



601 Pennsylvania Avenue, N.W. South Building – Suite 900 - Washington, D.C. 20004-2601  
Phone: 202-220-3172 Fax: 202-639-8238 Toll-Free: 1-866-360-7197  
Email: [contact@nrln.org](mailto:contact@nrln.org) Website: <http://www.nrln.org> Facebook: [www.facebook.com/nrln1](http://www.facebook.com/nrln1)

---

April 8, 2024

Mr. Arvind Krishna,  
Chairman and Chief Executive Officer  
IBM  
1 New Orchard Road  
Armonk, New York 10504-1722

Dear Mr. Krishna:

We are writing on behalf of the members of the IBM / Kyndryl Retirees Chapter affiliated with the National Retiree Legislative Network (NRLN), a non-profit, non-partisan organization with retirees from more than 300 companies and public entities. The NRLN lobbies at the federal level to protect retirement income and benefits. We do not assert that IBM has an obligation to deal with us.

According to a March 21, 2024, Fortune article, IBM shares have skyrocketed 19% since the start of the year. CNBC reported IBM's net income was at \$3.29 billion, or \$3.55 per share and 2023 free cash flow totaled \$11.2 billion, more than the \$10.5 billion management had called for. Congratulations!

However, based on an NRLN / Chapter survey of IBM retirees, many now believe IBM executives have lost IBM's moral compass and have become indifferent toward its retirees. That is not so good. The appearance created is that IBM made a callous attempt to coerce retirees into switching from 2022 plan coverage to new coverage of two new UnitedHealthcare Medicare Advantage PPO plans effective 1/1/2023.

The company's decision to not allow retirees to pay premiums from their FHA/HRA account balances banished their access to Medigap plans, caused financial hardships and lifetime disruptions. IBM retirees and spouses were forced to choose one of the two UnitedHealthcare Medicare Advantage plans or lose access to these accounts. You may have thought IBM communicated the money was IBM's but most who responded to our survey think not. We have attached pages of some retiree comments from the survey. Fortunately, there is a way to make amends.

In reviewing the fall 2021 and 2022 enrollment information for plan years 2022 and 2023 it was obvious a break in Medigap coverage took place in 2023. IBM should have informed those affected that they were entitled to a Supplemental Enrollment Period (SEP) and a Guarantee Issue Right (GIR) to purchase Medigap coverage at the best available prices and that they could not be denied coverage. You can do that now.

While you did show that if they selected a UHC PPO plan that retirees would have a 12-month "trial right." We found no evidence that UHC advised PPO policy holders of this right. You can convince them to do that.

Finally, as IBM's CEO, we implore you to learn just how much of the \$11.2 billion free cash flow it would take to allow retirees to exhaust the full amount of their HRA balances over their remaining years. You can reconsider and restore them. IBM's storied history of evenhanded employee / retiree relations is a legacy.

Respectfully,

Hector Saenz, President  
IBM / Kyndryl Retirees Chapter – NRLN  
Email: [hrsaenz@gmail.com](mailto:hrsaenz@gmail.com)  
Phone: 562-682-5802

Bill Kadereit, President  
National Retiree Legislative Network (NRLN)  
Email: [bkad@sbcglobal.net](mailto:bkad@sbcglobal.net)  
Phone: 214-725-5289

Attachment:

Comments provided by IBM retirees in NRLN / IBM Chapter survey.

**Question 23: If your healthcare coverage is no longer supported by an IBM FHA/HRA what impact has it had on you and your family? Also, please provide any comments that you may have about IBM's policy change for retirees' healthcare benefits.**

Due to existing heart disease, I felt like it was in the best interest of my family for me to choose a supplemental Medigap plan rather than risk the high potential costs of a Medicare Advantage plan, even though it meant that I would give up the \$43K health benefit I had earned from working at IBM. Obviously, I felt strongly about protecting my family from my health costs. I will now end up paying that \$43K from my own pocket because I chose to better protect my family from potential future hardship. Not a trivial amount of money for a retiree. I really feel like IBM took away my freedom to choose how I wanted to protect myself. I understood the higher premiums for a supplement plan and feel like they are worth it to me for the added protection, but I think IBM should have respected and honored that decision rather than take away something I had earned. You know, Respect for the individual. I'm still not sure why IBM decided to decide my choice wasn't as sacred to them as someone who chose a Medicare Advantage plan. Was it to save IBM money at my expense? If so, I hope they are enjoying my hard-earned benefit.

///

It is very much a financial burden to me. I was in the IBM finance planning department and regularly checked my FHA/HRA account balance and planned to utilize those funds for the next 10 years of my life. I turned 65 in November 2022. Hence, I got to utilize a lousy two months of my fund. I was extremely upset and cried for the following week. I have had previous medical issues and rely on good doctors which were not in the Medicare Advantage plans. IBM benefits told me my doctors were in the Advantage plans and when I checked directly with my doctors, they said no they were not. A very good doctor friend of mine told me a year previously to my turning 65 DO NOT TAKE AN ADVANTAGE PLAN, it's like socialized medicine. I wrote multiple letters to the IBM CEO and HR executives. I left the top HR executive multiple phone messages and she never returned my calls. I seriously believe that was the most dishonest and disrespectful change they have ever implemented – a total disgrace to their employees of many years. The least they should have done was grandfather us in.

///

Both my spouse and I received \$3,000 per year which helped pay our Medicare supplemental insurance and copays. Losing \$6,000 a year has had a significant impact on our lifestyle. No way to make it up.

///

I lost \$43K+ that I was counting on to fund my Medigap plan. I made my Medigap decision based on health concerns and felt it was worth the premium over a Medicare Advantage plan, but I was assuming I would have access to my HRA money that I felt like I had earned as a loyal IBM employee only to have those dollars taken away by IBM. Not fair to do that to us.

///

Knowing I had \$82K that I can't use is devastating. I have multiple medical issues and cannot trust being shuffled to other doctors and plans that may not cover my issues.

///

The removal of FHA/HRA reimbursement of premiums has increased my healthcare expenses, reducing money available to my other day-to-day expenses. This has resulted in earlier, larger withdrawals from my retirement savings and could ultimately affect my long-term retirement solvency. Had I been informed that I qualified for a Supplemental Enrollment Period, I might have been able to find a Medicare supplement plan at a lower rate than I am paying, which could have mitigated some of the increased expenses I assumed in 2023. IBM's stated goal of providing the best healthcare options to retirees is at odds with reality since they offer retirees only two UnitedHealthcare Medicare Advantage plans.

///

With many doctors and hospitals accepting, then not accepting UHC Medicare Advantage patients it is hard to know if we can keep our same doctors sever month/year. However, to go back to a Medigap plan now requires

underwriting and may be more expensive than if I had stayed with Medicare and Medigap the whole time. Doing that would have locked me out of my \$35K in FHA/HRA that IBM had promised all these years.

///

This change cost me an IBM retiree guaranteed benefit of an HRA of \$2,300/year with survivors benefit to offset the cost of healthcare. After years of service to the company I felt betrayed. I did not want Medicare Advantage due to the poor experiences some friends have had in this program. I wanted to keep my Medicare Plan F, D and dental and continue to use the IBM Via Benefits guided process. My prior belief was that IBM would negotiate better prices and vet out good programs for those who gave years of their lives for the company. All I saw was an attempt to make the books look better or a bargaining chip for an outsourcing deal. Not only that, but IBM also sold my core pension to Prudential with no warning. This action fragmented my revenue stream and caused me to develop a new relationship with a poorly managed annuity program and caused serious concern for the future. I felt like I got kicked to the curb. Other companies keep good relationships with retirees and in so doing leverage that population as a large extended family group. As a military veteran I find this recent behavior dishonorable.

///

This issue relates to IBM's requirement that retirees select an UHC Medicare Advantage program to continue to receive their retiree healthcare benefit (HRA). IBM and UHC have provided information to allow retirees to make "informed decisions" regarding whether doing so is in their best interest versus remaining on their current plans and losing their HRA. However, the information provided is incomplete and inaccurate and relying on it will lead retirees to the wrong decisions which will cost them thousands of dollars in lost benefits from IBM. Furthermore, it appears that UHC is knowingly withholding important and relevant information from the information packages provided to retirees. The literature provided instructs retirees to go to the IBM retirees' medical website to find providers in the UHC PPO network to decide if they will meet our current and future healthcare needs. As instructed, I entered my zip code and searched the UHC network providers. I got the following: (1) Hospitals: 3 in-network, hospitals within 100 miles, closest is 88.8 miles away in Naples, FL. (2) Primary Care Clinics: Zero. (3) Urgent Care Clinics: 11 in-network, closets 85 miles away in Homestead, FL. (4) Medical Imaging Center: 1 within 20 miles. 11 beyond 85 miles. (5) Colonoscopy: 1 within 20 miles, 4 beyond 90 miles in Naples, FL. (7) Mammogram: 11 in-network all beyond 85 miles. (8) Cardiologist: 1 within 20 miles, 25 beyond 90 miles. It is apparent that UHC's network providers are extremely sparse in the Florida Keys.

///

I lost the \$3K yearly healthcare subsidy that IBM provided prior to 2023. The impact is that I need to now cover an additional \$3K in healthcare costs. I tried the enhanced Medicare Advantage plan for 2023 but was dissatisfied because I needed to focus too much on getting approvals. I needed to track billing and personal costs and the responsibility was on me to resolve errors and discrepancies. Not all of the benefits I was promised by the marketing teams proved to exist. For these reasons I abandoned the Medicare Advantage enhanced plan in 2024 and returned to Medicare Medigap Plan F.

///

My retirement planning budget was predicated on the continued use of my FHA/HRA funding for 5 years after retirement. I was depending on that benefit to supplement my income until certain obligations were satisfied. Consequently, I have had to cut back on food and heating.

///

I lost my \$3,000/year by not going to the UHC Medicare Advantage plan. With traditional Medicare there was never any question on coverage when I needed a second back surgery. After reading about UHC Medicare Advantage needing to debate with the doctors whether treatment was needed or not, MA was never a valid choice for me. After 43.5 years with IBM, I felt abandoned and discarded when they decided they needed the \$3,000/year more than I did in my retirement years.

///

Losing my FHA funds caused me to use personal funds to pay for my Medigap policy. This has negatively

impacted the things I am able to do in retirement. I tried IBM's sponsored Medicare Advantage program for one year and was not happy with it. The amount of follow-up required to get claims paid was very time-consuming. Also, I felt that as I got older, I would not necessarily be able to keep up with the required follow up and paperwork that was necessary. Therefore, I went back to a Medigap plan.

///

We are on a tighter home budget because of the loss of my FHA/HRA. When I was hired by IBM in 1965, I was informed that employees' salaries might not match other companies but that our benefits, including medical insurance, would make up for the difference and that I would have medical insurance for life.

///

I was always on Medicare Medigap Plan F. I have too many conditions/doctors to risk being denied treatment by a Medicare Advantage Plan or not use the doctors I'm used to seeing. I miss the \$3,000/year I used to receive to defray premium costs.

///

I took a huge hit on my fixed income budget. It was dishonest, if not illegal, to bait and switch a retirement benefit I EARNED! I walked away from \$20K out of fear that my healthcare needs would not be met. Shame on IBM.

///

My wife and I both retired from IBM and had a Medicare Medigap Plan G in 2022. We enrolled in IBM's Medicare Advantage plan for 2023. We decided to switch back to Plan G in 2024 and forego approximately \$7K of the FHA fund between both of us. Essentially, IBM 'hijacked' our benefits and made us choose between our benefit and the freedom to our healthcare choices. We felt betrayed by the company we dedicated over 55 years of our productive life to.

///

It is much harder to make it without the IBM \$3,00/year annual supplement for my Medicare Medigap premiums. But I was very concerned that going to a Medicare Advantage would be bad. UHC would be making my healthcare decisions, not my doctors. Delays in treatment, or denials, could end up being life threatening. And some of my doctors might not accept MA. Just too many possible negatives with MA. IBM basically is extorting us to go to MA or financial support. IBM is not concerned about what is best for us.

///

When I call or email UHC about an issue, it almost never gets resolved. When I submit a written grievance, the issue almost never gets resolved/ Also, the vast majority of the "answers" that UHC medical and dental reps give on the phone are blatantly wrong. Furthermore, the enhancements are incredibly difficult to access. The transportation enhancement through Modivcare is essentially non-functional and little more than a scam. Dental reimbursements require extraordinary measures by the dentist to show that crowns are required, far beyond what other dental insurance companies require. About 40% of the UHC phone reps exhibit very poor phone etiquette and are generally rude even when the customer is extremely polite. None of the other insurance companies that I deal with have reps that exhibit the rude behaviors of many UHC reps.

///