Retirement and Health Insurance

What do I need to know?
What do I need to do?
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
Medical and dental 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)
Other Direct Bill Program Benefits

- Prescription Drug Coverage
  - Standard Caremark for Plan A & Plan C
  - Aetna Part D 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 & Plan C

- Aetna
- Blue Cross and Blue Shield
## Non–Medicare Eligible Monthly Premium Comparison (2016)
### 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>638.08</td>
<td>708.88</td>
</tr>
<tr>
<td><strong>Drug Coverage</strong></td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td><strong>Dental</strong></td>
<td>29.84</td>
<td>29.84</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>667.92</td>
<td>738.72</td>
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<tr>
<td><strong>Total Annual Premium</strong></td>
<td>8,015.04</td>
<td>8,864.64</td>
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</tbody>
</table>
# Non-Medicare Eligible
Monthly Premium Comparison (2016)
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>471.02</td>
<td>522.80</td>
</tr>
<tr>
<td><strong>Drug Coverage Included</strong></td>
<td>Included</td>
<td>Included</td>
</tr>
<tr>
<td><strong>Dental</strong></td>
<td>29.84</td>
<td>29.84</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>500.86</td>
<td>552.64</td>
</tr>
<tr>
<td><strong>Total Annual Premium</strong></td>
<td>6,010.32</td>
<td>6,631.68</td>
</tr>
</tbody>
</table>
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 ($1,288 for first 60 days)
- Co-insurance ($322 per-day 61–90)
- 60 Lifetime Reserve Days (non-renewable) at $644/day
- Skilled Nursing Facility Days (Days 1–20 free, $161/day for days 21–100)
Premium ($104.90 per month for individuals on Medicare 2015 & for members just becoming eligible in 2016 their Premium is $121.80 per month)

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. These plans combines 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
  - $360 Deductible, then
  - 25% co-insurance to next $3,310, then
  - Coverage Gap ("donut hole")
  - Catastrophic Coverage at “TrOOP” ($4,850)
- Administered by Private Companies
- Premium varies from $18.40 to $125.20 per month for 2016
- 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
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)
- 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 Medicare Part D 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
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
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 $29.84

Out-of-pocket max $1,000 – applies to all in-network services except prescription drugs

Premiums range from $156.00 to $264.00
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 $29.84
Out-of-pocket max $3,500 – applies to all in-network services except prescription drugs

Premiums range from $140.00 to $260.00
Cost of Continuation with the State Employee Health Plan

- Cost of the Health Plan
- Cost of Medicare Part B premiums
- 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 (2016)**

<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>
</tr>
<tr>
<td><strong>Medicare Part B</strong></td>
<td>104.90 / 121.80</td>
<td>104.90 / 121.80</td>
</tr>
<tr>
<td><strong>Dental</strong></td>
<td>29.84</td>
<td>29.84</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>290.74 / 307.64</td>
<td>274.74 / 294.64</td>
</tr>
<tr>
<td><strong>Total Annual Premium</strong></td>
<td>3,488.88 / 3,691.68</td>
<td>3,296.88 / 3,499.68</td>
</tr>
</tbody>
</table>
**Monthly Premium for Kansas Senior Plan C Without Part D**
Member Only (2016)

<table>
<thead>
<tr>
<th>Plan</th>
<th>KS SR Plan C without Part D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Premium</td>
<td>203.00</td>
</tr>
<tr>
<td>Medicare Part B</td>
<td>104.90 / 121.80</td>
</tr>
<tr>
<td>Medicare Part D Prescription Plan</td>
<td>18.40 to 125.20</td>
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<tr>
<td>Dental</td>
<td>29.84</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>356.14 to 479.84</td>
</tr>
<tr>
<td><strong>Total Annual Premium</strong></td>
<td>4,273.68 to 5,758.08</td>
</tr>
</tbody>
</table>
## Monthly Premium Comparisons for Medicare Plans
### Member Only (2016)

<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>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Premium</strong></td>
<td>88.00</td>
<td>203.00</td>
<td>84.00</td>
</tr>
<tr>
<td><strong>Medicare Part B</strong></td>
<td>104.90 / 121.80</td>
<td>104.90 / 121.80</td>
<td>104.90 / 121.80</td>
</tr>
<tr>
<td><strong>Medicare Part D</strong></td>
<td>176.00</td>
<td>176.00</td>
<td>176.00</td>
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<tr>
<td><strong>Dental</strong></td>
<td>29.84</td>
<td>29.84</td>
<td>29.84</td>
</tr>
<tr>
<td><strong>Total Monthly Premium</strong></td>
<td>398.74 / 415.64</td>
<td>513.74 / 530.64</td>
<td>394.74 / 411.64</td>
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<tr>
<td><strong>Total Annual Premium</strong></td>
<td>4,784.88 / 4,987.68</td>
<td>6,164.88 / 6,367.68</td>
<td>4,736.88 / 4,939.68</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 Hewlett-Packard (HP) for medical, dental, vision, and Caremark drug coverage
- 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 – Ddumas@kdheks.gov eteague@kdheks.gov

- Useful websites
  - www.kdheks.gov/hcf
  - www.ssa.gov
  - www.agingkansas.org/shick
    - 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)