Retirement and Health Insurance

What do I need to know?
What do I need to do?

Our Mission: To protect and improve the health and environment of all Kansans.
Things to Consider

• Age at Retirement
• Date of Retirement
• Supplemental Health Insurance
  – State of Kansas Direct Bill
  – Private Insurance
  – COBRA
When You Become Medicare Eligible

• While still working
• Medicare eligible at same time retiring
• Medicare eligible after retiring
Overview of Direct Bill

• What is Direct Bill?
• Allows you to continue with the same plans and coverage as you had as an active employee
• Options to change carriers at retirement
• You must contact your Human Resource office and they will submit a request to SEHP that you want to retire
• You have the same qualifying events as when you were an active employee, however you can drop dependents at any time without a qualifying event
Overview of Direct Bill
(continued)

• Medical, dental and prescription drug coverage ends last day on payroll; vision coverage ends the last day of that month.

• For non-Medicare members, Direct Bill coverage begins the next day

• For Medicare eligible members their coverage will begin the 1\textsuperscript{st} of the next month

• Medicare eligible members could elect COBRA coverage for the balance of the month before their Medicare would go into effect
Overview of Direct Bill (continued)

• Watch for the Annual Open Enrollment period each fall
• Remember you will no longer have the Employer Contribution to your premium
• You will not be eligible to enroll in the Flexible Spending Accounts (FSA’s) or Health Savings Accounts HSA or HRA
• If enrolled in one or all of the MetLife plans a letter from MetLife will be sent to you about continuing this coverage. Their phone number is 1-800-GET-MET8 (1-800-438-6388)
• If your enrollment in the State plan is discontinued, you cannot return at a later date (Vision Only coverage does not qualify as enrollment in a State plan)
Paying Premiums

• Members will be required to pay their premiums by bank draft, bank accounts will be drafted on or around the 8th of each month for that month’s premiums.

• Members will need to enter in their bank information into the MAP portal at the same time you are making your coverage elections.
Other Direct bill Program Benefits

• Prescription Drug Coverage
  ▪ Standard Caremark for all Non-Medicare plans—A, C, J, N & Q
  ▪ 2 Aetna Part D options with all Medicare plans
  ▪ Part D with the Advantra Plans

• Dental Coverage (One time Opt-out option)

• Vision Coverage (Optional)
Non-Medicare Plans
A, C, J, N and Q

• Aetna
• Blue Cross and Blue Shield
<table>
<thead>
<tr>
<th></th>
<th>Blue Cross &amp; Aetna</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>975.69</td>
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<tr>
<td><strong>Drug Coverage</strong></td>
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<td><strong>Dental</strong></td>
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<tr>
<td><strong>Total Monthly Premium</strong></td>
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<td><strong>Total Annual Premium</strong></td>
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</table>

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## Non-Medicare Eligible Monthly Premium Comparison (2018) Plan C – Member Only

<table>
<thead>
<tr>
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<th>Blue Cross &amp; Aetna Plan C</th>
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<tbody>
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<td><strong>Plan Premium</strong></td>
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<table>
<thead>
<tr>
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</thead>
<tbody>
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<td><strong>Plan Premium</strong></td>
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<td><strong>Total Monthly Premium</strong></td>
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</tr>
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<td><strong>Total Annual Premium</strong></td>
<td>9,992.40</td>
</tr>
</tbody>
</table>

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## Non-Medicare Eligible Monthly Premium Comparison (2018) Plan N – Member Only

**Plan Premium** | **Blue Cross & Aetna Plan N**<br>**Plan Premium**<br>693.97<br><br>**Drug Coverage Included**<br>**Included**<br><br>**Dental**<br>36.20<br><br>**Total Monthly Premium**<br>730.17<br><br>**Total Annual Premium**<br>8,762.04
<table>
<thead>
<tr>
<th></th>
<th>Blue Cross &amp; Aetna Plan Q</th>
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<tbody>
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<td><strong>Plan Premium</strong></td>
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<td><strong>Dental</strong></td>
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<tr>
<td><strong>Total Monthly Premium</strong></td>
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<tr>
<td><strong>Total Annual Premium</strong></td>
<td>8,843.76</td>
</tr>
</tbody>
</table>
Split Enrollment

• Enrollment for Direct Bill Members with “Mixed Eligibility”
  ▪ One member/spouse is Medicare eligible and the other is not
  ▪ Both member and spouse are Medicare eligible
  ▪ Medicare eligible member enrolls in Kansas Senior Plan C, OR one of the Coventry Advantra plans
  ▪ The Non-Medicare eligible member enrolls in Plan A, C, J, N or Q
Medicare: Understanding the Cornerstone to Retiree Health Insurance
Medicare Eligibility

• Who is Eligible:
• Persons age 65 and eligible for Social Security or Railroad Retirement benefits
• Persons at any age on Social Security Disability for 24 months or more
• Persons with End Stage Renal Disease or ALS/Lou Gehrig’s Disease
4 Parts of Medicare Insurance

- Part A - Hospital Insurance
- Part B - Medical Insurance
- Part C - Medicare Advantage
- Part D – Prescription Drug
Medicare Part A
(Hospital Insurance)

• No premium when eligible for Social Security
• Deductible ($1,340 for first 60 days)
• Co-insurance ($335 per-day 61-90)
• 60 Lifetime Reserve Days (non-renewable) at $670/day
• Skilled Nursing Facility Days (Days 1-20 free, $167.50/day for days 21-100)
Medicare Part B
(Medical Insurance)
2018 Rates

• The standard Part B premium amount is $134 (or higher depending on your income)
• Deductible ($183 per year)
• Co-insurance (20% of approved charges)
• Co-insurance (20% of approved charges)
• No out-of-pocket maximum

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Medicare Part C (Medicare Advantage)

• Medicare Advantage Plans are another way to get your Medicare benefits. The plans combine Part A, Part B and Part D coverage.

• With Medicare Advantage, you have the following choice with the State:
  – Preferred Provider Organization Plans (PPOs)
    • Freedom
    • Liberty
Medicare Part D

- Medicare Prescription Drug Coverage
- Example of a Plan Design on the Private Market
  - $405 Deductible, then
  - 25% co-insurance to next $3,750 then
  - Coverage Gap (donut hole)
  - Catastrophic Coverage at “TrOOP” ($5,000)
- Administered by Private Companies
- Premium varies from $20.40 to $155.60 per month for 2018
- Low Income Beneficiaries may qualify for a subsidy through The Centers for Medicare and Medicaid Services (CMS)
Medicare Does Not Pay For:

• Eyeglasses (some exceptions apply)
• Hearing Aids
• Dental Care
• Care outside of U.S. (some exceptions apply)
• For more information on these exceptions, please contact Medicare
Important Choices:

• Timely enrollment in Medicare Part A & B
  – Up to 3 months prior to 65\textsuperscript{th} birthday
  – Month of your 65\textsuperscript{th} birthday
  – 3 months after the month of your 65\textsuperscript{th} birthday

• Part D enrollment if Applicable to your situation

• Choice of Coverage to supplement Medicare
Coverage Factors

• Medicare pays claims first
• State plans or other supplemental plans pay claims second
Kansas Senior Plan C

• Only available if you are Medicare eligible
• Medicare Supplemental plan
• Fully insured by BCBS
• Available Nationwide
• Members and covered dependents MUST
  – Be enrolled in Medicare Part A
  – Be enrolled in Medicare Part B
Kansas Senior Plan C

- Designed to coordinate with traditional Medicare coverage
- Pays the Medicare Part A deductible and co-insurance
- Pays the Medicare Part B deductible and co-insurance
- Foreign Travel Coverage
  - $250 deductible
  - 80% to lifetime maximum of $50,000

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Kansas Senior Plan C

• Prescription Coverage (Aetna Part D Premier Option and Aetna Part D Value Option)
• Dental benefits Opt-out Option (Delta Dental)
• If covering a Medicare spouse/dependent (separate enrollments)
• Choose a provider or hospital that accepts Medicare assignment
Aetna Part D Premier Option Plan

• Creditable coverage
• Provides coverage through the coverage gap or “donut hole”
• No deductible with Aetna Part D
• Benefits are the same for retail or mail order purchases
• Co-insurance
• Monthly premium of $179.26
Aetna Part D Value Option Plan

- Creditable coverage
- Provides coverage through the coverage gap for generic drugs only
- $100 deductible
- Network & Non-Network Pharmacies
- Co-payments
- Monthly premium of $87.72
Aetna Part D
Premium Billing Process

- Invoices members for prescription coverage

- Toll Free Numbers:
  - Customer Care-- 1-844-233-1939
  - Billing for monthly payments-- 1-877-238-6211
Coventry Advantra Freedom PPO & Coventry Advantra Liberty PPO

- Medicare Advantage Plan (Part C)
- Must be enrolled in Medicare Parts A & B
- Network based program
- Must live in one of the following states: Kansas, Missouri, Oklahoma or Arkansas

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Coventry Advantra Freedom PPO

- Medicare Part D
  - Coventry Advantra Part D (provides coverage through the donut hole with unlimited preferred generic drugs)
  - Aetna Part D

- State’s Dental Plan – Delta Dental $36.20
- Out-of-pocket max $1,000 - applies to all in-network services except prescription drugs
- Premiums range from $184.00, $207.72 to $299.26 depending on the Part D option selected
Coventry Advantra Liberty PPO

(continued)

• Medicare Part D
  - Coventry Advantra Part D (provides coverage through the donut hole with unlimited preferred generic drugs)
  - Aetna Part D
• State’s Dental Plan – Delta Dental $36.20
• Out-of-pocket max $3,500 - applies to all in-network services except prescription drugs
• Premiums range from $169.00, $204.72 to $296.26 depending on the Part D option selected
Cost of Continuation with the State Employee Health Plan

- Cost of the Health Plan
- Cost of Medicare Part D premiums
- This does not include the cost of any out-of-pocket expenses such as deductibles, co-payments or co-insurance
- Employer contribution no longer available
- FSA and pre-tax reductions no longer available
## Monthly Premium Comparisons for Medicare Advantage Plans
### Member Only (2018)

<table>
<thead>
<tr>
<th></th>
<th>Coventry Advantra Freedom PPO with Part D</th>
<th>Coventry Advantra Liberty PPO with Part D</th>
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</thead>
<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>$184.00</td>
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<td><strong>Dental</strong></td>
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<td><strong>Total Monthly Premium</strong></td>
<td>$220.20</td>
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<td><strong>Total Annual Premium</strong></td>
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<td>$2,462.40</td>
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## Monthly Premium for Kansas Senior Plan C Without Part D
### Member Only (2018)

<table>
<thead>
<tr>
<th></th>
<th>KS SR Plan C without Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>$212.06</td>
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<tr>
<td><strong>Medicare Part D Prescription Plan</strong></td>
<td>$20.40 to $155.60</td>
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<tr>
<td><strong>Dental</strong></td>
<td>$36.20</td>
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<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>$268.66 to $403.86</td>
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<td><strong>Total Annual Premium</strong></td>
<td>$3,223.92 to $4,846.32</td>
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</tbody>
</table>

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## Monthly Premium Comparisons for Medicare Plans
**Member Only (2018)**

<table>
<thead>
<tr>
<th>Plan Premium</th>
<th>Coventry Advantra Freedom PPO with Aetna Part D Premier Option</th>
<th>KS Sr Plan C with Aetna Part D Premier Option</th>
<th>Coventry Advantra Liberty PPO with Aetna Part D Premier Option</th>
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</thead>
<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
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<td>$117.00</td>
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<tr>
<td><strong>Medicare Part D</strong></td>
<td>$179.26</td>
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<tr>
<td><strong>Dental</strong></td>
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<td>$36.20</td>
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<td><strong>Total Monthly Premium</strong></td>
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<td>$5,130.24</td>
<td>$3,989.52</td>
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## Monthly Premium Comparisons for Medicare Plans
### Member Only (2018)

<table>
<thead>
<tr>
<th>Plan Premium</th>
<th>Coventry Advantra Freedom PPO with Aetna Part D Value Option</th>
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<th>Coventry Advantra Liberty PPO with Aetna Part D Value Option</th>
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<td>$120.00</td>
<td>$212.06</td>
<td>$117.00</td>
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<tr>
<td><strong>Medicare Part D</strong></td>
<td>$87.72</td>
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<tr>
<td><strong>Dental</strong></td>
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<td><strong>Total Monthly Premium</strong></td>
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<td>$4,031.76</td>
<td>$2,891.04</td>
</tr>
</tbody>
</table>

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Retirement Enrollment Process

- Contact your HR office & they will submit a request for your retirement (elect or waive State coverage)
- If electing to continue state coverage with Direct Bill, a portal, in the Membership website--
  https://sehp.member.hrissuite.com/ will be open to make these elections for medical, dental, vision and drug coverage—if non-Medicare drug coverage will be Caremark, if Medicare will need to decide which Part D coverage you want to be enrolled in—either what the State offers or elect coverage out on the Private Market
- Only payment option will be to have premiums drafted from checking or savings accounts—so will need to click on the Billing Tab to enter your bank information
- If you elect one of the Aetna Part D prescription drug plans the state offers you will receive a premium invoice from Aetna and pay them directly for this coverage
- If you elect to waive coverage after retirement you will receive paperwork offering you COBRA coverage
Alternative Choices

• Individual policies
  - Check coverage levels
  - Medically underwritten
• Check the “Shopper’s Guide”
• Remember - State coverage must be continuous (as a member or a dependent); it **is not** available later if discontinued after retirement
You are the best judge of what is best for you

- Personal preferences
- Lifestyle
- Travel plans
- Where you will live
- Family health history

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Other Resources

- Agency Human Resources
- Health Benefits - 1-866-541-7100
  - emails – deb.dumas@ks.gov  anna.garner@ks.gov
- Useful websites
  - www.kdheks.gov/hcf
  - www.ssa.gov
  - https://www.kdadss.ks.gov/
- SHICK  1-800-860-5260
- Direct Bill Newsletter (Quarterly)
- Open Enrollment Booklet (Mailed in October)
- Direct Bill Call Center
  - (open mid October through part December )