Preparing for Retirement: UC Retiree Health Insurance

Presented by: Rebecca Preza
Topics

- Emeritus & Retiree Associations
- Who to Call
- Eligibility for Retiree Health Benefits
- FAQs
- Retiree Health Insurance plans
- Eligibility & Costs
- Medicare & UC plans
- Resources
Emeriti & Retiree Associations

Karen Rasmussen- Emeriti & Retiree Coordinator
Karen.Rasmussen@hr.ucsb.edu or 805-893-2168

Online: http://www.hr.ucsb.edu/retirees/welcome

Events, parties, newsletters

Welcome Letter
Retiree ID card
List of privileges
Membership application
SAVE THE DATE

Chancellor’s Reception Celebration of Service

Honoring New Retirees

Monday, May 20
4:30 pm to 6:00 pm
Mosher Alumni House

RSVP by May 13th at Karen.Rasmussen@hr.ucsb.edu or x2168
If you have questions...

UC Retirement Administration Service Center (RASC)
800-888-8267
http://ucnet.universityofcalifornia.edu

UCSB Health Care Facilitator Program
Rebecca Preza
805-893-4201
Rebecca.Preza@hr.ucsb.edu
Future of Retiree Health

- UC is committed to ongoing health benefits
- Not a guaranteed benefit
- Plan designs can change
- Your share of costs may increase year over year
Eligibility
Eligibility for Health Benefits

- **Enrolled or eligible** to be enrolled in UC employee health coverage at retirement
- Elect a **monthly retirement income**.
- **10 or more** years of UCRP service credit for medical and dental
- Elect to continue **coverage or suspend** at the time of retirement
Eligibility for Health Benefits cont’d

- Have a **Retirement date** that is **within 120 days** from the date you leave UC employment
- **Continue coverage** until the date your retirement income begins
- If you select “**lump sum cashout**” you are **not eligible for retiree health benefits**.
Retiree Health Insurance Eligibility

Three groups with different University of California Retirement Plan (UCRP) entry dates

- **Group 1**: Entry prior to 1/1/1990
- **Group 2**: Entry or reentry on or after 1/1/1990 to 6/30/2013
- **Group 3**: Entry or reentry on or after 7/1/2013
Who can answer retirement questions?

RASC Counselor 1-800-888-8267

Help with retirement eligibility, elections, transition to retiree health, retiree health costs, and transition into Medicare
When does retiree insurance start?

Separate in **June**
Employee plans end **July 31**

Retiree plans start **August 1**
What happens to my family when I enroll in Medicare?

- **Non-Medicare** retiree or family remain in your **current** medical plan (except HSP)

- **Medicare** eligible retiree or family enroll in **Medicare & UC Medicare plan**
When may I change plans?

Retirement alone is not a “qualifying event” to change plans.
If I suspend, when can I reenroll?

“Suspend” retiree insurance if you have other coverage

Reenroll:

- Open Enrollment
- Involuntary loss of coverage
Do dental and vision continue?

Delta Dental
Continues with UC contribution

Retiree Vision (VSP)
May elect to continue
You pay premium
Dental

Delta PPO or DeltaCare USA

- Coverage remains the same
- Premium paid in full by UC

**OR** subject to “graduated eligibility”

- Delta Dental PPO – Worldwide coverage
- DeltaCare USA – California only
Retiree Vision Services Plan (VSP)

- Optional
- You pay full premium to VSP
- Coverage is similar to employee plan
- Routine eye exam and eyewear
- Worldwide coverage
Vision with Health Net Seniority Plus

Health Net Seniority Plus

- Medicare version of Health Net
- Vision benefit similar to VSP
- Routine exam by medical group
- Eyewear by EyeMed providers
- No additional monthly premium
Retiree Health Insurance Plans
Types of Medical Plans

- **Non-Medicare Plans**
  - Retirees and family members who are not eligible for Medicare

- **Medicare “Coordinated” Plans**
  - Retirees or family members who are 65 or older, or disabled and eligible for Medicare
    1. Enroll in Medicare A & B
    2. Enroll in UC Medicare plan
## Medical Plans

**UC Non-Medicare**
- UC Blue & Gold HMO
- Kaiser HMO
- UC Care (PPO)
- Health Savings Plan (PPO)
- Core (PPO)

**UC Medicare**
- Health Net Seniority Plus HMO
- Kaiser Senior Advantage HMO
- UC Medicare PPO with Rx
- UC Medicare PPO w/o Rx
- High Option Supplement

**Same as employee plans**

**Coordinated with Medicare**
Transition to Medicare

Retiree and/or family members who are eligible for Medicare change plans

<table>
<thead>
<tr>
<th>Non Medicare</th>
<th>UC Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Blue &amp; Gold HMO</td>
<td>Health Net Seniority Plus</td>
</tr>
<tr>
<td>Kaiser HMO</td>
<td>Kaiser Senior Advantage</td>
</tr>
<tr>
<td>UC Care PPO</td>
<td>UC Medicare PPO</td>
</tr>
<tr>
<td>Core PPO</td>
<td>UC Medicare PPO</td>
</tr>
</tbody>
</table>

UC Health Savings is not available to split family
Behavioral Health

- All medical plans cover mental health care and substance abuse treatment
- Coverage and provider networks differ
Behavioral Health Providers

Non-Medicare plans are same as employee plans

<table>
<thead>
<tr>
<th>Non-Medicare Plan</th>
<th>Behavioral Health Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Blue &amp; Gold HMO (Health Net)</td>
<td>MHN</td>
</tr>
<tr>
<td>Kaiser HMO</td>
<td>Optum &amp; Kaiser</td>
</tr>
<tr>
<td>UC Care (PPO)</td>
<td>Anthem &amp; non-Anthem</td>
</tr>
<tr>
<td>Health Savings Plan (PPO)</td>
<td>Anthem &amp; non-Anthem</td>
</tr>
<tr>
<td>Core (PPO)</td>
<td>Anthem &amp; non-Anthem</td>
</tr>
</tbody>
</table>
### Medicare plans are different

<table>
<thead>
<tr>
<th>Medicare Plan</th>
<th>Behavioral Health Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Seniority Plus</td>
<td>MHN with Medicare</td>
</tr>
<tr>
<td>Kaiser Senior Advantage</td>
<td>Kaiser</td>
</tr>
<tr>
<td>Medicare PPO</td>
<td>Medicare Non-Medicare</td>
</tr>
<tr>
<td>High Option</td>
<td>Medicare Non-Medicare</td>
</tr>
</tbody>
</table>
Moving?

Must live in CA Service Area

- Health Net
- Kaiser

Available in US

- UC Care
- Core
- Health Savings Plan
- Medicare PPO
- High Option
Moving?

Available when LIVING out of US

- UC Care
- Core
Via Benefits – Out of CA

- Living out of California in US
- When family members turns 65 and eligible for Medicare
  - UC makes annual $3000 contribution to Health Reimbursement Account (HRA) for each member
    - UC contribution is subject to graduated eligibility
  - Use HRA money to purchase individual Medicare supplement plan & Part D through Via Benefits.
    - Use excess HRA money to pay medical expenses and Part B premium
    - Unused HRA money will roll over to next year
Via Benefits – Enrollment

- UC Retiree Insurance Program will notify you if you are required to transfer from the UC medical plan to a local Medicare plan
- You will be directed to call a Via Benefits counselor for information about plan options and assistance enrolling
- You will select from Medicare Supplement plans and Part D (Drug) plans that are available where you are living
Eligibility & Costs
Retiree Health Premiums

Each year UC determines the maximum contribution paid toward a retiree’s **medical** and **dental** insurance.

- Some retirees receive the **maximum** UC contribution
- Some retirees have **graduated eligibility** and receive a % of the **maximum** amount
Maximum UC Contribution

- **Maximum Contribution**
  The maximum UC will contribute (pay) towards retiree health insurance premiums. This contribution amount can vary year to year.

- UC does not pay **full** retiree health insurance premium.
Retiree Health Insurance
Eligibility & Cost

Three groups with different University of California Retirement Plan (UCRP) entry dates

Group 1
Entry prior to 1/1/1990

Group 2
Entry or reentry on or after 1/1/1990 to 6/30/2013

Group 3
Entry or reentry on or after 7/1/2013
Eligibility Group 1

Entry

Entry prior to 1/1/1990*

20 years UCRP Service Credit

100% UC Contribution

*No break in service
Eligibility Group 2

Entry

1/1/1990 to 6/30/2013*

20 years UCRP Service Credit

100% UC Contribution

*No break in service & subject to collective bargaining
Eligibility Group 2 cont’d

Entry

1/1/1990 to 6/30/2013*
At least 10 years
UCRP Service Credit

Age + Service Credit = 75

Graduated Eligibility
Receive % of UC Contribution

*No break in service & subject to collective bargaining
Eligibility Group 3

Entry

Entry or reentry on or after 7/1/2013 to Present

- Minimum 10 years of service credit & retire at age 56
- UC Contribution can range between 0%-100% calculated using age and service credit
- 100% UC Contribution at age 65 w/ 20 years of service credit
Where do I find rates?

Eligible for Maximum UC Contribution
- Find premiums under Retiree Medical Plan Costs (2019) on UCnet
- Contact RASC 1-800-888-8267

Graduated Eligibility
- Retiree Health & Welfare Benefits page UCnet
- Retirement Handbook on UCnet
- Contact RASC 1-800-888-8267

*Premiums change when you or a family member enroll in Medicare*
Rate Chart - Maximum UC Contribution

- All family members in Medicare
- One or more are not in Medicare
- Non-Medicare Plans
  - All family members under age 65
- Non-Medicare Age 65 and Over
  - UC Retiree did not coordinate with Social Security when employed
  - No one in family eligible for Medicare
Your Monthly Costs

- **Medicare Part B Premiums**
  - $135.50 per person – standard rate in 2019
  - Deducted from Social Security check or you pay directly to Social Security

- **UC Medical and Dental Premiums**
  - Deducted from UC pension check
  - Part B Reimbursement added to check

- **UC Retiree Vision** – You pay to VSP
Medicare Part B and D premiums may be higher for retirees with incomes over:

- $85,000 – single
- $170,000 – married

Rules for Higher Income Beneficiaries
Medicare
Who is eligible for Medicare?

- Your own work history
- Work history of spouse or ex-spouse
- Contact Social Security to clarify your eligibility
What is Medicare?

- Federal program that provides medical insurance to:
  - People 65 or older
  - People with disabilities
- Covers most medical services
- Does not pay total cost of care
Three Parts of Medicare

Part A - Hospital
- In-patient hospital
- Home health care
- Skilled nursing facility
- Hospice care

Part B - Medical
- Doctors
- Lab tests
- Physical therapy
- Preventive care
Part D – Prescription Drugs

UC bundles Part D coverage with the UC medical plan
Medicare & UC Work Together

Medicare and UC plan pay most of your medical expenses

Medicare A, B & D

UC Medicare Plans
Medicare Premiums in 2019

- Medicare Part A – No monthly premium
- Medicare Part B - $135.50 per month
  - May cost more for retirees with higher incomes
  - Deducted from Social Security check or you pay directly
- Medicare Part D – No monthly premium
  - May cost for retirees with higher incomes
How UC plans work with Medicare

HMO Advantage
- Health Net Seniority Plus
- Kaiser Senior Advantage

Medicare Supplements
- UC Medicare PPO
- High Option

- You assign your Medicare to the insurance plan
- Cannot use Medicare outside the plan
- Medicare is primary payer
- Anthem is secondary
Choice of Physician

HMO Advantage

Health Net Seniority Plus

Kaiser Senior Advantage

- You select PCP
- PCP coordinates care
- PCP refers to specialists
- Specialists limited to medical group
Sansum & Jackson are the only HNSP groups in SB area:

If your PCP is with Santa Barbara Select IPA:

- Change to a Sansum or Jackson primary care physician or
- Switch to Medicare PPO or High Option plan

HNSP not available in Santa Maria

- Switch to UC Medicare PPO or High Option plan

HNSP not available in Ventura County

- Switch to UC Medicare PPO, High Option or Kaiser plan
HMOs have copays for care

Health Net Seniority Plus
Kaiser Senior Advantage

<table>
<thead>
<tr>
<th>Service</th>
<th>Copay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>$0</td>
</tr>
<tr>
<td>Office Visit</td>
<td>$20</td>
</tr>
<tr>
<td>Urgent Care</td>
<td>$20</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>$65</td>
</tr>
<tr>
<td>Outpatient Surgical Center</td>
<td>$100</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>$250</td>
</tr>
</tbody>
</table>

No Deductible
Medicare PPO

UC Medicare Supplement PPO plans:

- UC Medicare PPO
- High Option

Anthem or non Anthem providers for “additional services”
- acupuncture
- hearing aids
- expenses outside US
- behavioral health

- Medicare pays as primary, UC supplement pays as secondary for Medicare approved services
- Medicare providers for Medicare services on Medicare.gov website
Supplement Deductibles

- **Anthem pays:**
  - Medicare Part A & B deductibles

- **You pay:**
  - UC Medicare PPO = $100 per individual/year
  - High Option = $50 per individual/year

*Plan deductible for services *not* covered by Medicare (e.g. acupuncture, hearing aids, expenses outside US, some behavioral health)*
Supplements – Office Visit Example

Medicare Allowable = $150

<table>
<thead>
<tr>
<th>Who pays?</th>
<th>PPO</th>
<th>High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare pays 80%</td>
<td>$120</td>
<td>$120</td>
</tr>
<tr>
<td>Anthem pays</td>
<td>$24 (80%)</td>
<td>$30 (100%)</td>
</tr>
<tr>
<td>You pay</td>
<td>$6</td>
<td>$0</td>
</tr>
</tbody>
</table>

Medicare PPO – Anthem Pays 80%
High Option – Anthem Pays 100%
Supplements – Hospital Example

Stay of 1-60 days
2019 Medicare Part A Deductible = $1,364

<table>
<thead>
<tr>
<th>Who pays?</th>
<th>PPO</th>
<th>High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthem pays</td>
<td>$1,364</td>
<td>$1,364</td>
</tr>
<tr>
<td>You pay</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Medicare pays balance of bill
<table>
<thead>
<tr>
<th>Plan</th>
<th>Emergency &amp; Urgent Care Copays</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HMO</strong></td>
<td></td>
</tr>
<tr>
<td>UC Medicare</td>
<td>$100 deductible per year</td>
</tr>
<tr>
<td>PPO</td>
<td>20% of billed amount</td>
</tr>
<tr>
<td><strong>High Option</strong></td>
<td>$50 deductible per year</td>
</tr>
<tr>
<td></td>
<td>20% of billed amount</td>
</tr>
</tbody>
</table>
Prescription Drugs - Part D

- All Medicare plans have Part D with the exception of Medicare PPO without Rx
- NO additional premium for Part D, for most
- Copays
- Some formulary (drug list) changes
- ID cards with Part D logo
  - HMO members receive 1 card
  - Supplement members (PPO) receive 2 cards
    - 1 medical card and 1 drug card
## Part D – Drug Copays

<table>
<thead>
<tr>
<th></th>
<th>Health Net Seniority Plus</th>
<th>Medicare PPO High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail (30 day)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Generic</td>
<td>$5</td>
<td>$10</td>
</tr>
<tr>
<td>• Brand</td>
<td>$25</td>
<td>$30</td>
</tr>
<tr>
<td>• Non-formulary</td>
<td>$40</td>
<td>$45</td>
</tr>
<tr>
<td><strong>Mail Order (90 day)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Generic</td>
<td>$10</td>
<td>$20</td>
</tr>
<tr>
<td>• Brand</td>
<td>$50</td>
<td>$60</td>
</tr>
<tr>
<td>• Non-formulary</td>
<td>$80</td>
<td>$90</td>
</tr>
</tbody>
</table>

*Kaiser Senior Advantage* rates vary slightly- Retail (30 day supply) $5 generic, $25 brand. See plan documents for additional Rx costs.
Medicare allows **one** Part D (Drug) plan

Retirees **enrolled in a non-UC Part D** may enroll in the Medicare PPO without Rx

Medical coverage will be provided by Medicare and Anthem

Drug coverage will be provided by the retiree’s non-UC insurance
# Out-of-Pocket Maximums

After an individual pays the following amount for medical services or prescriptions drugs, the plan pays 100% of the costs for the rest of the year.

<table>
<thead>
<tr>
<th>Medicare Plan</th>
<th>Medical</th>
<th>Drug</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Seniority Plus</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
<tr>
<td>Kaiser Senior Advantage</td>
<td>$1,500</td>
<td>$5,000</td>
</tr>
<tr>
<td>UC Medicare PPO with Rx</td>
<td>$1,500</td>
<td>$5,000</td>
</tr>
<tr>
<td>UC Medicare PPO w/o Rx</td>
<td>$1,500</td>
<td>NA</td>
</tr>
<tr>
<td>High Option</td>
<td>$1,050</td>
<td>$5,000</td>
</tr>
</tbody>
</table>
When to enroll in Medicare?

- Employees - Still Working
- Retiring - At retirement
- Retired - After retirement
Employees

- Do **not** enroll in Medicare Part B or D
- Spouse enrolled in your UC employee medical plan does **not** need to enroll
- “Special enrollment period” when UC employee retires
- You may enroll in Part A when first eligible at age 65 – not required *

* Special considerations for Health Savings Plan and Domestic Partners
Health Savings Plan

- Delay enrollment in Medicare A, B & D until retirement

- Please note: If you are drawing a Social Security pension, you will automatically be enrolled in Part A at age 65 – you can’t contribute to HSA.
Employees – Special Considerations

Domestic Partners

- At age 65 consult Social Security about when to apply for Medicare

- You may or may not have a “special enrollment period” while enrolled in employee plan
Eligible at Retirement

- Apply for Medicare Part A & B
- Go to or call Social Security office two month before UC employee retires
- RASC counselor will send you forms
  - SSA form: Request for Employment Information
  - UC form: Medicare Advantage Universal Enrollment Form
  - Medicare Rx PDP Enrollment Form
Eligible at Retirement - Process

- RASC sends you SSA & UC forms
- You apply for Medicare A & B with SSA
- SSA confirms enrollment on your SSA account
- You send UC form to RASC
- RASC & Insurance update your plan
- Insurance enrolls you in Part D
- Insurance sends you new ID card
- You inform providers of new plan
Eligible after Retirement

- Apply for Medicare Parts A & B
  - Go to Social Security office or www.ssa.gov about three months before turning 65
  - OR
  - If receiving a Social Security pension, you will get a Medicare card in the mail
- RASC will mail you and family members UC forms to enroll in the UC Medicare plan
Eligible after Retirement - Process

RASC sends you UC form

You apply for Medicare A & B with SSA

SSA confirms enrollment on your SSA account

You send UC form to RASC

RASC & Insurance update your plan

Insurance enrolls you in Part D

Insurance sends you new ID card

You inform providers of new plan
Want to come back???

- Returning to work can impact how your medical plan coordinates with Medicare

- Review the Returning to UC Employment after Retirement factsheet
Web Resources

http://ucnet.universityofcalifornia.edu
- Webinars, plan information and rates
- Complete Guide to Retirement Benefits
- Retirement Handbook

http://www.ssa.gov
- Apply for Medicare Benefits

http://www.medicare.gov
- Original Medicare coverage and publications
- “Your Medicare Benefits” booklet
Resources

RASC - Retirement Administration Services Center
- Process retirements for UC employees
- UC retiree health plans
- 1-800-888-8267

Health Care Facilitator - Rebecca Preza
- Medicare Coordination
- Retiree health insurance questions
- 805-893-4201 or rebecca.preza@hr.ucsb.edu
Questions