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AT&T's Health Plan Brochure Mailing   July 2023

Medicare-eligible AT&T retirees or dependents received a 12-page brochure in the mail in early July. The brochure summarizes and promotes AT&T's MAPD Plan, a Medicare Advantage offering that uses United Healthcare (UHC) as the insurance company.

For some retirees and spouses, the brochure says "you will be **automatically** enrolled in the AT&T MAPD Plan" and "more information on this automatic enrollment process will be provided later this year." For other retirees, the brochure says "you will have the **option** of enrolling."

Automatic enrollment applies to those currently in a medical plan through the Aon/Alight exchange. Optional enrollment is for those not in such a plan today, or who are already in the MAPD plan.

Here's how to opt-out, per the UHC at https://retiree.uhc.com/att/enrollment-information:

"If you decide you don't want to be enrolled in the AT&T Group Medicare Advantage (PPO) Plan, you can call UnitedHealthcare starting October 16 to decline this coverage. Call UnitedHealthcare **1-866-819-3448**, 7 days/week, 8 am–8 pm local time by November 15, 2023."

If you wish to make that call, we suggest that after the call you check with your current insurance to make sure your policy is still in effect – that AT&T's process hasn't canceled it.

AT&T's MAPD Plan has some advantages:

- Lower monthly/annual cost than Original Medicare (OM) Supplement plans.
- Includes prescription drug coverage, which is a separate purchase for those using OM Supplement plans today.
- The "Plus" plan will include dental/vision/hearing coverage for an extra fee. Such coverage would be a separate purchase for those using OM Supplement plans today.
- Lower out-of-pocket maximum than other Medicare Advantage plans.

- Possibly a wider selection of doctors than many MA plans.
- Minimal co-pays.

But the plan has some competitive disadvantages vs. other MA plans:

- Unlike many MA plans, dependents pay $50/month ($600/year) in 2024. However, AT&T promises that this fee goes to $0 in the following 4 years, 2025-2028. If you and your spouse use the same MA plan now and pay $0 monthly now, you may decide that the AT&T retiree should move to the AT&T MAPD Plan in 2024 but the spouse should stay with their current plan until 2025, when the spouse price becomes $0.
- Most MA plans offer (limited) dental/vision/hearing benefits at no extra charge. AT&T's basic MAPD Plan does not offer such coverage. They say a new MAPD Plus Plan will do so in 2024, but it will have separate pricing. This means AT&T will charge for coverage that is free in other MA plans.

In sum, for OM Supplement users, the AT&T Plan costs less than OM Supplement plans and probably has a nationwide doctor network of adequate size and scope.

But for current MA users, AT&T's Plan may cost more for spouses in 2024, and includes less dental/vision/hearing coverage or more fees for them, which means higher costs for these services. However, MA users may find these higher costs acceptable to gain the benefit of a $900 cap on annual out-of-pocket expenses vs. nearly $6000 in most MA plans today.

Dependent coverage is an important consideration. You MUST join the AT&T MAPD Plan if you want it to also cover a dependent, such as a pre-Medicare spouse, or a surviving dependent after the retiree's death.

The Risk of Changes

AT&T's brochure makes it clear that the terms of their plan may change: "changes in the current state of Medicare and any adjustments to CMS's approach to funding Medicare Advantage Plans may have additional impacts on the AT&T MAPD Plan in 2025 and beyond."

In 2024 vs 2023, AT&T MAPD Plan changes include raising some copays and ending its hearing aid benefit, though the CarePlus hearing aid benefit remains unchanged.

The brochure implies that the AT&T retiree HRA subsidy, which is ending this year, will be redirected to the costs of their MAPD Plan. It's reasonable to guess that redirecting this subsidy enables the low $900 out-of-pocket maximum, which makes their MA plan attractive. But it's also reasonable to assume that AT&T will reduce this subsidy over time, because it has reduced other retiree benefits in the past.

If you think the $900 OOP cap will increase in future years, then you may wish to remain with your OM Supplement Plan despite its higher (and rising) monthly/annual costs. If you move from an OM Supplement to AT&T's MAPD Plan, and stay on it more than one year, and then AT&T changes the terms so that you prefer to return to a Supplement Plan, there is no guarantee that such a plan would accept you. That decision depends on the insurer's assessment of your pre-existing conditions. If you move from an OM Supplement to AT&T's MAPD Plan and wish to return to your previous OM Supplement, you must do so within a year in order to have guaranteed issue.

Getting an OM Supplement Policy After Leaving an MA Policy

An AARP article quoting insurance executives says "In most states, insurance companies aren't required by law to issue Medigap policies to people with pre-existing conditions. However, some insurers, such as Blue Cross/Blue Shield of Illinois, do so anyway." To find the rules for Medigap plans in your state, contact the State Health Insurance Assistance Program (SHIP) at shiphelp.org.

"Insurers typically don't ask to see your medical records, but they usually ask about your prescription medications," says the AARP article. "Insurers may ask if a doctor treated you, gave you medical advice, or prescribed any medications for certain conditions on the last two years. Having one of the following conditions in the past two years could increase the rate you'll pay for a Medigap policy:

Artery or vein blockage	Atrial fibrillation	Cancer
Cardiomyopathy	Chronic kidney disease	COPD
Congestive heart failure	Multiple sclerosis	Rheumatoid arthritis

"Insurers usually decline people with COPD, lupus, or Parkinson's disease or those *recently* diagnosed with cancer. Other conditions, such as high blood pressure, diabetes and high cholesterol may be acceptable, but you may have to pay a higher rate."

"You may also be asked whether a medical professional told you that you may need any of the following: joint replacement, organ transplant, cancer surgery, back or spine surgery, heart or vascular surgery. Some insurers may deny coverage if you've been hospitalized in the past 90 days or if you live in a nursing facility.

"However, time matters. If you were diagnosed with cancer or had surgery a while ago, you may still be able to buy a policy." Use of tobacco products increases the monthly premium.

The ability to shift from an MA plan to OM/Medigap depends on your personal health and the rules in the state where you live, but in most cases, it seems that you *would* be able to buy a policy, though the price may escalate depending on your health situation.