

# 2012 State Health Benefit Plan (SHBP)

## Retirement Benefits Presentation



Presentation to: Retiring Employees

Presented by: SHBP Communications

# Today's Topics

- When You Retire
- State Health Benefit Plan (SHBP) Options
- Changing Options
- Qualifying Events
- Surviving Spouses
- SHBP Medicare Policy
- General Medicare Information
- SHBP Medicare Advantage (MA) Options
- Reminders
- Contact Information

# When You Retire

- You may continue coverage at retirement if:
  - You are receiving a monthly benefit from a Georgia-sponsored retirement system; and
  - You and your dependents are enrolled at the time of your retirement
  - You must have continuous coverage from active to retiree status
- You do not need to complete a paper form if you are covered under ERS, TRS or PSERS (others will need to complete the Retiree/Surviving Spouse form)
- **NOTE: You cannot continue your health insurance if you take a lump sum distribution from a Georgia-sponsored retirement and will not receive a monthly retirement benefit**

# When You Retire (under age 65)

- You coverage will roll over into your current option and tier
- Your premiums will be the same as active employees
- You may select a Wellness HRA, HMO, HDHP or Standard HRA, HMO, HDHP Option under CIGNA or UnitedHealthCare
- TriCare Supplement (eligible military only)

# When you Retire (over age 65)

- You have two additional options
  - Medicare Advantage PPO – Standard and Premium Plans
- If SHBP **HAS** received your Medicare (A and B) information
  - You will be enrolled in the Medicare Advantage Standard PPO Plan with your current vendor and tier

# When you Retire (over age 65)

- If SHBP Has **NOT** received your Medicare information or if you prefer not to enroll in one of the SHBP MA PPO options
  - You will remain in your current coverage and tier
  - You will pay the full cost for your health insurance until SHBP receives proof of Medicare Part B enrollment

# Changing Options

- Once set-up as a retiree, you have the opportunity to change options:
  - Within 31 days from the date on your retirement letter
  - You or a covered dependent become eligible for Medicare (age 65 or disabled)
  - If the retirement benefit does not cover the premium
  - During the annual Retiree Option Change Period (ROCP), which is held each fall and corresponds with the annual Open Enrollment (OE) period for active members  
*(during ROCP you can only change options)*

# Qualifying Events

Making changes to your health insurance

- Marriage
- Spouse loses eligibility for coverage
- Acquisition or death of a dependent
- Divorce



***You have 31 days before or after a qualifying event to notify SHBP ( 90 days for newborn)***

# Changing Options Due to a Qualifying Event

## Reminders

- You change options or vendors
  - Deductibles and out-of-pocket accumulations will not transfer
  - HRA credits will not transfer
- You change from HDHP or HMO to HRA
  - HRA credits will be prorated based on months remaining but the deductible and out-of-pocket won't
- You move from HRA to SHBP MA PPO
  - Unused HRA credits of \$100 or more will be set up in a separate account to use for co-payments and co-insurance costs under the MA PPO Option

# Changes without a Qualifying Event

- You may decrease your tier or change to “you only” coverage at any time
- You may discontinue SHBP at anytime (***but you will not be able to get the coverage back unless you return to work in a SHBP benefit eligible position***)
- If you and your spouse are retired, covered by SHBP and are both drawing a monthly retirement benefit from a Georgia-sponsored retirement system, you may change from you + family coverage to each having “you only” coverage at any time (the request for you and your spouse must be filed at the same time)

# Surviving Spouse-Continuing Coverage

If your surviving spouse or eligible child **will** receive an annuity:

- Apply within 90 days of retiree's death
- Current coverage can continue
- Premiums are deducted from annuity
- Surviving spouse or eligible child cannot add dependents

# Surviving Spouses-Continuing Coverage

If your surviving spouse **will not** receive an annuity:

- Coverage can continue if married at least 1 year
- Apply within 90 days of retiree's death
- Premium paid directly to Plan
- Coverage ends for everyone on the contract if spouse remarries

**Note:** if your surviving child does not receive an annuity and there is no surviving spouse, the child may continue coverage for 36 months through COBRA provisions

# SHBP Medicare Policy for Retirees and Spouses over age 65

- Must enroll in one of the SHBP Medicare Advantage (MA) Plans in order to continue to receive the state contribution toward the cost of their health insurance
- May elect the Wellness or Standard, HMO, HRA or HDHP option through Cigna and UnitedHealthcare, but **will not** receive the state contribution toward the cost of the premiums. Premiums will increase significantly



# Medicare

Medicare is offered to retirees at age 65 or individuals who are disabled under Social Security

- Part A – usually free and provides coverage for hospitalization
- Part B – is means based and the rate will be \$99.90 for most retirees (may be higher for those with higher incomes)  
provides coverage for provider services
- Part D approx \$35 (only those not in the MA PPO)  
provides coverage for prescription drugs

# Medicare

- SHBP will send you information about your options, premiums and Medicare enrollment 4 months prior to you or your spouse turning 65
- You must submit copies of you Medicare Cards A and B or proof of Medicare coverage to SHBP prior to you or your spouse turning age 65
- You will be charged the unsubsidized rate until SHBP has received and processed your Medicare information
- The Centers for Medicare and Medicaid (CMS) require a physical street address for enrollment in one of the Medicare Advantage options

# Medicare

- Enrollment in Medicare Part A is automatic
- You enroll in Medicare Part B by contacting the Social Security Administration
- You should enroll in Part B when you first become eligible (unless you are still working) to avoid possible penalties for enrolling at a later time
- You must be in Part B in order to enroll in one of the SHBP MA PPO Options

# Medicare Advantage PPO Plans

- MA PPO Standard and Premium plans include your prescription drug coverage – **do not enroll in a separate Part D Plan**
- If you enroll in an individual MA PPO Plan after enrollment with SHBP, you will lose your MA PPO coverage under SHBP and you will be placed in an unsubsidized option you had prior to MA PPO coverage.
- Once enrolled in the SHBP MA PPO you must continue to pay the Medicare Part B premium
- Providers must accept Medicare or services will not be covered
- Covered services, co-payments and/or coinsurance will be the same whether the provider is in-network or out-of-network

# What if Everyone in the Family is Not Age 65 or Older?

Family members age 65 or over will be enrolled in the MA PPO option and those under age 65 will remain in the current option with the same vendor as the retiree.

Example: The retiree is over age 65 and the spouse is under age 65. The retiree selects one of the MA PPO options and the spouse remains covered in either the HRA, HDHP or HMO Standard or Wellness option with the same vendor as the retiree. We call this a split option. The tobacco and spousal surcharges do not apply to split option plans.

# What if I Decide to Return to One of the Non MA PPO Options?

- Traditional Medicare Part A and B will become your primary insurance.
- SHBP will pay secondary benefits
- You may want to enroll in an individual Medicare Part D Prescription Drug Plan
- You will pay the entire cost of the SHBP coverage

# What if I Continue to Work Beyond Age 65

## **If you work past age 65**

- You are not required to enroll in Medicare Part B
- SHBP is primary for you (and your spouse even if covered by Medicare) so purchasing Parts B and D may not be cost effective until you retire
- You may apply for Medicare 2 months prior to retirement

**Note: The Prescription Drug coverage under the HDHP is not considered creditable. You must enroll in a Medicare Part D plan as soon as you are eligible to prevent a late enrollment penalty even if you are actively working.**

# TriCare Supplement and Medicare

- At age 65 you are no longer eligible for the TriCare Supplement
  - If you or your spouse turn age 65, TriCare Supplement ends. Your SHBP coverage will default to the MA PPO Standard Plan available at the time TriCare coverage ends

# Important Reminders

- Medicare Advantage enrollment is optional for retirees under age 65 and must be approved by the Centers for Medicare and Medicaid Services (CMS)
- Pre-65 retirees may enroll in the HRA, HDHP or HMO Standard or Wellness options and will pay the same rate as active employees
- Surcharges apply to all options except the MA PPO Options, split options or the unsubsidized options
- Retirees over 65 may enroll in the Standard or Wellness HRA ,HDHP or HMO options but will pay the full cost of the premiums

# Important Reminders

- In order to enroll in one of the SHBP MA PPO Options you must have at least Medicare Part B coverage
- You must submit proof of your Medicare enrollment (A and B) to SHBP as soon as you receive your cards or proof of Medicare coverage
- If you are retired at the time you or your spouse reach age 65, you can apply for Medicare up to 3 months prior to your 65<sup>th</sup> Birthday.
- SHBP does not refund premiums for failure to submit your Medicare information timely. You will pay the higher rate until SHBP receives your Medicare information

# If You Need Additional Information or Have Questions

If you have questions about eligibility,  
you may contact us at:

➤ 800-610-1863

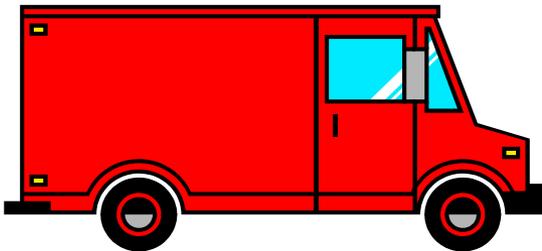


Notify SHBP if your address changes. The information must be in writing and include the member's Social Security number. The retirement system does not notify us if your address changes. Request should be mailed to:

SHBP

P.O. Box 1990

Atlanta, GA 30301-1990



\* CMS Requires a physical address for enrollment in MA

