



Thursday, July 17, 2008

Health Care Marketplace

General Motors Working With Firm To Help Retirees Transition to Medicare Coverage

[General Motors](#) will contract with benefits consultant firm [Extend Health](#) to provide guidance to retirees in choosing appropriate Medicare plans to replace benefits previously offered by GM, the [Detroit Free Press](#) reports. The automaker on Tuesday [announced](#) that beginning Jan. 1, 2009, it will eliminate health benefits for non-union retirees over age 65. The company will increase monthly pension payments to these 97,400 retirees by \$300 to help offset the cost of enrolling in Medicare. The retirees can begin registering for Medicare on Oct. 15, a month before open enrollment begins for others.

Beginning Sept. 22, the retirees will receive information packages from Extend Health. Each retiree will be designated a time period, assigned alphabetically and by region, to speak with a benefits counselor. Extend Health also will offer informational seminars that insurers will not be able to attend. "This is about controlling our message," Extend Health President and CEO Bryce Williams said. He added, "Our sole function is to provide world-class information, free of any noise and pressure" from insurers.

Williams said GM retirees could potentially save \$500 annually compared with their former GM benefits. Average out-of-pocket health care costs for a GM retiree total about \$2,700 per year, although that amount has been rising, according to Williams.

Extend Health also provided counseling for [Ford Motor](#) and the [Chrysler Group](#) retirees who had their health benefits revoked in 2007 and 2006, respectively (Anstett/Keshavan, *Detroit Free Press*, 7/17).