

Retirement Benefits from State Health

January 1– December 2009

Note: Information in this Presentation applies to the 2009
Plan Year only.



Presented by State Health Benefit Plan

DCH Mission

ACCESS



Access
to affordable,
quality health
care in our
communities

RESPONSIBLE



Responsible
health planning
and use of
health care
resources

HEALTHY



Healthy
behaviors and
improved
health
outcomes

DCH Initiatives

FY 2008 and FY 2009

FY 2008

- Medicaid Transformation
- Health Care Consumerism
- Financial Integrity
- Solutions for the Uninsured
- Medicaid Program Integrity
- Workforce Development
- PeachCare for Kids Program Stability
- Customer Service and Communication

FY 2009

- Medicaid Transformation
- Health Care Consumerism
- Financial Integrity
- Health Improvement
- Solutions for the Uninsured
- Medicaid Program Integrity
- Workforce Development
- PeachCare for Kids™ Program Stability
- Customer Service

State Health Benefit Plan Overview

- When You Retire
- State Health Benefit Plan (SHBP) Options
- Changing Options
- Qualifying Events
- Surviving Spouses
- SHBP Policy Changes

When You Retire

May continue coverage at retirement if you:

- Are eligible to receive and are receiving a monthly benefit from a Georgia-sponsored retirement system and
- Are enrolled in the SHBP at time of retirement
- Your insurance will automatically rollover into retirement if enrolled in ERS, TRS or PSERS

NOTE: You cannot continue your health insurance if you take a lump sum distribution from a Georgia-sponsored retirement and you do not receive a monthly retirement benefit

When You Retire

- Once set-up as a retiree, you have the opportunity to change options (if request is made within 31 days from date on letter)
- Must have dependents (which includes your spouse) covered at the time of retirement
- If in another retirement system, you must complete the Retiree/Surviving Spouse Form to make your election for coverage as a retiree

SHBP Plan Options – January 1, 2009

- Health Reimbursement Arrangement (HRA)
- High Deductible Health Plan (HDHP)
- Preferred Provider Organization (PPO)
- Health Maintenance Organization (HMO)
- Medicare Advantage Private-Fee-For-Service Plan (MA-PFFS) (retirees age 65 or older and/or their spouses or those determined to be disabled by Social Security who are eligible for Medicare)



Changing Options

- Annual Retiree Option Change Period (ROCP) is held each fall and corresponds with the annual open enrollment period for active members. (ROCP packets are mailed to your home prior to the start of ROCP, if SHBP has your correct address)
 - *You can only change options during ROCP.*
- When the retirement benefit doesn't cover premiums
- When you are eligible for Medicare

Qualifying Events for Enrolled Retirees

Allow you to make changes in your health insurance

- Marriage
- Spouse loses coverage due to loss of eligibility
- Acquisition or death of a dependent
- Student returns full-time to school
- Divorce

*You have 31 days before or after an event to notify
SHBP*

Changes without a Qualifying Event

- You may change to single coverage at any time
- You may drop SHBP at anytime (*but you will not be able to get the coverage back unless you return to work with the state of Georgia in a benefits eligible position*)

Changes without a Qualifying Event

- 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 family coverage to each having single coverage at any time (the request for you and your spouse must be filed at the same time)

Surviving Spouses and Eligible Dependents

If your surviving spouse or eligible child receives an annuity:

- Apply within 31 days of retiree's death
- Current coverage can continue
- Premiums are deducted from annuity
- Surviving spouse or eligible child cannot cover new spouse

Surviving Spouses

If your surviving spouse does not receive an annuity:

- Coverage can continue if married 1 year
- Apply within 31 days of retiree's death
- Premium paid directly to Plan
- Coverage ends 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

If my spouse and/or I are under age 65 and not eligible for Medicare, what should we do?

- If you and your spouse have not yet reached 65, and are looking for low premiums and out-of-pocket expenses-you may want to consider an Health Reimbursement Account (HRA) or High Deductible Health Plan (HDHP)
- SHBP will remain your primary insurer until you are enrolled in Medicare. For 2009, premiums will be the same for you as for an active employee. Premiums will change during the year if you or your spouse reach age 65 or become eligible for Medicare during the year.

Retirement and Medicare

- Currently, when you retire and are eligible for Medicare, your premiums are based on the parts of Medicare that you have. State law requires that Medicare becomes your primary insurance carrier at age 65 or when disabled.
- Medicare is offered to retirees at age 65 or individuals who are disabled under Social Security in three parts:
 - Part A – free, provides coverage for hospitalization
 - Part B – provides coverage for provider services; is means based and the rate will be \$96.40 for most retirees, but may be higher for those with higher incomes
 - Part D approx \$30, provides coverage for prescription drugs

Retirement and Medicare

For 2009, SHBP will:

- calculate premiums and claims payment based upon Medicare enrollment for retirees over age 65 or those eligible for Medicare due to disability
- coordinate benefits for members who are enrolled in Medicare
- pay primary benefits on members **not eligible** or **not enrolled** in Medicare for a higher premium than those with full Medicare

Retirement and Medicare

- SHBP is your secondary if you are covered by Medicare and retired
- It is important that you enroll for Medicare Parts A and B when you first become eligible
- Medicare Part B can be purchased even if you have not worked enough quarters to qualify
- You and/or your spouse can purchase Medicare Part B if you are a U.S. Citizen, reside in the U.S., age 65 or older (or a legal non-citizen, age 65 or older, who resides and has lived in the U.S. for at least 5 years)

Retirement and Medicare – July 1, 2009

Effective July 1, 2009

- Retirees and/or their spouses 65 or older who are NOT enrolled in Medicare Part B will pay higher premiums
 - Anyone who is a U.S. Citizen, residing in the U.S., age 65 or older (or a legal non-citizen, age 65 or older, who resides and has lived in the U.S. for at least 5 years) may purchase Medicare Part B

Retirement and Medicare – July 1, 2009

- Retirees who do not have Medicare Part B should enroll for this coverage during the annual Medicare enrollment period of January 1 through March 31
- Part B Coverage will become effective on July 1 of the same year
- SHBP will pay the penalties for any late entry fee for enrolling in Medicare Part B during the 2009 annual Medicare enrollment period of January 1 through March 31.

Retirement and Medicare – July 1, 2009

- In order for SHBP to pay the penalty, the retiree/spouse must give SHBP written permission to pay the penalty on their behalf
- Retirees that do not enroll in Part B will experience a significant increase in premiums

Retirement and Medicare – January 1, 2010

Effective January 1, 2010

- Mandatory Medicare Advantage (MA) enrollment for all retirees and their covered spouses eligible for Medicare
- SHBP will expand the MA Plans to include “Part B Only” to accommodate retirees not enrolled in Part A Medicare
- Retirees not enrolled in Part B will lose the 75% state subsidy and pay the full premium

Retirement and Medicare – January 1, 2010

- Retirees who enroll in a MAP option, will not have to file claims with Medicare or purchase a Medicare Part D plan
- Members who have balances in their HRA account and change to a MAP option, can transfer their balances to a stand alone HRA account January 1, 2010

Who is Primary at Age 65?

Medicare is primary when you are retired and 65 or older or are disabled under Social Security.

If you work past age 65:

- Purchasing Parts B and D may not be cost effective until you retire
- Because SHBP is primary for you (and your Medicare spouse, if applicable) when you are actively employed

If You Need Information or Have Questions

www.dch.georgia.gov/shbp_plans

- Health Plan Decision Guides
- SHBP Forms, Pharmacy Information
- Rates and SHBP News, Health and Wellness Information
- Summary Plan Descriptions (together with State regulations, these are the official plan documents)

Questions

CIGNA

www.CIGNA.com/SHBP

(800) 942-6724

UnitedHealthcare

www.myuhc.com/groups/gdch

(877) 246-4190

Remember

- Forms available www.dch.georgia.gov/shbp_plans
- Notify SHBP if your address changes. The retirement system does not notify us if your address changes. Your address is the only way we have to get in touch with you.

Send the address change to:

SHBP

P.O. Box 38342

Atlanta, GA 30334

Make sure to include your social security number

Never Forget!

*Coverage must be continuous
from active into retirement!!!*

You cannot re-enroll!

