



Published by the Chevron Retirees Association

Web site: www.chevronretirees.org

Special Edition - September 2016

President's Letter

Hello Fellow Retirees,

Change is in the air. However, not the change of seasons, quite yet. As most of you probably know, Chevron is making some significant changes to the Medical Plans for the age 65 and over (post 65) retirees. Those under age 65 have changes as do the current employees, but not as significant.

What's the Reason?

We've all seen medical costs continuing to rise. Chevron felt it was time to do something different. By moving the post-65 retirees from a rating group of 42,000 to one of over one million, the claims experience is spread over a much larger group. That is expected to help control increases in premiums. In addition, the move to a Private Exchange, OneExchange, will allow many more options for retirees to tailor their medical coverage more to their needs.



Mike Elgie, President

Is Chevron Cutting Ties to Retirees?

No, they are not. Chevron was very involved in the new arrangements with Willis Towers Watson. For example, they were instrumental in getting Kaiser to join the group of providers in the OneExchange list of providers. Kaiser rarely participates in Private Exchanges. The Chevron clout was definitely in play!

If you go to the OneExchange website, medicare.oneexchange.com/chevron, you will see the Chevron hallmark prominently displayed. Chevron is definitely involved.

OneExchange

OneExchange will have most of the current providers such as Kaiser, United Healthcare, ExpressScripts, and others. Each retiree, spouse, and surviving spouse will have many options to meet their medical needs. In most cases, they should be able to arrange coverage very similar to their current coverage. The OneExchange Benefits Advisors are state licensed and have been trained in the various health care plans. They will spend the time needed to work with retirees, dependents, and surviving spouses as well as care providers, children, or grandchildren in order to ensure full understanding of what is needed.

I was just setting up my profile on the OneExchange website. It will help your enrollment process if you complete your OneExchange profile before you have your enrollment call with your Advisor. With our great range of ages for our retirees, one of the key spots to enter information is the medical power of attorney section. You can enter a main person and a backup.

The Advisors will be able to sign up retirees while on the phone with retirees during their scheduled appointment. Once you have completed your interview with the Advisor, you are set. If you need to do some checking and come back afterwards, you can arrange to speak with the same Advisor, if you like. The Advisors will also be available during the rest of the year if you have questions regarding your coverage.

Health Reimbursement Arrangement (HRA)

Currently Chevron's contributions to our medical plans are handled as part of Chevron's group health plans. Therefore, our medical premiums are the net after Chevron's contributions. With the Private Exchange, we will have to do things differently. We will pay our premiums directly to our provider of choice. The Chevron contribution will be provided via a Health Reimbursement Arrangement (HRA). We will be able to set up direct payments to our provider as we currently do through Mellon. We will also be able to set up our reimbursement from the HRA, directly to our checking accounts. The OneExchange Advisors will be able to assist us in setting all of this up.

More Information

There will be about 100 Town Hall meetings at 30 locations around the country. If at all possible, it would be beneficial if you can attend one of these to get a better understanding of the new system. If you are unable to attend a Town Hall meeting (or in addition to the meeting), starting September 12 when you go to the OneExchange website noted above, you will also be able to go online to view a 30-minute YouTube video of the key information regarding the new plans. There is also a telephone number if you'd like to listen to a recording of the same information presented at the live meetings.

Final Thoughts

We retirees are usually not comfortable with change. We typically avoid it when possible, but there are times when it is unavoidable. In the new medical plan system, we won't have the three basic plans that are easy to choose from anymore; however, Chevron has spent a lot of time, energy and money developing a plan that over the long term should help control medical costs. The switch to a Private Exchange seems reasonable given the changing health care marketplace. The expansion of medical plan choices will give each retiree the ability to choose the best plan for his/her own situation. Carol and I are looking forward to selecting the best plan for us. We hope that you will do so also. As always, CRA stands ready to help and advocate on your behalf as the process unfolds.

These are significant changes so it is important to read all the information you will be receiving carefully. **There is no rollover** from current plans, so it will be necessary to enroll this fall during the three-month enrollment period. If you do not enroll, you will lose future eligibility for Chevron's contribution to medical plans. **So please be sure to sign up.**

We are pleased to include in this issue a special message from Joe Laymon, Chevron Vice President of HR and Corporate Services. Please also see Al Horan's Benefits Corner later in this Newsletter for additional information regarding the new medical plans.

Best regards,

Mike

Mike Elgie
Association President
melgie46@gmail.com
415.472.5947

A Special Message from Joe Laymon

We value your contribution and accomplishments achieved during your Chevron service. At a time when some organizations are discontinuing retiree health benefits, we affirmed our philosophy to continue to provide access to retiree health coverage — we're just changing how it's provided to those who are age 65 and above. The change in how we will provide Chevron's company contribution, through OneExchange, will provide affordable options, greater flexibility and expanded choices for health care plans than if we continued with the current model.

While change can be unsettling for some, I am confident in our partnership with OneExchange to successfully help you through this transition in a highly engaging way. My team is working closely with OneExchange and CRA leaders to provide you with information to try and make this change as easy as possible.

Joe Laymon
Vice President of HR and Corporate Services



Joe Laymon,
VP of HR and Corporate Services

Benefits Corner *By Al Horan, Chair, CRA Benefits Committee*

By now everyone should have received Chevron's newsletter announcing the changes in medical coverage for 2017. Post-65 retirees will also receive an announcement from Towers Watson OneExchange.



Al Horan, Benefits

Based on the feedback we received from retirees, the 2017 changes to the Chevron medical program came as a surprise. However, Chevron's decision to transfer the post-65 medical program to a private exchange is in line with 80% of other employers that are using or will be using private exchanges for medical coverage for their post-65 retirees. (Two examples of major Fortune 500 companies that have switched are AT&T and IBM. IBM is with OneExchange and from feedback I received from an IBM retiree he is pleased with the service provided by OneExchange.) If you visit the Chevron Retirees Association's website (www.chevronretirees.org), on the "[Benefits Corner](#)" page you will see from the report "[CRA Medical Insurance](#)", which was prepared by Mark Engelbrecht (Member of the Benefits Committee), employers have been turning to private exchanges as a way of being able to continue to offer affordable retiree medical coverage.

As mentioned in Chevron's newsletter and in Mike Elgie's column, Chevron chose Willis Towers Watson's OneExchange to help retirees understand and enroll in Medicare supplemental insurance. OneExchange currently provides similar service to approximately one million retirees from other organizations. Willis Towers Watson is a major benefits organization that employs 39,000 employees in more than 120 countries.

The changes in the medical program will allow Chevron to manage health care costs while being able to continue to provide retirees access to affordable health coverage. Their reasons for using a private exchange include the following:

- **Obtain more value.** Chevron presently offers three medical plans. Through OneExchange retirees will be able to choose from a number of plans that should be compatible with their needs.
- **Greater flexibility.** Retirees will also be able to enroll in dental and vision coverage through OneExchange. Now, Texaco, Unocal and Caltex retirees will have a choice in dental coverage. Currently, dental coverage for these retirees is only available through the Chevron Retirees Association.
- **Personalized health care.** OneExchange will allow retirees to elect either the same or different coverage for their post-65 dependents. Currently, post-65 dependents must be enrolled in the same plan as the post-65 retiree.

You will receive assistance from a benefit advisor at OneExchange to help you decide which medical plan best meets your needs. In preparation for speaking to a benefit advisor you should familiarize yourself with Medigap Plans (there are eleven types) and Medicare Advantage Plans (there are four types) by visiting Medicare's website – www.medicare.gov. In addition it is suggested that you and your eligible post-65 dependents prepare lists of your prescription medications and your medical providers. Finally, it is suggested that you read the material from OneExchange (being mailed the week of August 22nd), and visit and register on the OneExchange website – <https://medicare.oneexchange.com/chevron>. By doing your homework and planning for your discussion with the benefits advisor, the process of enrolling in medical coverage for 2017 will be greatly simplified.

In addition, be sure to attend a OneExchange/Chevron meeting, watch the video presentation on the OneExchange website or listen to the presentation by telephone. To find out more about the changes be sure to watch for news releases from OneExchange and Chevron in the coming months.

Remember, post-65 retiree open enrollment will run from October 3rd through December 31st if you are currently enrolled in a Chevron health plan; and from October 15th through December 7th if you are eligible but not currently enrolled in a Chevron health plan. **Unlike the past, you must select your new coverage during open enrollment since you will not automatically be enrolled in a default plan. If you do not elect coverage during open enrollment you will not be able to select medical coverage through Chevron at any time in the future.**

It should be noted that wherever retiree is mentioned, this should be read to include eligible surviving spouse.

Al Horan, Benefits Chair:
Phone: 972-964-1787
Email: awhoran@verizon.net

CONTRIBUTING EDITOR:
Gregory Vitiello
vitiello@aol.com
212.249.9849

COMMUNICATIONS CHAIR:
Frank Coe
fcoe@usa.net
281.565.9813

The Chevron Retirees Association is not a subsidiary of Chevron Corporation but an independent organization of retired employees of Chevron or its predecessor companies.

© 2016 Chevron Retirees Association. All Rights Reserved.
