



University of California
San Francisco

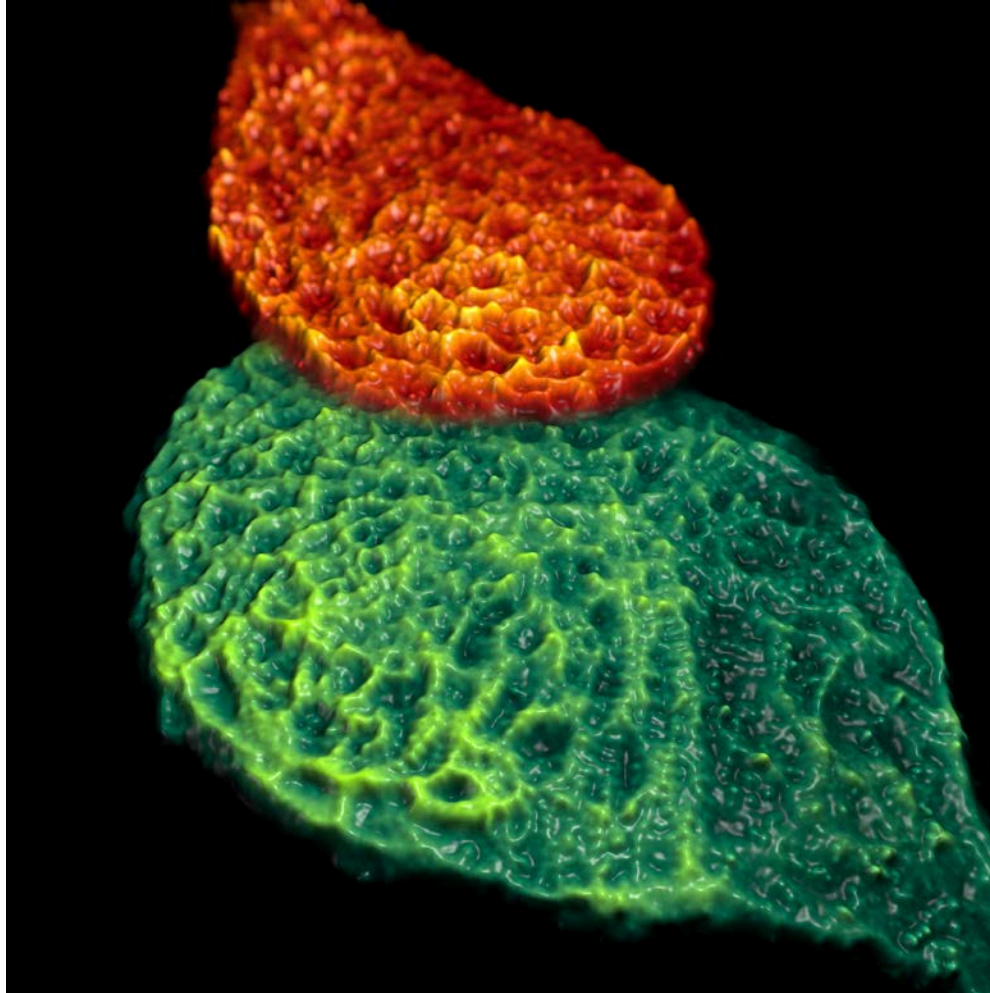
UC Retiree Health Insurance Basics & The Future of UC Retiree Health Insurance

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“Tell me and I forget. Teach me
and I remember. Involve me
and I learn.”

Benjamin Franklin

Retiree Health Insurance Eligibility



Will I be eligible for UC Retiree Health insurance when I retire?

To be eligible for retiree health benefits, employees must meet the following general criteria at the time of retirement:

- Enrolled in or eligible for UC employee health coverage at time of retirement
- 10 or more years of UCRP service credit (for medical and dental)
- Elect monthly retirement income (not eligible if take lump sum cash out)
- Retirement date within 120 days of UC separation
- Continue employee coverage until the date retirement income begins

UC Retiree Health Eligibility Groups

GROUP 1	GROUP 2	GROUP 3
Original UCRP entry date without break in service: Before January 1, 1990	UCRP entry date without break in service: January 1, 1990 - June 30, 2013*	UCRP entry date, or rehired after a break in service: On/after July 1, 2013*
% of UC Contribution received: 100%	% of UC contribution received: 50-100% based on service	% of UC contribution received: 0-100% based on age and service

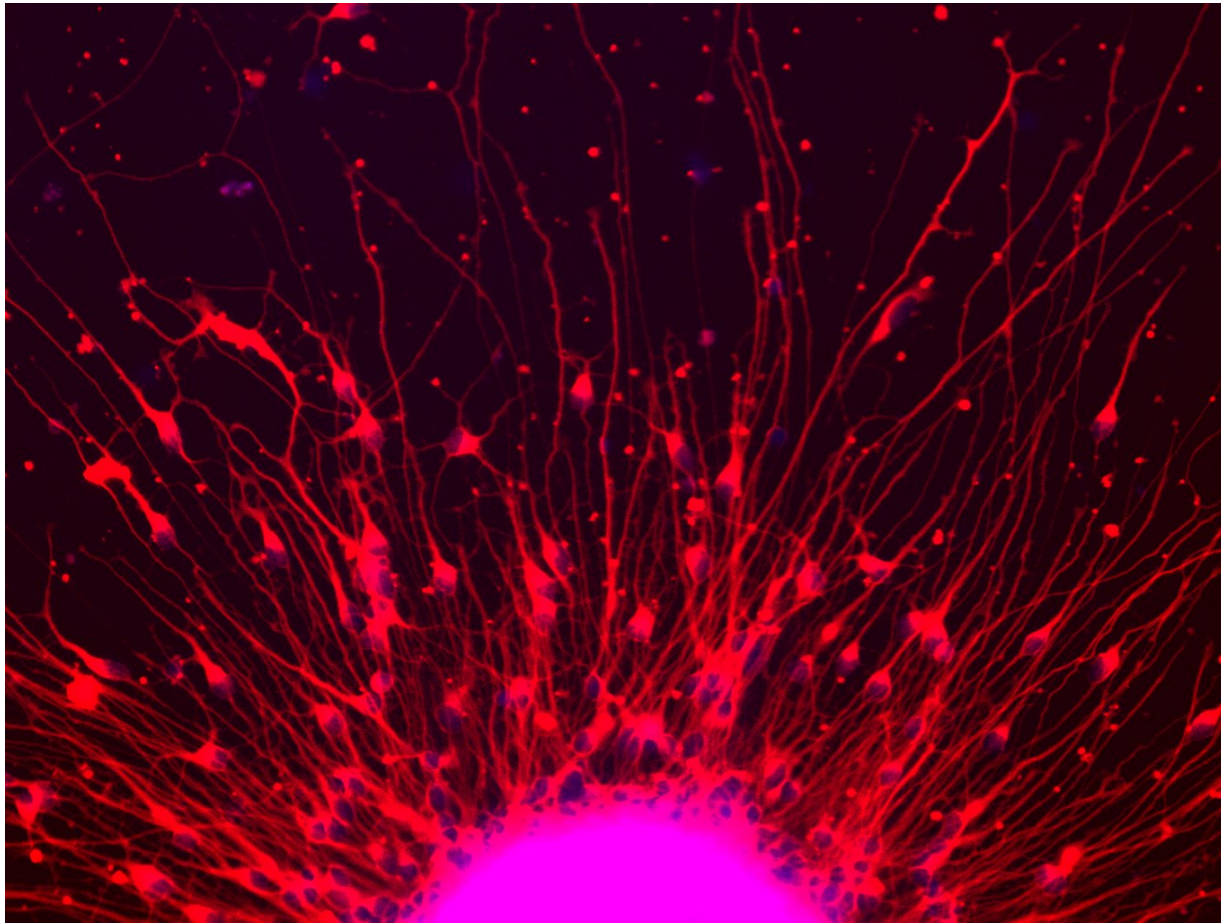
*Subject to collective bargaining

Will my dependents be eligible for coverage under my retiree health insurance?

Same rules/requirements for dependents of retirees as dependents of employees

Survivors – eligible if enrolled in plan and will receive monthly survivor benefits from UCRP

Retiree Health Insurance Costs



How Much will my Retiree Health Insurance Cost?

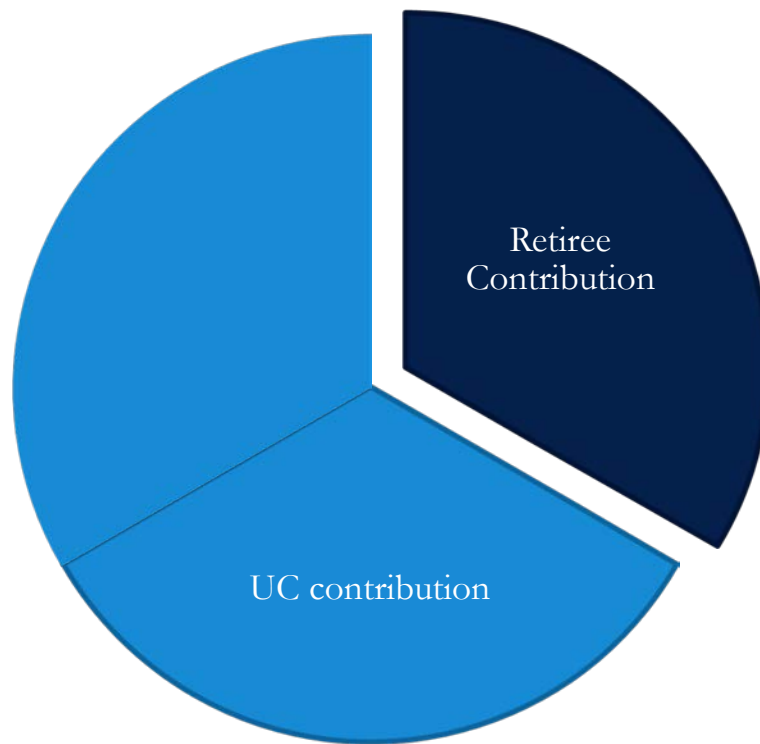
- Everyone has some cost responsibility for retiree health insurance
- Two types of cost – insurance premium and cost for services;
- Insurance premium costs are different than when you are an employees; UC contributes less towards the total cost
- Insurance premium costs impacted if subject to graduated eligibility
- Insurance premium cost changes over time because the full plan premiums will change (usually increase)

Specific Considerations: How Much will my Retiree Health Insurance Cost? *

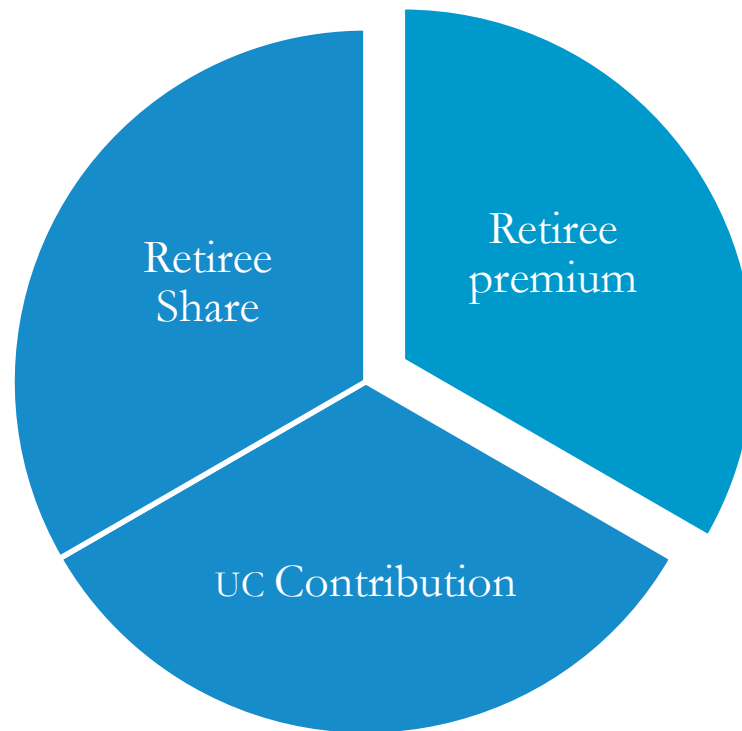
- Total premium cost of select plan
- UC's contribution amount
- Who is covered
- If you and/or covered dependents are eligible for Medicare
- Percentage of UC's contribution you are eligible to receive

*May be subject to collective bargaining

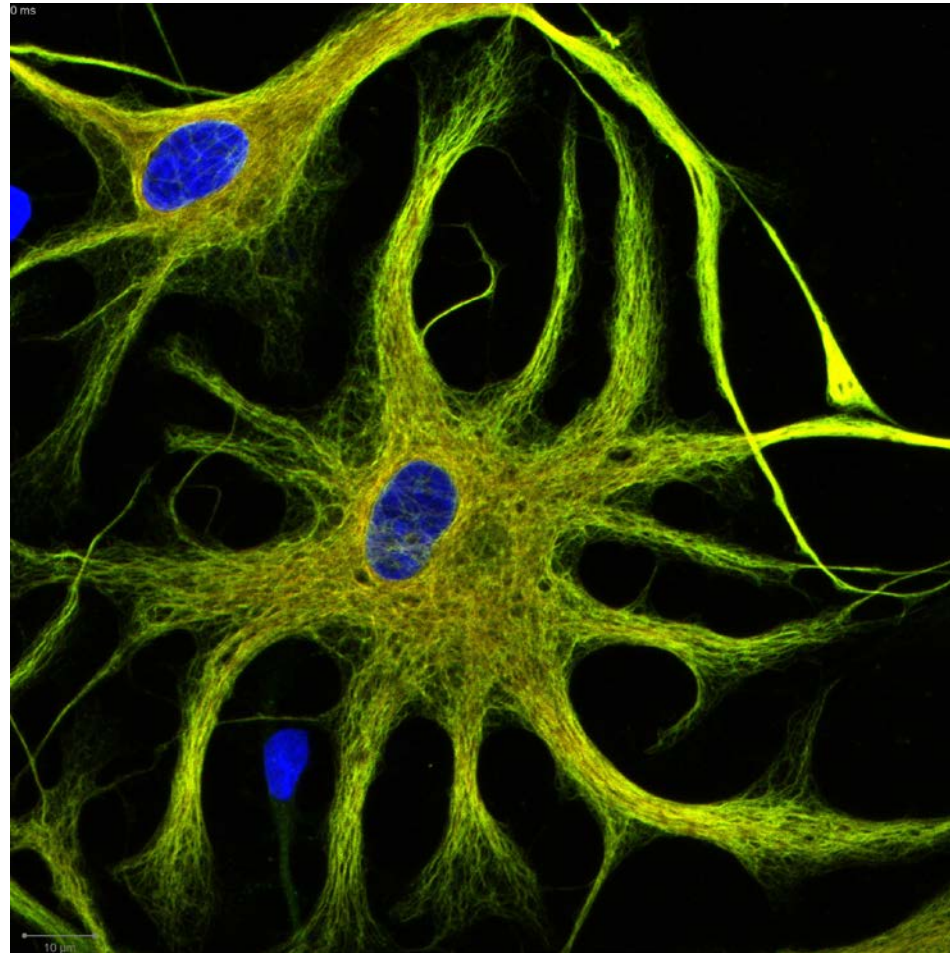
Retiree Health Premiums



Retiree Health Insurance Premium with Graduated Eligibility



Retiree Health Insurance Coverage



Are the plan offerings for retirees the same as for employees?

Non-Medicare (pre-65) Retirees

- Same plan options as employees
- For HMO plans, will use home zip code for service area

Medicare (65+) Retirees

- Medicare Advantage Plans (comprehensive coverage) - HMO
- Medicare Supplemental Plans (pay after Medicare) – PPO
- For HMO plans, will use home zip code for service area
- Most plans include Part D prescription coverage
- Medicare Exchange plan outside of California

UC Retiree Health Coverage – Additional Information

- Cover same eligible family members as employee
- Make plan changes during Open Enrollment
- May suspend medical and or dental coverage
- Eligible survivors may continue health coverage depending on your tier and retirement election
- Certain qualifying events allow changes mid year
 - Marriage/Domestic Partnership
 - Birth/Tax dependent (such as grand child)
 - Out of area move, including moving outside the US
 - Involuntary loss of other coverage

Can I select a different health insurance plan when I retire or become eligible for Medicare?

Neither retirement or Medicare enrollment provide an opportunity to change plans at that specific time

When you become eligible and enroll in Medicare, you will be transitioned to the Medicare version of the plan you are currently enrolled in

Retirees have the same options to make health insurance changes during Open Enrollment each year

Exceptions:

Plan not offered based on your home zip code

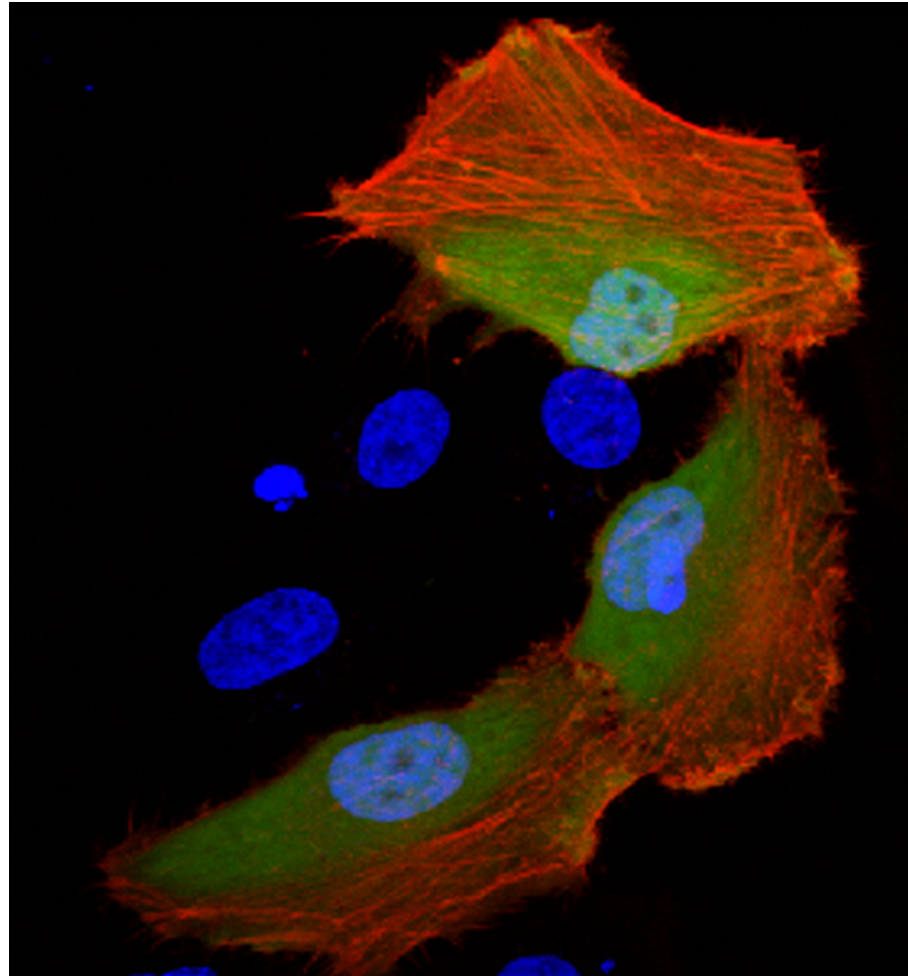
Move out of California and are currently enrolled in an HMO

Move out of the US

Medicare Exchange

- For retirees living outside California
- All family members in Medicare
- More choices
- Individual plans for each family member
- Maximum \$3,000 health reimbursement arrangement (HRA) for each covered member
 - Any unused money rolls over to next year
 - HRA is prorated based on the percentage of UC's contribution

Retiree Health Insurance & Medicare



What is Medicare?

Medicare is a Federal Medical Insurance Program for:

People 65 years of age and older regardless of their income or medical history; established in 1965

Medicare expanded in 1972 to include the following groups:

- Some people with disabilities under age 65 (24 month waiting period)
- End-Stage Renal Disease (permanent kidney failure requiring dialysis or transplant)

In 2000, individuals with ALS could enroll at time of diagnosis (rather than having to satisfy the 24-month waiting period)

What happens to my retiree health insurance when I am eligible for Medicare?

- UC requires all retirees and their eligible dependents to enroll in both Medicare Part A and Medicare Part B when they become eligible and coordinate their Medicare with their retiree health insurance
- Retirees and their dependents risk financial penalty/de-enrollment from UC sponsored medical coverage for lack of compliance
- In most cases your health insurance premium cost will decrease, but you will also start paying a Part B premium
- **Failure to enroll in Medicare Part B will permanently cancel UC retiree insurance**

Exceptions to UC Medicare Mandate

UC does not require retirees ineligible for premium free Medicare Part A to enroll in Part B

You reside outside the United States

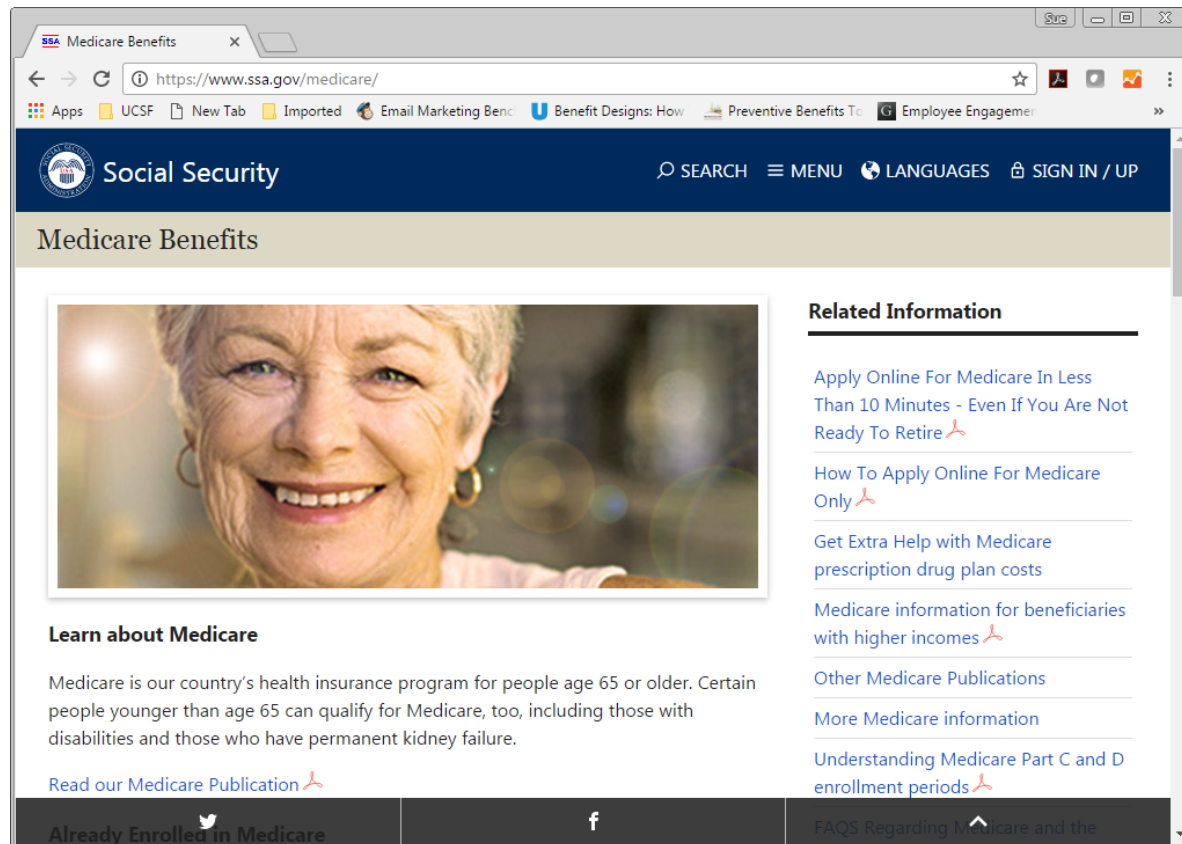
you must enroll if you return

you may incur a Medicare late enrollment penalty

You have UC-sponsored health coverage through your spouse who is still working **at** UC and you are covered under their medical plan at the time of retirement

How do I enroll in Medicare

Enroll online: www.ssa.gov/medicare



The screenshot shows a web browser window displaying the Social Security Administration's Medicare Benefits page. The browser's address bar shows the URL <https://www.ssa.gov/medicare/>. The page features the Social Security Administration logo and navigation links for SEARCH, MENU, LANGUAGES, and SIGN IN / UP. The main heading is "Medicare Benefits". A large image of a smiling elderly woman is featured on the left. Below the image, the text reads: "Learn about Medicare. Medicare is our country's health insurance program for people age 65 or older. Certain people younger than age 65 can qualify for Medicare, too, including those with disabilities and those who have permanent kidney failure. Read our Medicare Publication". On the right side, there is a "Related Information" section with several links: "Apply Online For Medicare In Less Than 10 Minutes - Even If You Are Not Ready To Retire", "How To Apply Online For Medicare Only", "Get Extra Help with Medicare prescription drug plan costs", "Medicare information for beneficiaries with higher incomes", "Other Medicare Publications", "More Medicare information", and "Understanding Medicare Part C and D enrollment periods". The footer contains a dark bar with the text "Already Enrolled in Medicare", a Facebook icon, and "FAQs Regarding Medicare and the".

How much does Medicare cost?

- Part A – Free if meet the 40 quarter requirements
- Part B – based on modified gross income from IRS returns two years prior to enrollment date
- Part D IRMAA – also based on income (higher income = pay more)
- Important – Part B and Part D IRMAA costs are paid directly to Social Security and separate from your retiree insurance premiums

IRMAA – Income Related Monthly Adjustment Amounts

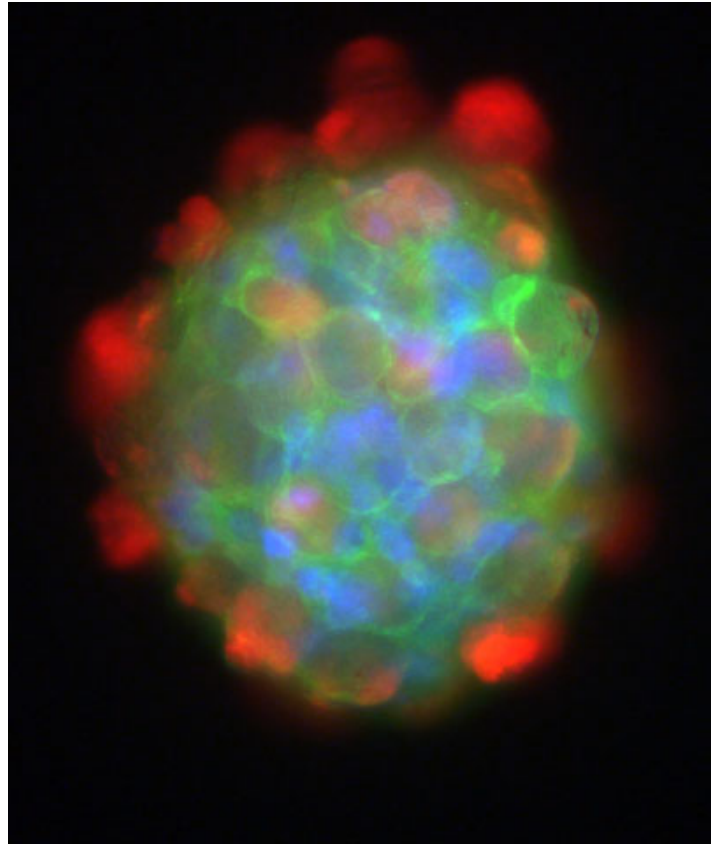
Medicare Part B Premiums 2019

If your yearly income in 2017 (for what you pay in 2019) was			You pay each month (in 2019)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$135.50
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$189.60
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	Not applicable	\$270.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	Not applicable	\$352.20
above \$160,000 and less than \$500,000	above \$320,000 and less than \$750,000	above \$85,000 and less than \$415,000	\$433.40

Medicare Part D IRMAA 2019

If your filing status and yearly income in 2017 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2019)
\$85,000 or less	\$170,000 or less	\$85,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	not applicable	\$12.40 + your plan premium
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	not applicable	\$31.90 + your plan premium
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	not applicable	\$51.40 + your plan premium
above \$160,000 and less than \$500,000	above \$320,000 and less than \$750,000	above \$85,000 and less than \$415,000	\$70.90 + your plan premium

Medicare Coordination with UC Retiree Insurance

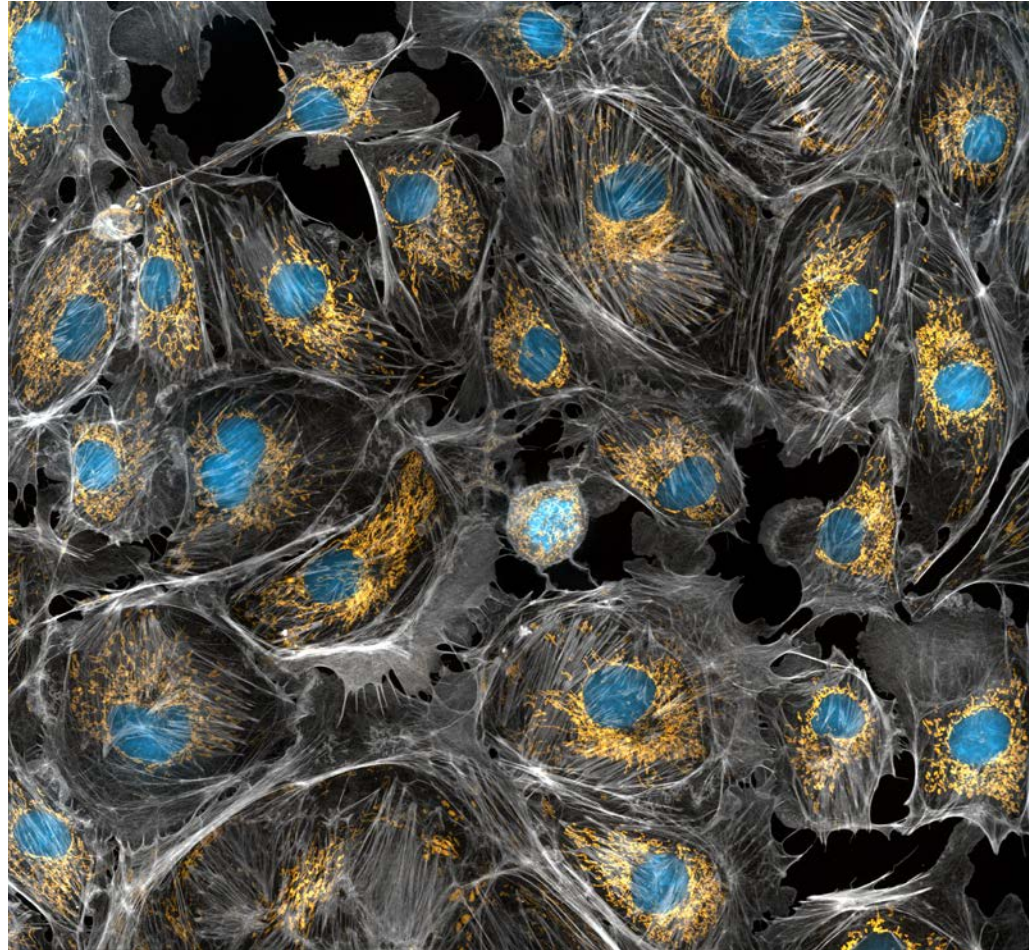


How Will My Plan Change When I Enroll in Medicare

Medicare becomes your primary insurance

- You switch to the Medicare version of your plan which coordinates with Medicare
- Some UC plans do not have Medicare coordination and you will have to change to another plan
- Must use Medicare providers for Medicare covered services
- Most UC medical plans coordinate with Part D and you do not enroll in a separate plan; if you enroll in a separate commercial plan, you may lose your UC medical coverage

Employees & Medicare Enrollment Requirements



Do I need to enroll in Medicare while I am still working?

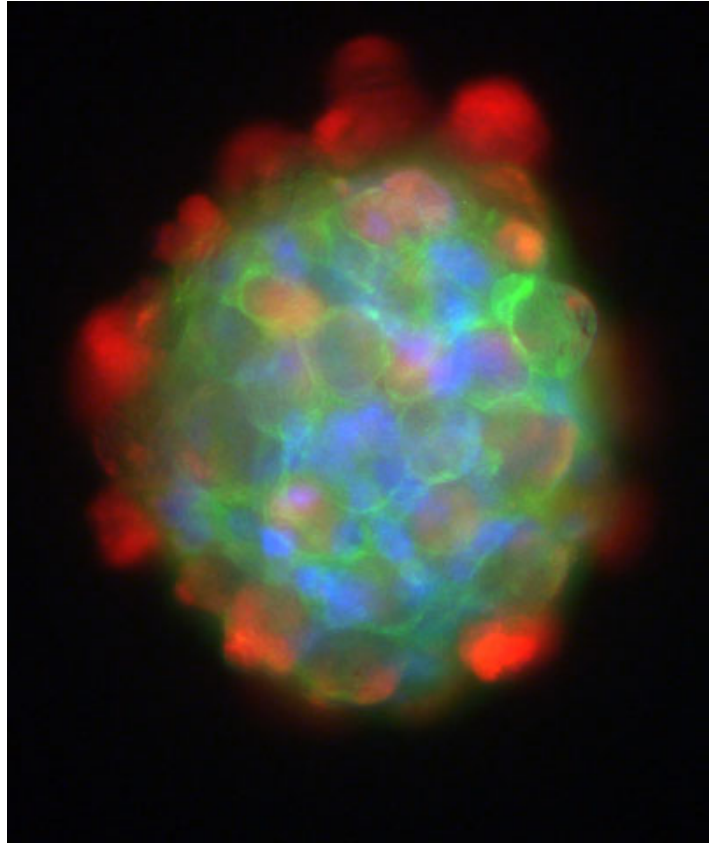
Medicare Part A only, unless enrolled in HSA plan

Medicare Part B – defer; no late enrollment penalty if continuous employer coverage after age 65 and Special Enrollment Period when losing employer coverage

Same rules apply to dependents and also individuals eligible for Medicare based on disability

Does not apply to domestic partners – SEP rules do not apply

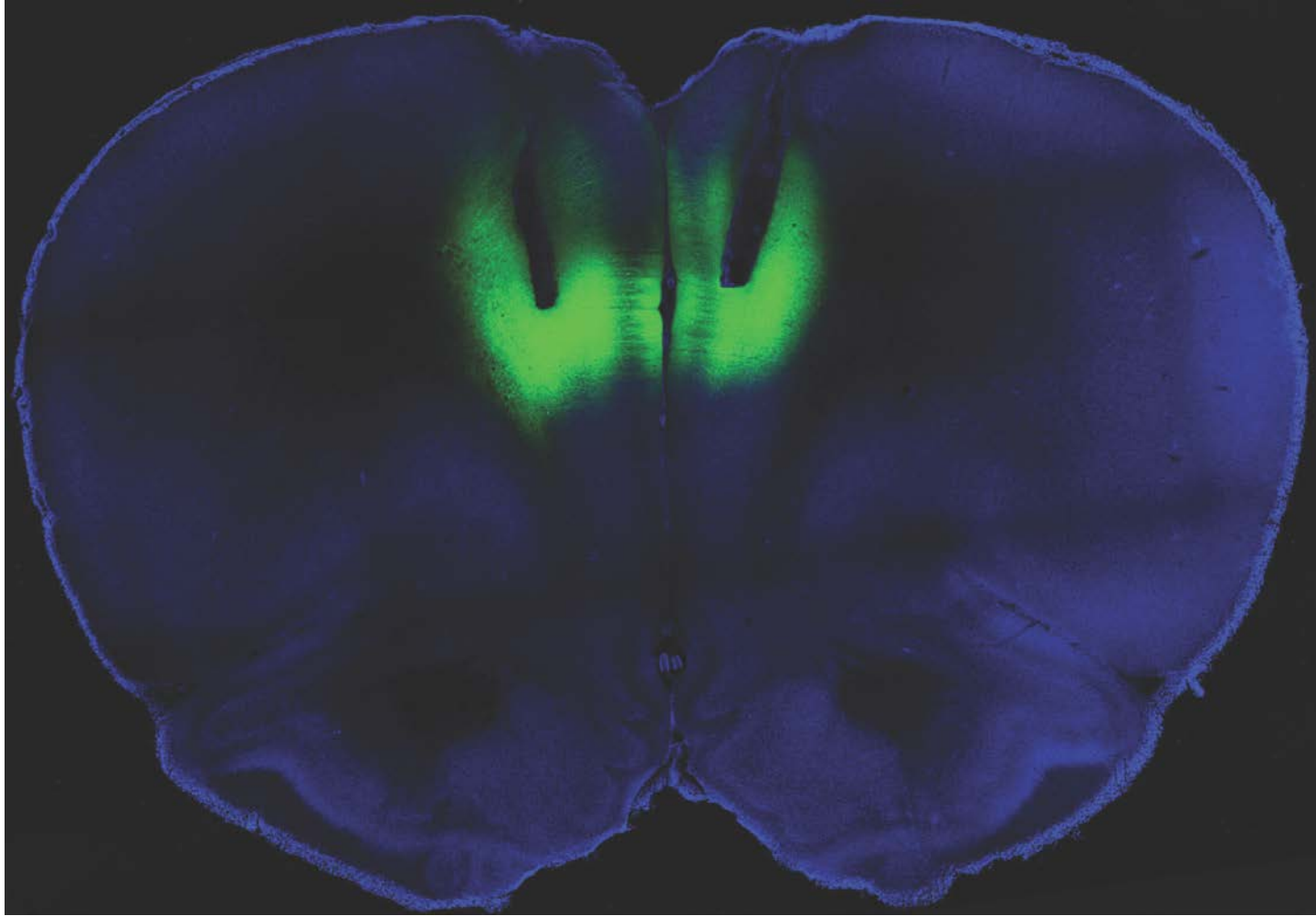
Future of UC Retiree Health Insurance



Will UC Retiree Health Insurance continue in the future?

- Retiree Health Benefits Working Group formed and began work in early 2018
- Broad representation – 16 faculty, current staff and retirees
- Charged with considering plan and program design strategies to sustain benefits, evaluate benefits at peer institutions, identify implications of options to both UC and retirees
- Report was issued last spring and minimal changes were implemented for 2019
- Current model – current/projected cost increases are greater than inflation and growing faster than UC's budget
- Need to ensure long-term financial viability of program and value to members
- UC currently ranks in the top five among comparable universities for its contributions to retiree health care benefits

Resources



Where can I get more information?

Group Insurance Eligibility Fact Sheet for Retirees:

<http://ucnet.universityofcalifornia.edu/forms/pdf/group-insurance-eligibility-factsheet-for-retirees.pdf>

A New Approach to Your Retiree Medical Benefits:

<http://ucnet.universityofcalifornia.edu/forms/pdf/new-approach-to-your-retiree-medical-benefits.pdf> (Retirees and their family members enrolled in Medicare and living outside of California)

Fact Sheet: UC Retiree Health Eligibility Rules:

<http://ucnet.universityofcalifornia.edu/forms/pdf/retiree-health-eligibility-fact-sheet.pdf>

Medicare Fact Sheet: <http://ucnet.universityofcalifornia.edu/forms/pdf/medicare-factsheet.pdf>

Medicare General Information and Resources: www.medicare.gov

Medicare premium information for 2017: <https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html>

Health Care Facilitator Program

Having a hassle with your
health plan? Your health
care facilitator can help.

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