

## Continuing State Group Insurance Benefits as a Retiree



FLORIDA DEPARTMENT of

**management**  
**SERVICES**

We serve those who serve Florida

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**Be sure  
to keep  
your  
address  
up-to-  
date in  
People  
First**

### Learning More

- Once action is entered in People First
  - State Group Insurance Benefits Package for New Retirees
  - COBRA Package – health, dental and vision
- Visit [myBenefits.myFlorida.com](http://myBenefits.myFlorida.com)
  - Resources
  - Other Publications
    - State Group Insurance Benefits Package for New Retirees
- Submit application or call People First after receiving your package.



## Current Lifetime Benefits

- Health and life insurance coverage if you:
  1. Are enrolled in coverage at the time of retirement;
  2. Meet requirements for eligibility pursuant to s.110.123, Florida Statutes;
  3. Elect to continue coverage through People First; and
  4. Pay monthly premiums timely (employer + employee contribution).



## Plan Types

**PPO  
vs.  
HMO**

- PPO - administered by Florida Blue
  - Deductible, coinsurance, copayments
  - Nationwide network
  - Out-of-network benefit
  - See any specialist without a referral
- HMO – Capital Health Plan
  - Copayments
  - Limited network
  - No out-of-network benefit
  - See most specialists with a referral



## Plan Types

- Standard Plan and High Deductible Health Plan
  - Same covered benefits
  - HDHP
    - Lower monthly premium
    - Must meet deductible (\$1,350 | \$2,700), including Rx, before anything except certain preventive services are covered
    - Coinsurance only
    - No health savings account contributions for retirees



## Plan Tiers

- Early retirees – not eligible for Medicare A or B
  - Single – retiree only
  - Family – family plan for two or more and none are Medicare eligible
- Medicare I – single plan for retiree only
- Medicare III – family plan for two and both are Medicare eligible
- Medicare II – family plan for two or more and at least one is Medicare eligible



When you turn 65 years of age or otherwise become eligible for Medicare

## Medicare

- Part A – hospitalization coverage (free)
- Part B – medical services and some prescription drugs (monthly premium)
- Part D – prescription drug plan (varies)
  - The State Group Health Insurance Program is, on average, expected to pay as much as or more than the standard Medicare Part D plan pays.
  - The State Group Health Insurance Program is considered Creditable Coverage.
    - **This means you do not need to enroll in Medicare Part D if you continue your State Group Health Insurance plan.**



Secondary Insurance vs. Medicare Supplement Plans

## Coordination with Medicare

- **Secondary insurance** is health insurance that pays secondary to Medicare Part B (even if you fail to enroll in Part B) when Medicare pays or pays primary when Medicare doesn't pay.
  - Prescription drug coverage that pays primary for most prescription drugs is included.
  - Florida Blue administers the nationwide PPO secondary plan; Aetna, AvMed, and UnitedHealthcare administer the HMO secondary plans in their respective service areas.
- **Medicare Supplement (Medigap) Plans** sold by private companies can help pay some of the health care costs Medicare doesn't cover, like copayments, coinsurance, and deductibles.
  - Some Medigap policies also offer coverage for services that Medicare doesn't cover.



Work with your HMO to complete a Medicare Advantage Application

## Medicare Advantage Plan

- **Medicare (Retiree) Advantage Plan:** Capital Health Plan offers this plan to state retirees in the respective HMO service area.
  - Medical and prescription drug coverage are included.
  - To become a member, you must be enrolled in Medicare Parts A and B, complete the HMO's application and receive approval before your retiree health coverage becomes effective.
  - Medicare Advantage Plans do not allow retroactive enrollment and claims can only be paid if you are approved for the plan.



Make sure you enroll in Medicare when you become eligible

## Eligibility for Medicare - Age 65

- State group coverage automatically decreases at age 65: coverage will be secondary for hospital and medical services, primary for most prescription drugs.
  - Send copy of Medicare card to People First.
  - CHP members must enroll in Medicare Part B before enrolling in the CHP Medicare Advantage plan.

**Failure to enroll in Medicare upon eligibility can result in monthly Medicare premium penalties and high out-of-pocket claims costs.**



## Eligibility for Medicare - Disability

- If retiring due to disability and receiving Social Security benefits, Medicare Part A *and* Part B enrollment required:
  - Send copy of Medicare card to People First.
  - Premium will decrease and state group coverage will be secondary for hospital and medical services, primary for most prescription drugs.

**Once retired, if you do not enroll in Medicare Part B when you become eligible for Part A, the state group plan will pay as if you had enrolled in Part B (approximately 20%).**



## Retiree Health Insurance Premiums

Early Retiree Premiums			
	Coverage Type	PPO and HMO Standard	PPO and HMO Health Investor
2018 Premiums	Single	\$692.84	\$616.18
	Family	\$1,559.60	\$1,360.57
2019 Premiums	Single	\$734.42	\$657.76
	Family	\$1,653.18	\$1,454.15

## Retiree Health Insurance Premiums

Medicare Eligible Retiree Premiums 2018 & 2019				
		Medicare I	Medicare II	Medicare III
		Single – One Eligible	Family – One Eligible	Family – Both Eligible
Self-Insured PPO/HMO	Standard	\$388.38	\$1,119.85	\$776.76
	HDHP	\$292.76	\$917.13	\$585.51
Capital Health Plan	Standard	\$282.62	\$945.62	\$565.24
	HDHP	\$257.23	\$852.80	\$514.46

### Options upon Retirement - Health

- Pension Plan Members
  - If enrolled at the time of retirement, enrollment to continue coverage is automatic
  - Call People First to set up pension payroll deduction
- Investment Plan Members
  - If enrolled at the time of termination, must enroll in COBRA to “bridge” the coverage gap
  - Must immediately begin receiving a distribution
    - Once People First receives notice of the distribution, the State Group Insurance Benefits Package for New Retirees will be mailed and you will be eligible to enroll as a retiree



## Options upon Retirement - Health

- You can
  - Reduce coverage from family to individual
  - Cancel coverage (cannot reenroll)
  - Change plan based on home county (HMO members only)
  - Change plan to PPO if living or moving out of state
  - Move under spouse's employee state group health plan as a dependent. If you are age 65 or older and your spouse is actively employed you can defer Medicare Part B until your spouse retires.
    - You can later continue health insurance as a retiree as long as there is no gap in coverage.



## Surviving Spouse Benefit

- If covered under the health plan at the time of your death, your surviving spouse may continue health insurance coverage for life, provided your spouse:
  1. Submits enrollment application and death certificate to People First within 60 days of receipt of the enrollment package;
  2. Submits any underpayments within 31 days of the enrollment;
  3. Pays premiums by the 10<sup>th</sup> day of the month for the next month's coverage; and
  4. Does not remarry.





Health  
Insurance  
Subsidy is a  
Retirement  
Benefit

## Health Insurance Subsidy Certification

- Retirement benefit: \$5 multiplied by the total years of creditable service, up to \$150
- Division of Retirement sends you the application
- You submit the application to People First for completion if continuing State Group Health Insurance coverage.



## Options upon Retirement - Life

- Continue coverage with Securian Financial if you:
  1. Are enrolled in basic life at the time of retirement
  2. Pay monthly premiums timely
- Term retiree life insurance options:
  - \$10,000 for \$19.33 per month or
  - \$2,500 for \$4.83 per month
    - You will automatically be enrolled in this benefit. You must call People First to increase to \$10,000.
  - Cancel coverage (cannot enroll later)



## Additional Life Insurance Plan Benefits

- Securian Financial provides additional plan benefits with retiree term life coverage:
  - Accelerated death benefit
  - Repatriation benefit
  - Conversion privileges
- Call Securian Financial at (888) 826-2756 for more information.
- Reminder: update beneficiaries



## Disability Retirement - Life

- If you are working for the state and become disabled before age 60, call Securian Financial to find out if you are eligible for a waiver of life insurance premium.
  - You must call while you are still employed.



## Options upon Retirement - Dental and Vision

- Continue or reduce coverage for up to 18 months through COBRA if you:
  - Are enrolled in coverage at the time of retirement
  - Elect to continue coverage through People First, and
  - Pay monthly premiums timely (premium plus 2 percent administrative fee)
- Cancel (cannot enroll later)
- Some companies offer conversion privileges at the end of the COBRA coverage period. Call your plan directly for more information.



## Making Changes after Retirement

- As a retiree, you can
  - Reduce or cancel coverage any time
    - **If you cancel coverage for any reason (including not paying premiums on time), you cannot reenroll as a retiree.**
  - Make any changes to plans you are enrolled in during open enrollment
- Changes to go up in coverage throughout the year require a qualifying status change (QSC) event (e.g., marriage)



## Paying Monthly Premiums

- Premiums are due by the 10<sup>th</sup> of the month for the *next* month's coverage, e.g., pay by June 10 for July 1 coverage.
  - If payments are not received by the last day of the coverage month, insurance coverage will be cancelled.
- Call People First to have premiums withheld from your monthly retirement benefit as long as retirement benefit is sufficient to cover premium; or
- Pay premiums with personal checks, cashier's checks or money orders; or
- Your banking institution can send payment on your behalf. If you choose this option, you must remember to notify the institution when premiums increase.



## Other Supplemental Plans

- Accident, cancer, disability, hospitalization, hospital intensive care
- Check your policy
  - Most have age limitations
  - Some no longer provide coverage once you're eligible for Medicare
- Some companies offer conversion privileges:
  - Enrollment deadlines apply.
  - Call your plan directly for more information.



## Flexible Spending Accounts – Healthcare

- Only expenses incurred before your last payroll deduction are eligible for reimbursement; however, you may submit paper claims up to the IRS tax filing deadline.
- You may continue your healthcare FSA or limited purpose healthcare FSA if you have not used all of the funds in your account.
- Talk with your human resource office about:
  - Using your leave balance to fund your account on a pretax basis and use the funds through the grace period; or
  - Writing a check to fund your account.
- You must complete the Flexible Spending Account Options When Employment Ends form and send to People First.



## Chard Snyder Benefit Card Transactions

- The benefit card is deactivated upon retirement.
- Submit documentation or substitute claims for outstanding card transactions immediately to avoid collection proceedings.



## Flexible Spending Accounts – Dependent Care

- Enrollment in a dependent care flexible spending account ends the date of your last payroll deduction.
- You may submit claims that have been incurred as of that day for reimbursement.



## Health Savings Accounts

- State contributions end.
- Use HSA funds to pay for eligible medical expenses, including Medicare premiums.



## Contact Information

**Learn More**  
[myBenefits.myFlorida.com](http://myBenefits.myFlorida.com)

**People First**  
866-663-4735  
866-221-0268 TTY

**Mail insurance premium payments**  
People First  
PO Box 863477  
Orlando, FL 32886-3477

**Mail insurance election forms and documentation**  
People First  
PO Box 6830  
Tallahassee, FL 32314

**Fax forms and documentation**  
800-422-3128

**Mail Healthcare Flexible Spending Account payments**  
State of Florida - Division of State Group Insurance  
PO Box 864684  
Orlando, FL 32886-4684

**Submit Flexible Spending Account claim forms and documentation online through Chard Snyder (log in to People First and click on the FSA & HSA Information link)**

**Or fax**  
888-245-8452

**Or mail**  
Chard Snyder  
6867 Cintas Blvd.  
Mason, OH 45040