

February 28, 2006

Peggy Moczul, Director
Employee Benefits Division
Capitol Commons Center
400 S. Pine St.
Lansing, MI 48909

Hi Peggy:

In our meeting about Medicare Advantage on February 8, 2006 SERA representatives agreed to submit questions about this program that are of concern to us as retirees. I have attached a list of questions regarding SERA's concerns about the plan. It seems that our initial meeting has raised more questions/concerns than answers.

As a retiree organization we are extremely aware of the increasing healthcare costs to employers and retirees. We have always been open to discussing health care changes that would reduce costs to the employer and retirees. I believe that SERA's involvement in informing retirees about healthcare changes/adjustment has made those transitions much smoother. In the case of the Medicare Advantage plan we are concerned that the state may be enrolling in something that purports to save the employer/retiree money but may not prove to be so. There has been no historical study/experience to indicate the plan's value or its operational ability. We may have the opportunity to review how the plan operates in the HMO arena but those plans just started this year and there are not a lot of retirees involved as a comparison. We are talking about a major change that would affect over 40,000 current retirees/spouses.

We are looking forward to participating in future meetings about Medicare Advantage.

Sincerely,

Bob Kopasz, Chair
SERA CC
P.O. Box 692
Mt. Morris, MI 48458

