



An Overview of **State Health Benefit Plan for Retirees for 2012**

Overview

- You may keep your health coverage if you are eligible to receive a monthly retirement benefit from a Georgia-sponsored retirement system and are enrolled in State Health Benefit Plan (SHBP) coverage at the time you retire. You cannot begin SHBP coverage after you retire.
- You cannot continue your health insurance if you take a lump sum distribution from a Georgia-sponsored retirement system and do not receive a monthly retirement benefit payment.
- Your eligible dependents must also be enrolled in SHBP coverage at the time you retire to continue their coverage. Dependents may not be added after retirement unless you experience a qualifying event.
- Your health insurance automatically “rolls over” into retirement with the same coverage tier and dependents you currently have covered if you are receiving your annuity from the Employees Retirement System, Teachers Retirement System or the Public School Employees Retirement System. However, if you and/or a covered dependent are covered by Medicare, coverage will roll to the Medicare Advantage (MA) PPO Standard Plan of the health care vendor the retiree had as an active employee, provided SHBP has received and processed your Medicare information. If you are covered by another Georgia-sponsored Retirement System, you must complete a Retiree/Surviving Spouse form to continue your health insurance in retirement.
- Once you are set up as a retiree at a Georgia-sponsored retirement system, you will receive a letter from SHBP that allows you to change your option and tier within 31 days of retirement.
- You may change coverage to a lower tier or discontinue your coverage at anytime, but once you discontinue the coverage, you cannot get it back unless you return to work in a position that offers SHBP coverage.
- If your address changes, you must notify SHBP to continue receiving health plan information. SHBP is not responsible if you fail to receive plan information or miss an opportunity or deadline because you did not keep your mailing address updated with SHBP. Please send a letter with the retiree’s name, social security number and new address to SHBP, P.O. Box 1990, Atlanta, GA 30301-1990.

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Medicare and You

- If you are actively working for the state at age 65 or older, SHBP will pay primary benefits on you and your spouse; you are not required to enroll for Medicare until you retire.
- Medicare does not impose penalties if you enroll in Medicare after becoming eligible if you were actively working and had creditable group health insurance. However, you must apply within Medicare’s time limits once you retire. For information regarding Medicare enrollment, call 1-800-MEDICARE (1-800-633-4227) or visit the website at www.medicare.gov.

Note: The prescription drug coverage under the HDHP is not considered creditable coverage. If you delay enrollment in a Part D Plan or SHBP Medicare Advantage PPO – even if you are actively working past age 65 – Medicare will penalize you for late enrollment. You will pay the penalty every month thereafter.

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If you and your spouse are retired and under age 65 without Medicare

- The \$80 tobacco (if you or your spouse is a smoker) and \$50 spousal surcharges apply
- SHBP will remain your primary insurer and options and premiums will be the same as an active employee until you or your spouse turn 65.

When you and/or your spouse or eligible dependents reach age 65 or become eligible for Medicare

- You should enroll in Medicare Parts A and B as soon as you are eligible. Part A covers hospitalization and B covers your physician visits, tests etc.
- You will pay a higher premium until the SHBP receives proof of your Medicare enrollment and the change in premium is processed by the retirement system. You should submit a copy of your Medicare card to the SHBP the first of the month prior to the month you turn 65 to: SHBP, P. O. Box 1990, Atlanta, GA 30301-1990 or via our secure fax line at 866-828-4796.
- You must enroll in one of the Medicare Advantage (MA) PPO Standard or Premium plans if you wish to continue to receive the state contribution toward your health insurance premiums.
- CMS requires a physical address for MA enrollment. If the only address SHBP has on file is a PO Box, your request for enrollment in one of the SHBP MA PPO options will be denied by CMS.
- Delay in submission of Medicare information does not qualify for a refund of the difference in premiums.
- The SHBP MA PPO options include Part D, prescription drug coverage. **You should enroll in Medicare Part D only if you wish to be covered in the HRA, HMO or HDHP option.** If you enroll in one of these options you will pay the entire cost of the premium.
- You must continue to pay your Part B Premium to continue enrollment in a Medicare Advantage Plan.
- You may enroll in the HRA, HMO, HDHP options, but you will pay the entire cost of the premium.

Changing Options

- An annual Retiree Option Change Period (ROCP) is held each fall and corresponds with the annual open enrollment period. During this time period, you may change your option for the next plan year. An ROCP packet will be mailed to your home prior to the start of the ROCP. Please make sure SHBP has your correct address.
- Any changes made during the ROCP will be effective the following January 1.

Qualifying Events

Qualifying events allow you to make changes in your health insurance. You must submit the request to SHBP within 31 days (90 days for newborn) prior to or after the qualifying event. The effective date of the change in coverage will be the first of the month following the request. If SHBP needs more information, you will receive a letter requesting information. If SHBP receives the documentation within the Plan Year, coverage will be retroactive to the later of the qualifying event date or the first of the Plan year. If the request is not received within this time frame, you will not be able to add the dependent to your coverage unless you experience another qualifying event.

Please refer to the Summary Plan Description for a complete detailed list of Qualifying Events.

Note: *If you delay Medicare Part D/Medicare Advantage PPO enrollment for any reason including if actively working, you may pay a penalty if you enroll in a MA PPO or Part D Plan at a later date.*

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Surviving Spouses (living spouse of a deceased retiree) and eligible dependents

If your surviving spouse or eligible children will receive(s) an annuity:

- Apply within 90 days of retiree's death
- Current coverage can continue
- Premium will be deducted from annuity if the annuity is large enough to cover the premium; if not, payments must be made directly to the Plan
- New dependents cannot be added to coverage

If your surviving spouse will not receive an annuity:

- Coverage can continue if married at least one year
- Apply within 90 days of retiree's death
- Premium paid directly to Plan
- Coverage ends if spouse remarries
- New dependents cannot be added to coverage

If your surviving child will not receive an annuity and there is no surviving spouse, the child may continue the coverage for 36 months through COBRA provisions.

What if you and your spouse both work for the state and are eligible for SHBP coverage?

- If you need you + family coverage because you need to cover a dependent, the retiree or active employee may take you + family coverage. However, if the retiree will be covering the entire family instead of the active spouse, the retiree must have picked up you + family coverage during the last Open Enrollment period as an active employee.
- If you are retiring and are covered as a dependent under your active spouse's SHBP coverage, you have two options:
 - Remain as a covered dependent under your active spouse's coverage, or
 - Enroll in coverage for you only during the last Open Enrollment period as an active employee.
- If one spouse is retired and the other spouse is still actively working, when your last dependent becomes ineligible for coverage, the active employee can change tier to you-only and the retiree can enroll in you-only coverage. The request must be submitted for both members within 31 days of the qualifying event. Both members must request the change to you-only. One cannot keep family coverage while the other requests you-only.
- 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 + spouse or you + family coverage to each having a lower tier at any time. (The request for you and your spouse must be filed at the same time.)

For more detailed information, please refer to the Decision Guide or Summary Plan Descriptions (SPD) available at www.dch.georgia.gov/shbp.

Disclaimer: This material is for informational purposes. It is intended only to highlight principal eligibility and benefits.