

RETIREE ADVISOR

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Produced for retired members of the Tennessee Consolidated Retirement System

THE MEDICARE SUPPLEMENT CHOICE

A note on budgeting for health care

Medicare Supplements are not comprehensive policies that pay all the health costs not covered by Medicare. They are important, but limited, policies that may still leave you with significant out-of-pocket costs.

Which plan is right for me?

Any Medicare Supplement Policy will give you limited help with certain health costs not covered by Medicare. Even the most costly policies do not cover expenses such as home care, eyeglasses, dental care, hearing aids, foot care, or long-term care. In addition, premiums for these plans typically rise at a rate higher than inflation. Therefore, it is very important to choose a plan that meets your needs but also leaves room in your budget for out-of-pocket costs.

Do I need a Medicare Supplement Plan?

Some of the factors to consider include: Are you on Medicare and over age 65? Is your total income less than \$725 monthly (\$1,000 for couples)? Do you have less than \$4,000 in savings (\$6,000 for couples)?

Which state-sponsored supplement is best – Plan 1, Plan 2 or Plan 3?

Retirees who are about to turn age 65 get a brochure from us to use for comparing the three state-sponsored plans. The retiree then needs to look at medical costs (focusing on monthly drug costs among other things) to determine the feasibility of each plan. Prescription drug assistance may be important to you, but you must look beyond merely whether the plan helps with prescription drugs. How much does it help? How much extra do you pay for the help? What benefits do you give up in exchange for the help? In many cases, Plan 1 is proving to be the best choice. Its affordable premium and hospitalization coverage often make it a good choice despite the fact that it does not help pay for prescriptions. Again, it is important to choose the plan that you determine best suits your needs. Note: The Medicare Supplement Plans are only open for enrollment without medical underwriting during a 60-day period from the date of Medicare eligibility.

Are there other ways for me to get help?

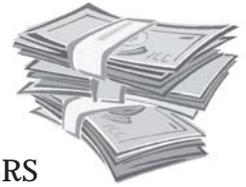
Unfortunately, there are not many options. However, you may be eligible for the Qualified Medicare Beneficiary (QMB) Program. It works like a Medicare Supplement policy, but it is free. Call the QMB hotline at 1-800-624-5547 to see if you qualify.

If you can't afford the cost of prescription drugs, many pharmaceutical companies provide free or low cost medications. For more information, contact the Cost Containment Research Institute at (202) 478-0481, or visit their website at www.institutedc.org.

Some individuals may qualify for TennCare. If you have questions about this option, you may reach the TennCare Hotline at 1-800-669-1851 (in Davidson County, call 741-4800).

COST-OF-LIVING ADJUSTMENT

Retired teachers and state employees who have been on TCRS



retired payroll for at least 12 consecutive months as of July 1, 2003 will receive a 2.4% cost-of-living adjustment. Retirees of local governments that have authorized COLAs will receive this increase also.

This adjustment is based on changes in the Consumer Price Index (CPI) for the 2002 calendar year and is applied to the benefit of each eligible retiree. Retirement law provides that if there is an increase in the CPI of 1% or more in any year, eligible retirees will receive an adjustment on their retirement benefit equal to the change, not to exceed 3%.

CALLING TCRS

For your convenience, TCRS has an automated system on our toll-free number (1-800-770-8277). When you call, you have these options:



Selection

<u>Number</u>	<u>Service Area Desired</u>
1	Retired Payroll, Refunds, Account Balance
2	Retirement Insurance
3	Field Services, Counseling, Appointments, or Beneficiary Changes
4	Benefit Computations and Prior Service Questions
7	Report the Death of a TCRS Retiree or Active Member

If you call from a touch-tone phone, you do not have to listen to the menu. Press your selection after the automated attendant answers your call. If you call from Davidson or surrounding counties, you may reach the system locally by dialing 242-6554.

WHEN ARE THE BEST TIMES TO CALL TCRS?

Your calls are extremely important to us. Our office hours are Monday through Friday, 8:00 AM - 4:30 PM Central time. You may find that 8:00 AM - 9:00 AM is the best time of day to call. If Monday or Friday is a holiday, you might wait until Wednesday or Thursday to call. We typically receive our highest call volume at the end of the month, the first week of the month, and in the days immediately after a newsletter or other major mail out.

HOW CAN WE BETTER SERVE YOU?

Do you ever experience long wait periods or busy signals when trying to call us? Please call 615-532-3187 to share your thoughts on how we can better serve you or send an e-mail to TCRS.Financial@state.tn.us. If you want to mail a suggestion, please send a note to TCRS/ATTN: Customer Service/10th Floor Andrew Jackson Building/Nashville, TN 37243.

TCRS Information Resource

Address: 10th Floor
Andrew Jackson Building
Nashville, TN 37243
Toll-Free: 800-770-8277
Insurance Toll-Free: 877-681-0155
Email: TCRS.Financial@state.tn.us
Website: www.treasury.state.tn.us/tcrs

Medicare Supplement:
800-221-7828
Group Insurance:
800-558-6213
Social Security:
800-772-1213

CHECK THE BENEFITS

TCRS means much more than a monthly benefit to you. Did you know we also provide the following services?

- Toll-Free Number 1-800-770-8277
- Retiree Identification Cards
- Direct Deposit Service for Convenience and Peace of Mind
- Continuation of Medical Insurance
- Medicare Supplement Insurance
- Verification of Monthly Benefits
- Credit Union Deductions
- Retiree Advisor*

TAX LAW CHANGES



New tax laws will cause some retirees to be taxed at a lower rate. Your July 31st payment will reflect any change and a notice will be mailed to you detailing any change.

The *Retiree Advisor* is a publication of TCRS, 10th Floor Andrew Jackson Building, Nashville, TN 37243, (615) 741-4913 or 1-800-770-8277.

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