

Ready To Retire Health Care

Traditional and Combined Plan Members



Questions To Ask Yourself



- Am I eligible for health care?
- When is my OPERS health care effective?
- When do I apply for Medicare?

This presentation reflects current information. There is no promise, guarantee, contract or vested right to access to health care coverage or a premium allowance. The Board has the discretion to review, rescind, modify or change the health care plan at any time.

OPERS is implementing Sub. S.B. 343 within a reasonable time frame.

Learning Objectives



- Eligibility
- Coverage
- Allowance Changes
- Medicare Connector
- Access
- Resources

Health Care In 2013



2013

Health Care Allowance & Eligibility



Allowance – The amount that OPERS pays toward the cost of your monthly medical/pharmacy coverage.

allowance from OPERS. Meaning, OPERS pays the full cost of coverage.

Retire with a pension effective date prior to 1/1/2015

- 10 years of qualified service credit at age 60
- 25 years of qualified service credit at age 55 **“prior to...”**
- 30 years of qualified service credit at any age


Qualified Service Credit – Service credit that applies toward health care eligibility. 5

Qualified Service Credit



Retire with pension effective date prior to 1/1/2014


- **The following service types apply towards health care eligibility:**
 - Contributing service
 - Leave of absence
 - School board service
 - Elected/Appointed service
 - 35% Additional service
 - Interrupted/free military
 - Unreported public service
 - Denied salary
 - Redeposit (refunded)
 - Workers' compensation
 - Ohio retirement systems (STRS, SERS, CRS, OP&F, HPRS)
 - Optional Service
 - Plan change service credit
- All service types apply toward health care allowance

Progress Check ✓ 

To qualify under current eligibility requirements, your last date of employment must be no later than November 30th of what year?

- a) 2013
- b) 2014
- c) 2015

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Health Care Administrators 

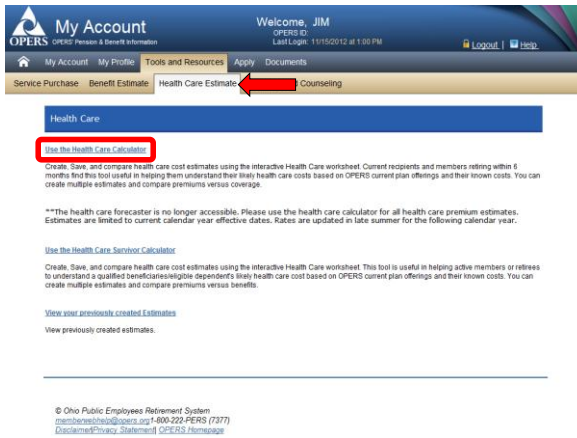
- Medical Mutual: PPO Plan
- Humana Medicare Advantage Plan
- Kaiser Permanente: HMO Plan
- Express Scripts: Prescription Plan
- MetLife: Dental Plan
- Aetna: Vision Plan & Retiree Medical Account (RMA)

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Dependent Eligibility 

- **Legal Spouse**
 - Spouses under age 55 will pay full premium
- **Children**
 - Biological or legally adopted
 - Under age 26
- **Grandchildren**
 - Only if legally adopted or with court order

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Current Plan Features

The OPERS plans are cost share programs

- There is an annual deductible
- There are co-pays and co-insurances
- Monthly premium includes medical/pharmacy
- Optional coverage includes dental and vision plans (fully paid by the retiree)
- Details listed in the 2013 coverage guide

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Wellness Programs & RMA

Administered by Medical Mutual & Humana

- Simply complete two of the following:
 - Health Care Assessment
 - Humana, Medical Mutual websites
 - Annual Physical Exam
 - Lifestyle Coaching Program (*smoking, weight, stress or nutrition*)
 - Disease Management Program (*chronic conditions*)

Administered by Aetna

- Earn up to \$100 in a rolling 12 month period
 - Example: April 1st to March 31st
 - Funds carry over to next year

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How To Use Your RMA



DOWNLOAD & PRINT a claim form at www.aetna.com/fsa or www.opers.org.



COMPLETE the claim form and gather the documentation and receipts listed on the form.



MAIL OR FAX the completed RMA claim form and documents to Aetna.



RECEIVE FUNDS as reimbursement for qualifying claims (by check or direct deposit).

Medicare



Happy Birthday – 65 years old (100 days prior)

- Contact Social Security to enroll

Medicare Part A – Hospitalization

- Enrollment, apply if:
 - You qualify with a \$0 premium
 - You have 40 Social Security credits
 - Or, you qualify through your spouse



Medicare Part B – Medical

- Premium cost determined annually by Social Security
- Medicare B Reimbursement will be phased out by 2017

Prescriptions



- Cost varies based on the following factors:
 - Generic
 - Formulary (visit www.express-scripts.com or www.opers.org for list)
 - Non-Formulary
 - Annual deductible for brand name medications
 - Retail 30 day supply
 - Mail 90 day supply
- At Medicare eligibility, you will transition to Medicare D managed by Express Scripts

Pre-Retirement



- Determine when your employer coverage terminates
- New plan deductibles and out-of pocket expenses
- Pre-existing conditions accepted
- Consider filling maintenance prescriptions

Recap of Allowance & Eligibility



Allowance percentages are based on total years of service upon enrollment

Retire with a pension effective date prior to 1/1/2015

- 10 years of qualified service credit at age 60
- 25 years of qualified service credit at age 55
- 30 years of qualified service credit at any age

Health Care In 2014-20



2014-20

Qualified Service Credit for Health Care



Retire with pension effective date on or after 1/1/2014

- Only the following service types will apply towards **eligibility**:
 - contributing service
 - Ohio retirement systems
 - USERRA
 - unreported
 - redeposit (refunded)
- These same types of service credit will apply toward **health care allowance**
- \$1,000 gross monthly earnings required for one full month of health care credit

Disability Recipients - Access & Allowance



- Disability recipients with a benefit effective date of 1/1/2014 or after will have access and allowance limited to their first 5 years of disability retirement unless approved for a Federal program or meet new eligibility requirements

Allowance - Delayed Enrollment



What if I decide not to enroll in the OPERS medical plan upon retirement?

You can delay enrollment until a later date.

We will use your age at enrollment and your years of service at retirement to determine your allowance. You may be able to increase your monthly allowance by deferring enrollment at retirement.

Yrs of Svc/Age	60	61	62	63	64	65
20	51%	54%	57%	60%	63%	66%

Elected Withdrawal



If I elect to withdraw from the OPERS medical plan, can I rejoin later?

No. Once you voluntarily withdraw, you may not re-enroll.

The exception is re-employment in an OPERS-covered position. If the employer offers you health care, you are required by OPERS to take it. This is not considered a voluntary withdrawal.

Health Care Allowance




- For 2014 & 2015, allowance percentages will **NOT** change
- Current and future retirees will transition to a restructured allowance table beginning in 2016
 - Three year transition
 - Final allowances will range from 51-90%
 - Retirees at or above a 75% allowance will not receive less than 75%
- Allowance will be based on years of service and age upon enrollment in the OPERS health care plan

Spousal Allowance & Access



- Non-Medicare Spouses, Medicare Spouses and Surviving Spouses (current and future retirees)
 - 2014 - Allowance unchanged
 - 2015 - Allowance unchanged
 - 2016 - Allowance reduced to 67% of 2015 level
 - 2017 - Allowance reduced to 33% of 2015 level
 - 2018 - \$0 allowance, access only
 - 2019 - \$0 allowance, access only
 - 2020 - \$0 allowance, no access (subject to review)

Progress Check ✓ 

Non-Medicare spouses will no longer have access to OPERS health care beginning January 1st of what year?


- a) 2015
- b) 2016
- c) 2018
- d) 2020

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Health Care Eligibility 


- **Retire with pension effective date *on or after 1/1/2015***
 - 20 years of qualified service credit at age 60
 - 30 years of qualified service credit at any age
- **May be retirement eligible, but NOT health care eligible**
 - Age 55 with 25 years of service
 - Age 60 with 10 years of service
 - Will include survivor benefits

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Dependent Children Allowance & Access 

- **For retirees with 20 or more years of qualified service**
 - Children will continue to receive current allowance percentages through 2015
 - Beginning in 2016, there will be a one-third reduction of current allowance percentages each year until it reaches 50 percent of the retiree's allowance by 2018
- **For retirees with less than 20 years of qualified service**
 - Access to coverage only will continue for 2018 & 2019


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Progress Check ✓ 

If a member retires at age 55 with 25 years of service after 1/1/2015, when will they be eligible for health care?

- a) Immediately upon retirement
- b) At age 60
- c) At age 65

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Allowance: Three Year Transition 


Retiree w/ 33 years	2015	2016	2017	2018
Allowance Transition	100%	92%	84%	76%
Non-Medicare \$814	Current allowance	1/3 of difference between current and new allowance	1/3 of difference between current and new allowance	New allowance
Medicare \$358				

Spouse

Allowance Transition	75%	50%	25%	0%
Non-Medicare \$814	Current allowance	1/3 of difference between current allowance and \$0	1/3 of difference between current allowance and \$0	Access Only
Medicare \$358				

Reminder: Allowance based on years of service and age at enrollment in the OPERS health care. Cost based on 2013 rates.

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Progress Check ✓ 

The allowance for members, spouses, and children will be reduced over three years (2015-2017), with the first reduction happening in what year?

- a) 2015
- b) 2016
- c) 2018
- d) 2020

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OPERS Medicare Connector



- Medicare Part A and Part B are required
- Medicare will be primary insurance
- Provides more choices through the individual market to supplement your Medicare with greater affordability
- Choose a plan that best suits your medical and financial needs

OPERS sponsored plans will no longer be available for retirees with Medicare Part A and Part B

Dependent Allowance & Access




- In 2018, **all spouses of current and future retirees** will no longer receive an allowance
- Spouses will have access and retiree will be responsible for full cost
- If a retiree has 20 years of qualified service or more, children will receive 50 percent of retiree's allowance percentage at retirement
- If a retiree had less than 20 years of qualified service, children will have access, but retiree will be responsible for full cost

Dependent Allowance & Access




- Beginning in **2020, non-Medicare spouses will no longer have access** to OPERS Health Care
- Medicare eligible spouses will have access through the OPERS Medicare Connector, retiree will be responsible for full cost
- In 2020, access for non-Medicare spouses will be reviewed
- In 2020, allowance and access for dependent children, if retiree had less than 20 years of qualified service, will be reviewed

Progress Check ✓ 

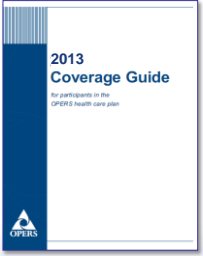
In 2020 a member passes away, and leaves a monthly pension payment to a non-Medicare spouse. Will the spouse have access to OPERS health care?

a) Yes
b) No

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Resources 

- www.opers.org
- Health Care Guide
- Counseling
 - In-House
 - Phone
- On-line Account
 - Health Care Calculator
- Open Enrollment



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Ohio PERS 

277 E. Town Street
Columbus, OH 43215

1-800-222-7377

www.opers.org

Available Media:   



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Welcome to Ohio PERS
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OPERS

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Pension Plan Changes for Active Members
PERSPectives video: Pension

Access Your Account: OPERS now provides enhanced password security for your online account. To create an enhanced password, click here and follow the prompts. If you've already set up a new secure password, click here to access your online account.

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Forms
Member forms
Employer forms
Retiree forms

Active & Inactive Members
Contributing Employers
Benefit Recipients

Members
Employers
Retirees

Make Us Your Homepage
Browse our site:
Select your section

Information Resources for Pension and Retirement Issues

From The OPERS Blog
Documentary tackles retirement planning
Updated OPERS health care rates: Eligibility
Service purchases can take time to initiate
2012 annual statements on the way

Pension and Health Care Changes
In September 2012, the Ohio Legislature approved changes to the OPERS pension plan. At the same time, OPERS made changes to its health care plan for retirees. The pension changes take effect Jan. 7, 2013, and most of the health care changes take effect Jan. 1, 2014.

Rev 5.9.13

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Questions

OPERS

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