



# Important Information About Your Medical Plans

Retiree Benefit Focus

October 2009

Department of Administration, Office of Group Insurance

**As you know, the 2009 Legislature passed House Bill 173. House Bill 173 changed eligibility for participation in the retiree medical plan to no longer include retirees and their dependents who are age 65 or older. The Department of Administration traveled the state during August meeting with our retirees to begin the process of helping you move from the State's plan to the private plan of your choice. All Retirees and dependants age 65 and over will no longer have access to the State's plan as of January 1, 2010**

The following are some frequently asked questions regarding HB173.

## **How do I change my insurance carrier?**

- We recommend that you contact the Senior Health Insurance Benefits Advisors program (SHIBA) in the Idaho Department of Insurance. Their toll free number is 1-800-247-4422. SHIBA has information on Medigap, Medicare Advantage and Medicare Part D plans sold in Idaho and would be happy to provide any assistance you might need.
- When you have identified the companies you would be interested in, contact their Medicare sales office for more information to assist you in making a final decision and enrolling in a plan.

## **I am an over 65 state retiree with a spouse under age 65. What happens to my spouse' medical coverage?**

- Spouses under age 65 will be allowed to stay on the state plan and receive the state subsidy until they reach age 65.

## **If I retire before January 1, 2009 am I still eligible for the \$2000.00 prescription drug help?**

- No, the temporary rule providing an additional benefit of up to \$2,000 will be effective January 1, 2010. It will only be available to those retirees enrolled in the group medical plan as of July 1, 2009.

## **Will PERSI continue to make premium payment directly out of my retirement account, or do other arrangements need to be made?**

- That depends on which carrier you select to provide your Medicare supplementary benefits. The State currently has agreements in place with Blue Cross of Idaho, Regence BlueShield of Idaho, and United Health Care. If you purchase your supplemental plan through one of these three companies PERSI will deduct your monthly premium from the Retiree's monthly benefit check.
- If a retiree enrolls in a Medicare supplementary plan with any other carrier, they will be direct billed for their monthly premiums. PERSI does not have the capability to withhold and remit premiums to any of the carriers except the three with whom the state currently has agreements in place.

## **I am a state retiree under the age of 65. What does passage of this legislation mean to me?**

- For under 65 retirees, passage of the legislation guarantees a monthly subsidy of the premium from the state and also guarantees that the retiree medical plan and active medical plan be jointly rated for the purpose of setting premiums. Because of the guaranteed joint rating, retirees under age 65 should expect to see annual premium increases of between 12-15%.

## **I am a state retiree over the age of 65. What does passage of this legislation mean to me?**

- Passage of the legislation eliminated the state retiree plan for all retirees and dependants over 65. Those retirees and dependents need to secure coverage from a private vendor prior to January 1, 2010.

## **What is SHIBA/ How can they help retirees?**

- SHIBA is the Senior Health Insurance Benefits Advisors program. SHIBA is a state and federally sponsored program whose purpose is to counsel Medicare eligible retirees or those that are close to eligibility, on the types of Medicare coverage available and to help find the plans that are best suited to each individual. SHIBA is a free service and does NOT sell a product. SHIBA representatives can be found in most local communities. Call toll free 800-247-4422 for more information.

## **Will I have to provide evidence of good health to enroll in a Medical Supplement or Medicare Advantage Plan?**

- No. When the Retiree Medical plans ends, you will have a Special Enrollment Period during which you will be able to enroll in a Medicare Advantage or Medicare Supplement plans A,B,C,F, (including F with high deductible), K or L that is offered by any issuer without having to provide evidence of good health. This is called "guaranteed" issue.

**Will I have to go through a pre-existing conditions waiting period on the Medicare Supplement or Medicare Advantage Plan I choose?**

- No, you will **not** be subject to any pre-existing conditions waiting period because you have had continuous coverage under the State’s Retiree Medical plan. **However, if you have a lapse in coverage for more than 63 days, you would be subject to any pre-existing conditions waiting** period that might be contained in the Medicare supplement or Medicare Advantage plan in which you enroll.

**Now that the legislation has passed, when will I need to have other coverage?**

- Coverage under the State’s Retiree Medical plan for retirees and dependents age 65 or older will end December 31, 2009. Those plan members will have to enroll in a Medicare Supplement plan or a Medicare Advantage plan effective January 1, 2010 if they wish to have secondary coverage to Medicare.
- Retirees and covered dependants age 65 or older can voluntarily drop the State’s Retiree Medical Plan coverage at any time prior to December 31. However, since the retiree dropped the plan “voluntarily” guaranteed issue would only be available on a Medicare Advantage plan. The same waiver of pre-existing conditions waiting periods would apply. If the retiree is covering a spouse who is not age 65, the spouse can remain on the State’s Retiree Medical plan until reaching age 65.

**REMINDER!**

This is just a reminder — January 1, 2010 is just around the corner and all State of Idaho Retirees 65 or older will no longer be eligible to participate in the current plan. If you need assistance in finding a Medicare supplement plan you can contact SHIBA (Senior Health Benefits Advisors). They are still taking appointments and can be reached at one of the numbers below:

<b><u>Boise</u></b> 334-4352 Or 334-4353	<b><u>Coeur d’Alene</u></b> 208-666-6847 800-488-5725	<b><u>Twin Falls</u></b> 208-736-4713 800-488-5731	<b><u>Pocatello</u></b> 208-236-6044 800-488-5764
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Return Service Requested

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This publication presents general benefit information. In the event of any conflict between the information in this publication and the Plan provisions, the Plan documents and insurance contracts will govern.

**DO NOT DISCARD**  
**Important Information About**  
**Your State Retiree Medical Plan**

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