Retirement and Health Insurance

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

Department of Health and Environment
Division of Health Care Finance

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

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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 1st 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)
- 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 Plan A & Plan C
  ▪ 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)
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 or Plan C
Plan A and Plan C

• Aetna
• Blue Cross and Blue Shield
### Non-Medicare Eligible Monthly Premium Comparison (2017) Plan A – Member Only

<table>
<thead>
<tr>
<th></th>
<th>Blue Cross Plan A</th>
<th>Aetna Plan A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>975.69</td>
<td>1,083.95</td>
</tr>
<tr>
<td><strong>Drug Coverage</strong></td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td><strong>Dental</strong></td>
<td>34.48</td>
<td>34.48</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>1,010.17</td>
<td>1,118.43</td>
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<tr>
<td><strong>Total Annual Premium</strong></td>
<td>12,122.04</td>
<td>13,421.16</td>
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</table>
### Non-Medicare Eligible Monthly Premium Comparison (2017) Plan C – Member Only

<table>
<thead>
<tr>
<th></th>
<th>Blue Cross Plan C</th>
<th>Aetna Plan C</th>
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<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>720.23</td>
<td>799.41</td>
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<tr>
<td><strong>Drug Coverage</strong></td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td><strong>Dental</strong></td>
<td>34.48</td>
<td>34.48</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>754.71</td>
<td>833.89</td>
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<tr>
<td><strong>Total Annual Premium</strong></td>
<td>9,056.52</td>
<td>10,006.68</td>
</tr>
</tbody>
</table>

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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

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Medicare Part A (Hospital Insurance)

• No premium when eligible for Social Security
• Deductible ($1,316 for first 60 days)
• Co-insurance ($329 per-day 61-90)
• 60 Lifetime Reserve Days (non-renewable) at $658/day
• Skilled Nursing Facility Days (Days 1-20 free, $164.50/day for days 21-100)
Medicare Part B  
(Medical Insurance)  
2017 Rates

• The standard Part B premium amount is $134 (or higher depending on your income) However, most people who get Social Security benefits will pay less than $109
• Deductible ($183 per year)
• Co-insurance (20% of approved charges)
• No out-of-pocket maximum Deductible ($166 per year)
• Co-insurance (20% of approved charges)
• No out-of-pocket maximum
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
  - $400 Deductible, then
  - 25% co-insurance to next $3,700 then
  - Coverage Gap (donut hole)
  - Catastrophic Coverage at “TrOOP” ($4,950)
- Administered by Private Companies
- Premium varies from $17.00 to $151.30 per month for 2017
- 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 65th birthday
  – Month of your 65th birthday
  – 3 months after the month of your 65th 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

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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
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
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
Aetna Part D
Premium Billing Process

- Invoices members for prescription coverage

- Customer Care Toll Free Number:
  1-844-233-1939
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
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 $34.48
- Out-of-pocket max $1,000 - applies to all in-network services except prescription drugs
- Premiums range from $156.00, $172.68 to $261.00 depending on the Part D option selected
• 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 $34.48
• Out-of-pocket max $3,500 - applies to all in-network services except prescription drugs
• Premiums range from $140.00, 168.68 to $257.00 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 (2017)**

<table>
<thead>
<tr>
<th></th>
<th>Coventry Advantra Freedom PPO with Part D</th>
<th>Coventry Advantra Liberty PPO with Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>156.00</td>
<td>140.00</td>
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<tr>
<td><strong>Dental</strong></td>
<td>34.48</td>
<td>34.48</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>190.48</td>
<td>174.48</td>
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<tr>
<td><strong>Total Annual Premium</strong></td>
<td>2,285.76</td>
<td>2,093.76</td>
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</tbody>
</table>

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### Monthly Premium for Kansas Senior Plan C Without Part D

Member Only (2017)

<table>
<thead>
<tr>
<th></th>
<th>KS SR Plan C without Part D</th>
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<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>203.00</td>
</tr>
<tr>
<td><strong>Medicare Part D Prescription Plan</strong></td>
<td>17.00 to 151.30</td>
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<tr>
<td><strong>Dental</strong></td>
<td>34.48</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>254.48 to 388.78</td>
</tr>
<tr>
<td><strong>Total Annual Premium</strong></td>
<td>3,053.76 to 4,665.36</td>
</tr>
</tbody>
</table>
## Monthly Premium Comparisons for Medicare Plans
### Member Only (2017)

<table>
<thead>
<tr>
<th></th>
<th>Coventry Advantra Freedom PPO with Aetna Part D</th>
<th>KS Sr Plan C with Aetna Part D</th>
<th>Coventry Advantra Liberty PPO with Aetna Part D</th>
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<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>88.00</td>
<td>203.00</td>
<td>84.00</td>
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<tr>
<td><strong>Medicare Part D</strong></td>
<td>173.00</td>
<td>173.00</td>
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<tr>
<td><strong>Dental</strong></td>
<td>34.48</td>
<td>34.48</td>
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<tr>
<td><strong>Total Monthly Premium</strong></td>
<td><strong>295.48</strong></td>
<td><strong>410.48</strong></td>
<td><strong>291.48</strong></td>
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<td><strong>Total Annual Premium</strong></td>
<td><strong>3,545.76</strong></td>
<td><strong>4,925.76</strong></td>
<td><strong>3,497.76</strong></td>
</tr>
</tbody>
</table>
Retirement Enrollment Process

• Contact your HR office & they will submit a request for your retirement (elect or waive State coverage)
• Receive premium enrollment information from SEHP for medical, dental, vision, and Caremark drug coverage—only payment option will be to have premiums drafted from checking or savings accounts
• Receive premium invoice from Aetna if enrolled in Medicare Part D prescription drug 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
Other Resources

- Agency Human Resources
- Health Benefits - 1-866-541-7100
  - email – deb.dumas@ks.gov
  - Anthony.Rodriguez@ks.gov

Useful websites
- www.kdheks.gov/hcf
- www.ssa.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)