

June 2015

# Facts@ a Glance OPERS Medicare Connector

Questions or  
Comments?

Contact  
Employer  
Services at  
1-888-400-0965



## OPERS Medicare Connector: Facts every employer should know

Many employers are trusted advisors for retirees. Although OPERS does not expect or encourage employers to serve as health care advisors, this facts-at-a-glance has been prepared specifically for employers to position you with baseline knowledge of the OPERS Medicare Connector should questions arise.

As always, encourage retirees and soon-to-be retirees to contact the OPERS Member Services Call Center at 1-800-222-7377 with questions.

### Situation overview

Beginning in 2016 OPERS will no longer sponsor a group health plan for retirees, spouses and children eligible for Medicare. Instead, OPERS will provide the opportunity for this group to enroll in a supplemental Medicare plan using the OPERS Medicare Connector. Eligible retirees who enroll will receive a monthly allowance to help pay for monthly plan premiums and other qualifying medical expenses. The allowance amount is based on qualifying years of service at retirement and retiree age when first enrolled in the OPERS health care program.

### Who is affected

The Connector will be available for:

- OPERS Medicare retirees enrolled in Medicare Parts A and B
- Medicare-eligible spouses and children of OPERS retirees

Access to the Connector is not a promise that every individual is eligible to receive a monthly allowance from OPERS.

### About the OPERS Medicare Connector

- The Connector will be administered by OneExchange.
- As noted above, eligible retirees who enroll in a medical plan through OneExchange will receive a monthly allowance to use toward plan premiums and other qualifying medical expenses.
- Licensed Benefit Advisors will help retirees select a plan that fits their medical needs, lifestyle and budget.

OPERS-sponsored health care coverage will continue to be available for:

- OPERS retirees who are under age 65
- OPERS retirees who are older than 65 but not eligible for Medicare Part A (limited time)
- OPERS re-employed retirees\*

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\*If your organization employs OPERS retirees (called re-employed retirees), note the information on pages 2-3 of this Facts-at-a-Glance.

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## About the OPERS Medicare Connector

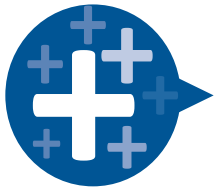
Employers need to know what the **OPERS Medicare Connector** is and what is available via the Connector:



**Affordable choices:** The Connector provides OPERS Medicare-eligible retirees and spouses with health care plan options that are more affordable, and better suited to the individual, than OPERS' current group plan. Retirees and spouses will be able to choose a plan that suits their financial and health care needs.



**Buying power:** All insurance plans are based on numbers—the greater the number of people insured, the better the pricing will be. By joining a much larger pool of retirees, OPERS retirees and spouses will be able to enroll in an individual Medicare plan that is more affordable.



**Tailored coverage:** Licensed Benefit Advisors will work with retirees and spouses to understand their individual needs and provide plan options that best fit these needs.



**Monthly allowances:** OPERS will provide a monthly allowance for eligible retirees and, through 2017, qualifying spouses. The monthly allowance may be used toward:

- Medical and prescription plan premiums
- Medicare Part A and B premiums
- Out-of-pocket medical expenses as allowed by the IRS
- Savings for future health care costs



**Coverage for spouse:** Spouses (age 65 and older who are enrolled in Medicare Parts A and B) may use the Connector to select a plan if specific conditions are met. The OPERS website has more information about coverage for spouses, children and surviving spouses of a deceased retiree.

**NOTE:** In order to receive a monthly allowance, eligible retirees must enroll in a medical plan through the Connector.

## If you have re-employed retirees

Employers need to be knowledgeable about how re-employment will impact an OPERS retiree's health care coverage options. Re-employed retirees are considered to be active public employees when they return to public employment, regardless of the amount of work or compensation. While working as a public employee for an OPERS public employer, re-employed retirees:

- Are not eligible for HRA allowances for any month in which they are working
- Cannot use HRA balances for reimbursement of claims incurred during the re-employment period

## Outreach for eligible retirees

- OPERS has developed and sent Connector Readiness Kits to eligible retirees. Additional information is slated to be sent from OPERS approximately six months prior to the Connector going live. Our ongoing goal is to provide all the information necessary to make sure retirees are knowledgeable about and comfortable with the Connector.
- As the Connector evolves from roll out to ongoing use, eligible retirees will receive information introducing the program about six months before they turn 65. Then, they'll receive communications to ensure they understand benefits, enrollment and the allowance amount, if eligible.
- As always, the OPERS website AND the Member Services Call Center will have updated information.

When retirees will be contacted	How and messages
<b>July</b>	OPERS announcement letter and OneExchange Getting Started Guide; OPERS Member Services and OneExchange Call Centers available for questions.
<b>October</b>	Enrollment guide sent from OneExchange.
<b>October–December (Approximately 7-10 days PRIOR to retiree's enrollment call)</b>	Appointment confirmation card to reinforce the retiree's personal enrollment appointment date and time.
<b>October–December (Approximately 7-10 days AFTER the retirees enrollment call)</b>	Confirmation letter with: <ul style="list-style-type: none"> <li>• Confirmation number</li> <li>• Retiree's selected insurance carrier and plan selections</li> <li>• Premium amount</li> <li>• Coverage effective date</li> <li>• HRA information.</li> </ul>
<b>October–December (arrives after the retiree's application is processed)</b>	Plan Acceptance Confirmation that confirms retiree's enrollment into the plan and details any other important information.
<b>December</b>	Reimbursement guide with details on how retirees can access and manage their HRA funds.

Multiple periods of re-employment during a calendar year prevent participation in the HRA through the end of the year. OPERS retirees who are re-employed or who will become re-employed will have the following options:

- Select their employer's coverage if the employer offers it
- Select a plan through the Connector but without receiving their HRA allowance or reimbursements for claims incurred during the re-employment period
- Enroll in the OPERS re-employed retiree plan (this is the only option that permits dependent enrollment in an OPERS plan)

## Medicare basics for employers

Jargon and acronyms are everywhere—we know that. We also recognize that some employer representatives are so far away from Medicare that answering questions for your employees may be a challenge. Here are some at-a-glance basics for employer representatives to help your conversation with your employees.



### Medicare Part A

#### Hospitals

#### Coverage Includes:

- Inpatient care in hospitals and some skilled nursing facilities
- Some home health care and hospice

#### Does Not Cover:

- Long-term nursing home stays
- Non-medical, in-home care

#### What is needed to be eligible for Medicare part A coverage at no cost?

- 40 Quarters of Medicare Social Security credit, meaning you and your employer paid for Medicare Part A through payroll deductions, or you worked in a job covered by Social Security.
- Or through a spouse's work record, if you do not have enough quarters to receive Medicare Part A at no cost.

**Fact:** Most public employees pay into Medicare even though they don't pay into Social Security.



### Medicare Part B

#### Outpatient Service

#### Coverage Includes:

- Doctors' services (physicians and specialists)
- Some lab work, X-rays, therapy and durable medical equipment

#### Does Not Cover:

- Vision
- Dental
- Nonprescription drugs and supplies

#### What is needed to be eligible for Medicare part A coverage at no cost?

- You are eligible to enroll at the age of 65
- Qualifying illness or disability

**Fact:** There is a monthly premium based on income. Most Americans pay \$104.90 per month.



### Medicare Advantage Part C

Private insurance that replaces traditional Medicare Parts A and B, and provides higher coverage than just Parts A and B.

#### Sometimes Covers:

- Vision and Dental
- Usually combined with a drug plan (MAPD)

#### Plans Provided by Private Companies:

- HMO Health Maintenance Organizations
- PPO Preferred Provider Organizations
- PFFS Private Fee-For-Service

**Fact:** Monthly premiums vary depending on your state, private insurer and whether you choose an HMO or PPO for your Medicare Advantage coverage.



### Medicare Part D

#### Prescriptions

#### Covers:

- Prescription drugs including generic, brand name and specialty drugs at participating retail pharmacies and home delivery.

#### Medicare Part D Facts:

- Prescription Drug Coverage is a separate policy for medigap plans purchased from a private prescription drug company.
- You will pay a monthly premium; Part D coverage is paid each month.