

Retiree Healthcare Benefits: A Comprehensive Look

Presented by

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Government Office of
Human Resources (OHR)



Updated 8/15/2012



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1. Acronyms and terms
2. Plan basics
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ACRONYMS & TERMS

- **Annual deductible:** The out-of-pocket amount you pay before the plan begins to pay
- **BCBS:** BlueCross BlueShield
- **Copayment:** The fixed-dollar payments you make for a doctors visit or prescription
- **Coinsurance:** The percentage of an insurance claim for which you are responsible
- **DP:** Domestic Partner
- **HMO:** Health Maintenance Organization

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ACRONYMS & TERMS

- **Open Enrollment:** Generally, the only time of year you can make changes to certain benefits for the next plan year. Changes take effect January 1st of the following plan year.
- **Out-of-pocket maximum:** The most you will generally pay in any year before the plan picks up 100%
- **POS:** Point of Service
- **PPO:** Preferred Provider Organization
- **Rx:** Shorthand for “prescription”
- **SSA:** Social Security Administration
- **UHC:** United Healthcare HMO

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PLAN BASICS



- Retiree plan offerings
 - Medical, Rx, Dental, Vision, Life
- Changing your group insurance

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PLAN BASICS: Plan Offerings



- **Medical:** CareFirst BCBS POS, CareFirst Indemnity which is closed to new membership; United Healthcare HMO and Kaiser HMO.
- The Kaiser HMO is not available to retirees eligible for Medicare. Kaiser Medicare Plus is a health plan with a Medicare Cost contract and Medicare Part D prescription benefits. The plan resembles a Medicare Advantage (or Part C) plan, but also gives its members the ability to "opt out" of the plan, and use their original Medicare benefits.

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PLAN BASICS: Retiree Plan Offerings



- **Prescription:** Caremark High Option \$5 / \$10 Plan or Caremark Standard Option Plan (or Kaiser's Rx that is included with the Kaiser Medicare Plus medical plan). For current members of the closed Indemnity plan, Rx is included and uses the Caremark Discount Card.
- **Dental:** PPO Traditional Dental Plan (or Kaiser's dental coverage that is included with the Kaiser Medicare Plus medical plan)
- **Vision:** Retiree Opti-Vision Discount Plan (or Kaiser's vision coverage that is included with the Kaiser Medicare Plus medical plan)
- **Life Insurance:** Retiree Term Life plus Optional and Dependent Life which can be decreased, but not increased or elected

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PLAN BASICS: Changing Your Group Insurance



You can cancel, change or re-enroll:

- During the fall Open Enrollment period. Changes made are effective January 1 of the following year. You cannot re-enroll in the Indemnity plan or Optional Life Insurance once coverage is cancelled. Also, there is a 2-year wait to re-enroll in dental.
- If you have a status change ("life event") as described on the next slide.

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PLAN BASICS: Changing Your Group Insurance



Examples of a change in status:

- Marriage, divorce
- Birth or adoption of a dependent
- Death of a dependent
- Spouse's loss of coverage under another plan
- Loss of dependent eligibility (e.g., dependent child turns 26)
- Court-ordered custody of minor child(ren)
- Your cost share expires (more on that later)

You have 60 days from the date of the event to notify OHR in writing of your status change.

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PLAN RATES



In this section:

- Rate tiers and types
- Your cost share
- Cost share expiration
- When rates can change

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PLAN RATES: Tiers and types



- There are 3 tiers of rates:
 - Self, Self+1, Family
- There are 3 types of rates:
 - Non-Medicare Rates—no one is Medicare-eligible
 - Medicare Rates—you, or you + dependent(s) are Medicare-eligible
 - Non-Medicare & Medicare “Split” Rates—one or more of you is Medicare-eligible ***and*** one or more of you is not Medicare-eligible

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PLAN RATES: Your Cost Share



- Your cost share is the % you pay for your County group insurance; the County pays the remainder
- Your cost share % and expiration date is shown each year on your Open Enrollment Group Insurance Election form and Confirmation Statement
- You cannot change your cost share

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PLAN RATES: Cost Share Expiration



For those who elected the 80% / 20% cost share, it lasts for the period of time equal to the number of years of your eligibility under the group insurance plan, beginning from your retirement date.

Once your cost share expires, you can either pay 100% of the County premium, cancel some or all of your coverage, or change coverage. This is considered a status change.

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PLAN RATES: When Rates Can Change



- You and/or your dependents become eligible for Medicare
- Cost share expiration occurs
- Start of new plan year if County changes rates
- Start of new plan year if you add/change/cancel plans
- If you make life event changes mid-year
- If you cancel benefits during year
- Age 65: your term life insurance (Basic Life) becomes 100% County paid (The face value is shown on your annual Confirmation Statement)

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Group Insurance FAQs

In this section:

- In the event of marriage / divorce
- When someone dies

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GROUP INSURANCE FAQs: In the Event of Marriage or Divorce

- If you and your spouse divorce (or your domestic partnership dissolves), your spouse/DP is no longer eligible to be covered under your group insurance.
- Your eligible dependents (children) will still be able to be covered under your group insurance.
- If you marry or begin a new domestic partnership, your spouse/DP can be covered under your group insurance.

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GROUP INSURANCE FAQs: In the Event of Death

- If you predecease your spouse/DP, they and your eligible children will be offered the option to remain on the County's group insurance plan.
- The cost share percentage and expiration date remains the same for your surviving eligible dependents.
- Your surviving spouse/DP is eligible for continuation of coverage even if he/she remarries.

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GROUP INSURANCE FAQs: In the Event of Death

- Your survivor or a family member needs to contact OHR immediately.
- Your beneficiary will be asked to provide the County with a copy of the death certificate.
- For life insurance purposes, Prudential will need a *certified* copy of the death certificate.

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TIMELINE



In this section:

- Annual group insurance events
- Other milestones

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TIMELINE: Annual Group Insurance Events



- **January 1st:** New rates, plan changes as well as any changes you made during Open Enrollment take effect
- **During the year:** If you have a life event, you can change certain benefits
- **Fall (generally late October to early November):** Open Enrollment when you can change certain benefits

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TIMELINE: Other Milestones



- **Basic Life:** Becomes 100% County paid upon your 65th birthday
- **Optional Life:** Coverage ends at age 70
- **Your cost share ends (if applicable) on your cost share expiration date:** You begin to pay 100% of the premium. See your Open Enrollment Group Insurance Election Form and Confirmation Statement for the cost share % and expiration date.
- **You or your eligible dependents become Medicare-eligible** (detailed in the next section).

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FOLLOW THESE STEPS



In this section:

What to do when

- Turning 65
- SSA disabled before age 65

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FOLLOW THESE STEPS: When turning 65



- **When you or a spouse/DP turns 65...**
 - Medicare becomes primary and the County's medical plan becomes secondary. You **must** enroll in Medicare Parts A and B. Contact SSA at least 3 months prior to turning 65 to ensure it is in place on the first of the month in which you turn 65 and to avoid the Part B late fee penalty. Also, send the Benefits Team a copy of the new Medicare card.
 - Retiree Group Insurance continues
 - Retiree Split rates begin

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FOLLOW THESE STEPS: SSA Disabled Before 65



- **You become eligible for Medicare regardless of age**
 - Two years after you receiving Social Security Disability, you will generally be eligible for Medicare.
 - You will receive a notice approximately 1-1/2 years after payments begin telling you that your Medicare benefits are going to start soon.
 - Medicare becomes primary and the County's medical plan becomes secondary. **You must enroll in Medicare Part B and send the Benefits Team a copy of your Medicare card.**
 - Retiree Group Insurance continues
 - Retiree Medicare Only or Split rates begin (depending on whether or not you have a spouse/DP under 65)

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MEDICARE FAQs



- **Do Medicare Parts A & B cover vision or dental preventive care?** No.
- **Do Medicare Parts A & B cover prescription drugs?** No.
- **Does Medicare provide medical or prescription drug coverage while traveling outside the U.S.?** Generally, no. However, your County medical plan does provide some coverage for eligible services (varies by plan). Refer to your plan booklet or call in advance of travel outside the US as there may be a coverage limit or restriction on the amount of travel time allowed. Also, Caremark will cover your prescription drug needs while abroad but you must pay 100% up front and then file claims for reimbursement.
 - **Tip:** Fill all your prescriptions before leaving the U.S. and transport them in their original Rx bottles. You may also want to bring a copy of the doctor's Rx.

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MEDICARE FAQs



- **Is Medicare Part A mandatory?** Yes, it covers hospitalization benefits and is effective the first of the month in which you turn 65.
- **Is Medicare Part B mandatory?** Yes, the County requires you to have Part B. Note that, when you reach age 65, CareFirst BCBS and United Healthcare will process your claims as a secondary insurer: as if you had elected Part B, whether you elect Part B or not. This means significantly lower benefits (or no benefits) if you do not elect Part B. The benefits payable under your County medical plan generally work together with Medicare to ensure you receive as complete a coverage as possible.
- **What about the Kaiser medical plan?** You cannot continue in the Kaiser plan when you become eligible for Medicare. You must elect Part B and enroll in the Kaiser Medicare Plus Plan, which includes Part D prescription drug coverage.

MEDICARE FAQs



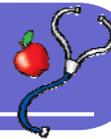
- **Why do I have to enroll in Part B of Medicare?**

Let's say that, before age 65, your County medical plan covered a certain benefit ("Benefit X") at \$200. When you turn age 65, Benefit X is classified as a Medicare Part B benefit that is covered by Medicare Part B for \$120. The County medical plan, being your *secondary insurance that coordinates with Medicare*, covers Benefit X at \$80.

Regardless of whether or not you have enrolled in Medicare Part B, the County medical plan covers Benefit X at \$80 (not \$200). That means that if you are not enrolled in Medicare Part B, you would be responsible for paying the amount not covered by your County insurance (\$120).

Note: The above applies only to BCBS and UHC medical plans. Kaiser participants need to enroll in the retiree Kaiser Medicare Plus plan.

MEDICARE FAQs



Must I apply for Medicare at age 65 (or before, if disabled)?

Yes! The only situations in which you do not need to apply for Medicare at age 65 are:

- If you are still actively employed or
- You are the covered dependent of someone working who has employer-provided insurance.

In these cases, you can apply during a SSA special enrollment period within 3 months prior to or 3 months after either your or your spouse's retirement date.

IMPORTANT: If you do not apply for Medicare Part B when you are eligible, you will be charged premium penalties assessed by Social Security.

TOOLS, TIPS & REMINDERS



In this section:

- *Which plans are best for you?*
- *Online tools*
- *Reminders*

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TOOLS, TIPS & REMINDERS: Which Plans Are Best for You?



Which plans are best for you— Medigap, Medicare Advantage, Part D, or County Plans, or a mix?

- Step 1: Know which medical plans are available in your area.
- Step 2: Determine what you are willing to pay for health care:
 - Premiums, annual deductible, copayments, coinsurance, out-of-pocket maximum
 - If you have a specific medical condition, investigate costs and provider options outlined in the plan's Certificate of Coverage.

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TOOLS, TIPS & REMINDERS: Which Plans Are Best for You?



Continued...

- Step 3: If you have a doctor or medical facility that you want to continue to visit, contact them to ask whether they will accept your Medicare and your plan.
- Step 4: Determine which type of plan is best for your circumstances.
- Step 5: Gather further information about your plan choice: Each health plan's website contains information about participating doctors and pharmacies, certificates of coverage, plan availability and specific benefits, including preauthorization requirements and exclusions.

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TOOLS, TIPS & REMINDERS: Online Tools



One handy resource is the benefits section of the OHR website. Go to www.montgomerycountymd.gov and, under "Departments," choose "Human Resources," then select "Retiree Health Insurance" from the "Benefits" drop-down menu at left.

The screenshot shows the OHR website interface. At the top, there is a navigation bar with links for Home, Alerts, Translate, RSS, Blogs, and accessibility options. Below this is a search bar and a main navigation menu with categories: Residents, Businesses, Government, Departments, Online Services, and MC311. A left-hand sidebar menu is open to the 'Benefits' section, with 'Retiree Health Insurance' selected. The main content area is titled 'OHR Home - Retiree Health Insurance' and contains several sections: 'Health Insurance Materials' (with links to UCCI Dental PPO Summary, UCCI Dental PPO At-a-Glance, and Life Insurance Materials), 'Health Insurance Contacts', 'Top Links' (with links to 2012 Rates, Forms for Retired Employees, Group Insurance Summary Description, MCREA Brochure, and MCREA Website), 'Calculators' (with a link to the Caremark Rx Plan Selection Estimator), and 'Changing Your Health Insurance' (with links to Changing Elections, Adding Dependents for Group Insurance, and How to obtain birth, death, marriage or divorce records).

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TOOLS, TIPS & REMINDERS: Online Tools



By using the County's website, you can:

- Register with your providers' websites. By registering, you have access to see what claims have been filed, wellness information and more.
- Determine the best prescription plan for you: Use the online Caremark Estimator Worksheet to determine if the Standard or High Option Caremark Prescription Plan offers better overall costs. Also use the "Caremark Rx Summary of Benefits for Standard & High Plans.
- Utilize the many free programs and discounts available on the new Wellness page.

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TOOLS, TIPS & REMINDERS: Online Tools



Using the Medicare website, you can:

- Find a doctor who accepts Medicare: Go to <http://www.medicare.gov> and click on the left-side button called "Facilities and Doctors." Then, in the top middle of the page, click "Find a Doctor." It is recommended that you call the doctor to verify that they are accepting Medicare.
- Find health and drug plans and compare them to County offerings
- Determine what Medicare covers
- Much more!

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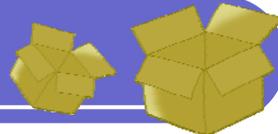
TOOLS, TIPS & REMINDERS



- Read materials mailed to your home
- If you move, completing a Retiree Personal Data Form, available online on the OHR website
- Not sure if a benefit is covered or requires pre-authorization? Call your insurance carrier (number listed on back of your card) **before** seeking services
- Keep copies of all paperwork submitted or received (e.g., annual confirmation statements) for your records.
- Review group insurance deductions on your pension check or Direct Bill invoice
- Keep your eyes peeled for Open Enrollment materials each Fall

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MOVING



- The **CareFirst BlueCross BlueShield (BCBS) Point-of-Service (POS)** offers a **nationwide component plan** called “CareFirst BCBS POS Out of Area.” It provides in- and out-of-network benefits if you reside outside the POS network service area. Enrollment in the Out of Area Plan is automatic for retirees who move/reside outside the POS network service area.
- **United Healthcare is available nationwide**, so participant do not need to do anything to continue the same coverage.
- **Kaiser is not available nationwide**, so participants who move out of the service area must elect either United Healthcare or one of the CareFirst BCBS POS Out-of-Area Plans (High or Standard Option). Also, because Kaiser includes prescription drug coverage, Kaiser participants must elect one of the separate Caremark Prescription Plans (High or Standard Option).
- **IMPORTANT:** Any changes to your group insurance must be made **within 60 days of your move** by completing a Retiree Group Insurance Election Form, available online at www.montgomerycountymd.gov/ohr (click Forms).

Legal Information

The County expects to continue its group insurance plans, but it is the County's position that there is no implied contract between employees and the County to do so, and the County reserves the right at any time and for any reason to amend the terms of the plans or terminate the plans, subject to the County's collective bargaining agreements. The County may also amend the plans at any time, either prospectively or retroactively, as required by federal law.

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Thank you

We hope you have enjoyed learning about your retiree group insurance and how it works with Medicare. Thank you for allowing us to serve your group insurance needs.

Your OHR Benefits Team



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