day in 2004)
- II Medicare co-insurance for skilled nursing facility days 21-100 (\$109.50/day in 2004)

The following costs are **NOT** covered by MCx:

- II Skilled Nursing Facility coinsurance for stays exceeding the 100 day Medicare limit
 - II Portion of physician charge that exceed Medicare approved amount
 - II Medical procedures not approved and covered by Medicare

By selecting only the Base Coverage Option, you may be exposed to significant costs from Medicare deductibles and co-pays. MCx assumes eventual eligibility for Medicare. **A retired minister who has opted out of Social Security, will therefore not become eligible for Medicare and should not select this option, as reimbursement requires an Medicare summary statement from Medicare.**

Current information about Medicare can be obtained at the Medicare web-site, www.medicare.gov

The Regional Conference Retirement Plan (RCRP)

Supplemental Healthcare Insurance Plan

Earned Credit for 2012

(Effective March 1, 2012)

The monthly credit amount that RCRP will pay towards retirement supplemental healthcare cost is called your 'Earned Credit'. The Earned Credit is not the same for every retiree. The important factor that determines how much you pay is your number of years of service credit. **You MUST have Medicare Part A & B to be eligible for this supplemental healthcare insurance from RCRP. If you do not have at least 15 years of service, you are not eligible for any healthcare benefits with RCRP.**

You have been assigned to one of five categories, 'A' through 'E'. Your category determines how much the plan will pay towards the cost of your coverage. The following table shows:

- Each of the five categories
- The cost of your total supplemental healthcare coverage
- The Plan contribution (your Earned Credit) based on your category

Years of Church Service Credit in NAD	Retiree Category	**Monthly Earned Credit Per Person (Subject to Change)
15 to 17	E	\$144
18 to 21	D	\$164
22 to 25	C	\$184
26 to 29	B	\$205
30+ years	A	\$225

Locate your Category column labeled 'A' through 'E' on the worksheet that follows the table.

Regional Conference Retirement Supplemental Healthcare Worksheet (Subject to Change)						
Retiree Category	A	B	C	D	E	
Cost for each RCRP Participant						
Medicare Extension (MCx)	\$155	\$155	\$155	\$155	\$155	
Dental-Vision-Hearing (DVH)	\$60	\$60	\$60	\$60	\$60	
Prescription Drugs (Rx)	\$115	\$115	\$115	\$115	\$115	
TOTAL COST	\$330	\$330	\$330	\$330	\$330	
**Minus Your Earned Credit	-\$225	-\$205	-\$184	-\$164	-\$144	
NEW 2012 Monthly Amount Due from each RCRP Participant	\$105	\$125	\$146	\$166	\$186	

Revised – December 4, 2011

The Earned Credit row shows how much the Plan will pay towards the menu options you have selected. You may calculate your share of the cost of your RCRSHP options by subtracting the amount of 'Your Earned Credit' from the 'Total Costs of Selected Options.' If there is a balance due, (the total costs exceed your earned credit), you will pay this amount as a monthly Benefits Deduction. If you also have coverage for a Joint & Survivor Spouse, this same amount will also be deducted for your spouse. The Plan will pay the total costs for you and your Joint & Survivor Spouse if applicable. RCRSHP will NOT return any unused Earned Credit to you.

Dependent Participants

Your dependents are eligible for healthcare assistance based on your years of service credit. However there are limits in selecting coverages for your dependents:

- II If your spouse is covered under your healthcare benefits on a Joint & Survivor basis, your selection and Earned Credit will apply to both you and that spouse. You cannot select one set of options for yourself and different options for your eligible dependent spouse. This applies even if your spouse is ineligible for Medicare.
- II You can elect to have no coverage for your eligible spouse. This might be because spouse is currently employed, or on Medicaid, etc. In this case all coverage would be dropped for the spouse including prescription drugs, dental, etc.
- II If your spouse has qualified for benefits because of his/her own service credit, he/she can select his/her own coverage, even if those benefits are enhanced by your greater years of service under the Joint and Survivor plan. **(Special rules apply in the rare case that the rate for an eligible spouse is not the same as for the retiree.) A separate enrollment form should be filled out for each spouse.**

Limits to Changes in Coverage

There are very limited opportunities to increase or reduce coverage with this Plan. The options you select now, with few exceptions, will be your options for life. For this reason it is very important that you understand the options that are available for you to choose.

An open enrollment period begins when you become eligible to join RCRSHP. You will have 30 days from the time the enrollment period begins to make your selection.

- II Three-Year Anniversary Open Enrollment - Each retiree has a one-time opportunity to change coverage at the three-year anniversary of effective coverage, to become effective at the beginning of the next plan year. *Example: If you enrolled on July 1, 2002, the next open enrollment period occurs on July 1, 2005. Any changes you make would become effective on January 1, 2006. You will be notified of your opportunity to change your coverage.* You may opt to pay more to increase your coverage, or you may choose to pay less and reduce your coverage. You are not required to make a change if you are satisfied with the options you have selected. If you do not make a new selection, your coverage will remain in force with the same coverage you had upon initial enrollment. This open enrollment period occurs only once in your life, not every three years.

Certain circumstances may cause undue financial hardship to retirees; therefore, Special Enrollment/Change Periods are permitted by RCRSHP based on the following limited situations:

- II Special Enrollment due to High-Inflation - Healthcare costs can increase significantly. RCRSHP

reserves the right to increase your contributions with appropriate notice. If the three-year average percentage increase of the retiree contributions exceeds the percentage increase in the Consumer Price Index (CPI-U) for the previous year, RCRSHP will allow a two-month special enrollment period in which you are permitted to permanently REDUCE coverage.

II Special Enrollment due to Loss of Coverage - You may have healthcare coverage from a Medicare Choice Health Maintenance Organization or supplemental plans provided by other organizations. If you wish to remain on such coverage you are welcome to do so. RCRSHP cannot assist you with premiums paid for such coverage. If you drop such coverage due to significant premium increases (over 25% per year), or you move from the company's covered territory, or the company withdraws from the market, RCRSHP will allow a special enrollment for you.

If your spouse is currently covering you under an employer healthcare plan, upon his/her retirement you will probably suffer a Loss of Coverage and will be eligible for a special open enrollment.

II Discretionary Special Enrollment - RCRSHP reserves the right to open a special enrollment if you were unable to enroll on a timely basis due to circumstances beyond your control.

II Death of Member - Upon the death of either the retiree or covered spouse RCRSHP will stop taking deductions for the deceased beneficiary. However coverage and deductions for a surviving beneficiary will continue without change.

The enrollment periods described above are the only opportunities to make a change in coverage selection.

Filing Claims

Medicare Deductibles/Coinsurance:

1. Each person who is on the RCRSHP plan will present the Medicare Card and the Risk Management Supplemental Card to the hospital, doctor or other provider. Billing is to be done directly by the service provider to Medicare and the ARM Supplemental Plan. **Please do not have any of your medical service providers bill our office directly. We do not pay medical claims.** Below is the address of the Adventist Risk Management (ARM) to have all claims sent directly. the back of your supplemental card also has this mailing address that the provider use to send your claim in.

Prescription Drugs:

Mail Order: The preferred method of obtaining your prescription drugs is via the Medco Health Solutions mail-order system. Your co-pay and any deductible or annual maximums have been entered into the computerized information system of the mail-order pharmacy.

Pharmacy: Your RCRSHP identification card indicates your eligibility for the purchase of prescription drugs. The card indicates to the Pharmacist your coverage, co-pay, whether you have a deductible to meet, or if you've exceeded your annual maximum if applicable. If you purchase prescription drugs at a pharmacy that does NOT accept your card, Medco Health Solutions provides a form for direct reimbursement.

Medco Health Solutions can be contacted at (800) 841-5396 for specific questions.

Dental, Vision, and Hearing: If your provider is willing to send a bill for services rendered to Adventist Risk

Management (ARM) at the address below, you can pay your 20% coinsurance amount directly to the Provider and request that he or she bill the remainder directly to ARM.

If your provider will not bill ARM, you should pay the Provider the amount due and send the bill with your Social Security number to the address below for reimbursement.

Claims Address:

*ARM Regional Healthcare
P.O. Box 10804
Silver Spring Maryland 20914*

RCRSHP and Other Plans

RCRSHP does not coordinate with other supplemental plans, nor does RCRSHP ask you to certify that you have no other plan. Most retirees will not want to purchase both RCRSHP's Medicare Extension (MCx) option and a Medicare Supplement or HMO, in that there would be significant double coverage. However if you do purchase overlapping coverage, RCRSHP will reimburse according to its policies without reference to other plans you may have in place.

RCRSHP does not initiate changes in coverage from other plans. If you wish to make such a change, you need to enroll in RCRSHP and actively drop your coverage with the other plan.

If you lose your coverage under a non-RCRSHP supplemental plan, you may be eligible to seek enrollment in RCRSHP's option under the "Loss of Coverage" provisions spelled out in the "Eligibility" section of this document.

Medicare:

Medicare is the "gate-keeper" for RCRSHP. MCx requires a Medicare summary statement (sometimes called an Explanation Of Benefits, Summary Notice or Payment Advice) in order for the retiree to receive reimbursement for the personal share of Medicare approved expenses. If Medicare approves a procedure or healthcare expense, MCx accepts that authorization and reimburses the retiree's share, subject to the \$15 deductible for office visits. Retirees ask if specific procedures are covered under MCx. The answer is, "If Medicare approves it, Yes."

There are very few exceptions to this rule. Under the Base option, RCRSHP will consider appeals for certain categories of denials by Medicare in the following areas:

- II Blood: Medicare will usually deny the first three pints of blood each year. RCRSHP's Base option will reimburse the retiree for this expense.
- II Orthopedic Shoes: Medicare may deny assistance for orthopedic shoes or similar devices. Under the Base option, a retiree can submit such Medicare denied expenses for assistance on an 80%/20% basis. Claims should include a physician's statement of medical necessity, and fitting documentation.
- II Durable Medical Equipment: Medicare will occasionally deny certain devices such as wheelchairs or canes. In unusual circumstances, RCRSHP may provide limited assistance according to its guidelines.
- II Miscellaneous Medical Supplies: The Base Option provides assistance for colostomy, ileostomy and diabetic supplies on an 80%/20% basis.

Other than the categories mentioned above, RCRSHP will not provide assistance for medical expenses denied by Medicare or not presented to Medicare. RCRSHP does NOT provide assistance for vitamins, dietary

supplements, support stockings, adult diapers or other similar items.

Medicaid

Retirees or eligible spouses who are receiving Medicaid benefits should generally not be enrolled in any RCRSHP coverage, or if enrolled should be terminated.

Veterans Administration Healthcare

Retirees who are veterans are often eligible for benefits from a Veterans Administration healthcare facility at very low costs. Such retirees would normally not select the MCx option because they would not receive a Medicare summary statement for such procedures. If the retiree is enrolled in RCRSHP's Base option, VA co-pays (other than for prescription drugs) will be reimbursed 100% by RCRSHP. Merely send a copy of your co-pay receipt and request reimbursement.

Regardless of other coverages (such as VA) which may be available to one spouse, the retiree's elections will generally apply to a Joint & Survivor spouse. (See "Dependent Participants" on page 7.)

Health Maintenance Organizations

HMOs are a preferred option for most retirees, when available. If you enroll in both an HMO and RCRSHP's Base option, HMO co-pays (other than for prescription drugs) will be reimbursed 100% by RCRSHP. Merely send a copy of your co-pay receipt and request reimbursement. RCRSHP will NOT assist you with HMO premiums.

HMOs often limit assistance for dental, vision, hearing or prescription drugs. You should consider what coverages you need and purchase a combination that makes sense for you and your eligible spouse.

If you are a member of a Medicare Health Maintenance Organization (HMO), you have probably been removed from Medicare membership. If during an enrollment period you choose to drop your HMO and join RCRSHP's MCx, it is vital that you contact Medicare and arrange to be re-established with Medicare prior to dropping your HMO coverage on a timely basis. This can take as long as 60 days.

Medicare Supplement Plans

Insurance companies provide a range of qualified supplements designated A through J. These are insurance products that are regulated by government entities. They tend to be paperless systems, providing you with a identification card which is recognized by Medicare providers. While you may receive a Medicare summary statement, you are not usually liable for any Medicare Part A or B coinsurance or deductible depending on which of the coverages, "A" through "J" which you have selected. These plans provide for smooth transition from one to another, with no 'pre-existing conditions' exclusions. Many retirees have purchased such supplemental plans from insurance providers.

RCRSHP's MCx is similar to coverage "C" under these plans. However, MCx is a reimbursement plan rather than a single payer system. MCx also requires a deductible for office visits which these plans generally do not. Finally, MCx is not recognized by these plans and would thus not provide for a transition from MCx to one of these plans.

Employer Provided Healthcare Plan

Some retirees are eligible for healthcare plan provided by an employed spouse. RCRSHP does not coordinate with other employer provided healthcare plans. Upon retirement of the spouse, the "Loss of Coverage" clause would apply. See "Eligibility".

Getting Help

Most of your questions will likely be answered by a careful reading of this document. In most cases your employer or the retirement plan has provided your individual category, A-E, that will enable you to calculate what your costs will be.

If you do have questions which this brochure does not answer, and would like to talk to one of our healthcare specialists, here are your options:

- II The Healthcare line is 1-800-447-5002 and is available from 9-5 Monday-Thursday and 9-12 Fridays, Eastern Time.
- II If you have e-mail, you can send your queries to retireehealth@adventistrisk.org
- II Remember, RCRSHP's healthcare specialists cannot tell you which coverage options are right for you. You have to make that decision yourself by assessing your healthcare needs and considering how much you can pay for the available options.