



opersHealthCare

The logo for opersHealthCare features a stylized, multi-colored circular icon (red, green, blue) to the left of the text "opersHealthCare" in a blue, sans-serif font.

Re-employed Retirees and Health Care Sept. 17, 2015

Marianne Steger, MS, CEBS Director of Health Care

Why so much attention on re-employment?



- If a retiree plan has 2 or more re-employed retirees in it, it is consider an employee plan.
- Federal health care laws and regulations provide that a stand-alone HRA is available only for retirees and cannot permit the participation of active public employees, including re-employed retirees.
- The OPERS Medicare Connector will have what is called a “stand alone HRA” to support the allowance administration.
- To protect the status of the health care plan as retiree only, the Board approved separating the re-employed retirees into a stand-alone plan. ***Retirees in the re-employed retiree plan will receive an allowance toward their premium.***
- For purposes of this discussion we will separate the re-employed retirees into two groups: Non-Medicare and Medicare

Who is a Re-employed Retiree?



- **Retirees who receive an OPERS pension and also work for an OPERS-covered employer including:**
- **Intermittent workers**
 - Seasonal employees who cycle in and out of re-employment or who work limited hours
- **Part-time workers**
 - Employees who have continuous employment but limited hours
- **Full-time workers**
 - Employees who have standard work hours and meet FT requirements

2016 Re-employed Retiree Non-Medicare Health Care Plans and Cost



Non-Medicare Medical	2016
Deductible (In-Network)	\$1,000
Total (In-Network) OOP Max	\$4,900
Deductible (Out-of-Network)	\$2,000
Total (Out-of Network) OOP Max	\$7,000
Office Visit (Medical Home)	\$15
Office Visit Copay (PCP)	\$25
Office Visit Copay (Specialist)	\$40
Office Visit Copay (Chronic Conditions)	\$20

2016 Re-employed Retiree Non-Medicare Health Care Plans and Cost



Non-Medicare Medical	2016
Inpatient Deductible	\$150
Emergency Room	\$150 (emergency) \$250 (non-emergency)
Preventive Services	100%
Skilled Nursing/Hospice	100%
Other Medical Services*	25% Coinsurance

*Additional enrollee cost-share if non-preferred providers are used for lab work subject to coverage maximums.

2016 Re-employed Retirees Prescription Drug Plan Cost



Prescription Drug	2016
Retail Pharmacy Network	55K pharmacies
Annual Deductible(s)	\$100 (generics) \$200 (brands)
Formulary	High Performance
Generics	20% Coinsurance: \$4 min/\$8 max Retail \$10 min/\$20 max Mail
Formulary Brand	30% Coinsurance: \$20 min/\$30 max Retail \$50 min/\$75 max Mail
Non-Formulary Brand	NOT COVERED

2016 Re-employed Retirees Prescription Drug Plan Cost



Prescription Drug	2016
Specialty Drugs	40% Coinsurance: \$150 max
VBID – Generics for chronic conditions	\$0
VBID – Diabetes items for DM participants	30% Coinsurance: \$30 min/\$60 max Retail \$75 min/\$150 max Mail
OTC/Generic PPIs (heartburn meds)	No OTCs, Generic: 50% Coinsurance: \$25 Retail/\$62.50 Mail min
Brand PPIs	Not Covered
Maximum Out of Pocket	\$1,950 (per ACA limits)

Medicare 2016 Health Care Plans and Cost



Medicare Medical (Humana Interim Plan)	2016
Deductible	\$500
Total OOP Max (includes deductible)	\$1350
Office Visit Copay (PCP)	4%
Office Visit Copay (Specialist)	8%
Emergency Room / Urgent Care	\$50
Preventive Services	100%
Skilled Nursing / Hospice	100%/95%
Other Medical Services	4%

2016 Health Care Plans and Cost



- **Full plan premiums are set every year and are based on many factors including utilization and inflation.**
- **OPERS will offer an allowance to retirees/spouses selecting the re-employed group plan to help offset the full premium.**
- **Allowance amounts from OPERS will range from 51% to 90% of the full plan premium. In 2016 most retirees will have an allowance of 88% or more.**
- **Allowance percentages are determined by the retiree's years of public service and age when first enrolled in OPERS health care.**
- **Spouse allowances will transition to \$0 by 2018.**

Premiums and Contribution Values for Re-employed Retiree plans (2017 and 2018 are estimates)



Medicare A&B Re-employed Retiree Humana Interim Premium			
	2016	2017	2018
Monthly Self Supporting Rate	\$399	\$415	\$432
OPERS allowance level - Percent	88%	81%	75%
OPERS allowance level - Dollar	\$351	\$336	\$324
Member's Monthly Premium	\$48	\$79	\$108
Annual OPERS Contribution to Retiree	\$4,213	\$4,033	\$3,884

Retiree pays this HC premium each month

Non-Medicare Reemployed Retiree MMO Interim Premium			
	2016	2017	2018
Monthly Self Supporting Rate	\$969	\$1,008	\$1,048
OPERS allowance level - Percent	88%	81%	75%
OPERS allowance level - Dollar	\$853	\$816	\$786
Members Monthly Premium	\$116	\$191	\$262
Annual OPERS Contribution to Retiree	\$10,233	\$9,795	\$9,433

Retiree pays this HC premium each month

Should I keep working in retirement??

- **Questions to Consider:**
 - Do I have employer health care coverage?
 - How does staying re-employed retiree impact my finances?
 - What if I churn in and out of retirement and re-employment?



Example 1 Monthly Pension \$4,000; Re-employment income \$500



				Monthly	
Income			Re-employed	Not Re-employed	
	Pension		\$4,000	\$4,000	
	Re-employment		\$500	\$0	
	Total		\$4,500	\$4,000	
Health Care Options	OneExchange				
		HRA	None	\$337	
		Premium		(\$230)	
		Remaining HRA \$\$		\$107	
	Employer Plan		None	None	
		Premium			
	OPERS Interim Plan			N/A	
		Total Premium	\$399		
		OPERS Allowance to Retiree	(\$349)		
		Retiree's premium	\$50		
Net Effect	Income		\$4,500	\$4,000	
	Health Care cost/credit		(\$50)	\$107	
	Net income		\$4,450	\$4,107	

Example 2 – Monthly Pension \$2,000; Re-employment income \$500



		Monthly	
Income		Re-employed	Not Re-employed
	Pension	\$2,000	\$2,000
	Re-employment	\$500	\$0
	Total	\$2,500	\$2,000
Health Care Options	OneExchange		
	HRA	None	\$337
	Premium		(\$230)
	Remaining HRA \$\$		\$107
	Employer Plan	None	None
	Premium		
	OPERS Interim Plan		NA
	Total Premium	\$399	
	OPERS Allowance to Retiree	\$349	
	Retiree's premium	-\$50	
Net Effect	Income	\$2,500	\$2,000
	Health Care cost/credit	(\$50)	\$107
	Net income	\$2,450	\$2,107

Example 3 – Monthly Pension \$2,000; Re-employment income \$1,500



				Monthly	
		Re-employed	Not Re-employed		
Income	Pension	\$2,000	\$2,000		
	Re-employment	\$1,500	\$0		
	Total	\$3,500	\$2,000		
Health Care Options	OneExchange				
	HRA	None	\$337		
	Premium		(\$230)		
	Remaining HRA \$\$	None	\$107		
	Employer Plan	None	None		
	Premium				
	OPERS Interim Plan		NA		
	Total Premium	\$399			
	OPERS Allowance to Retiree	\$349			
	Retiree's premium	-\$50			
Net Effect	Income	\$3,500	\$2,000		
	Health Care cost/credit	(\$50)	\$107		
	Net income	\$3,450	\$2,107		

Example 4 – Monthly Pension \$5,000; Re-employment income \$4,500



				Monthly	
		Re-employed	Not Re-employed		
Income	Pension	\$5,000	\$5,000		
	Re-employment	\$4,500	\$0		
	Total	\$9,500	\$5,000		
Health Care Options	OneExchange				
	HRA	None	\$337		
	Premium		(\$230)		
	Remaining HRA \$\$		\$107		
	Employer Plan	None	None		
	Premium				
	OPERS Interim Plan		NA		
	Total Premium	\$399			
	OPERS Allowance to Retiree	\$349			
	Retiree's premium	-\$50			
Net Effect	Income	\$9,500	\$5,000		
	Health Care cost/credit	(\$50)	\$107		
	Net income	\$9,450	\$5,107		

What happens if I start and stop my employment?

- **~28% of re-employed retirees went in and out of re-employment with an OPERS employer in 2014. (Churning)**
- **Intermittent re-employed retirees may work very few hours; some may work part-time to supplement pensions others may work full-time. Some may be simply helping out at the library or in the courtroom on a sporadic basis, intermittent workers.**
- **If Medicare retirees go back and forth between their Connector plan (or the OPERS group Re-employed Retiree plan) or their employer's plan they may have to meet a new annual deductible each time they enter the plan.**

Moving in and out of employment for Medicare Retirees



Medicare Retirees Can Churn (between the Connector Plan and the OPERS Group re-employed retiree plan) One Time:

- Once the Medicare retiree becomes re-employed, his/her HRA is frozen.
- Working for any length of time during a given month freezes the HRA for the entire month
- At this point retiree can stay in the plan they selected with the Connector (with no HRA allowance) or leave that plan and enroll in the OPERS group Re-employed Retiree Humana Interim plan with an allowance for that plan.
- If the Medicare retiree is no longer re-employed, his/her HRA will be unfrozen and they would go back to a plan on the Connector (assuming they didn't leave) or re-enroll in a plan through the Connector.

Moving in and out of employment for Medicare Retirees



Medicare Retirees can Churn One Time

- If they become re-employed again their HRA will be frozen and they have the option to return to the OPERS Group Re-employed Retiree Humana Interim plan or stay in their Connector plan without an allowance.
- In any event their HRA will remain frozen until the next open enrollment period (January).
- At that point if they are now fully retired again their HRA will be unfrozen and they can select a plan through the Connector, assuming they left their plan when they became re-employed.

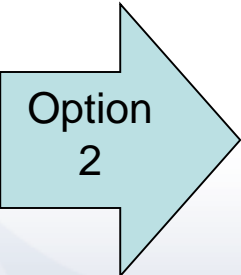
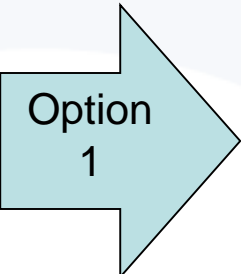
Moving in and out of employment Medicare Retirees



Example of Churning and Options

Current Benefit Year				
Jan.	March	June	Sept	Oct.
Retired	Re-employed	Retired	Re-employed	Retired
In Connector Plan w/ HRA	Group RR Plan w/ allowance (HRA frozen)	In Connector Plan w/ HRA	HRA frozen. In Group RR Plan w/ allowance available.	HRA frozen. In Group RR Plan w/ allowance available.
One Churn				

Jan.	March	June	Sept	Oct.
Retired	Re-employed	Retired	Re-employed	Retired
In Connector Plan w/ HRA	Stay in Connector Plan w/ HRA frozen	In Connector Plan w/ HRA	Stay in Connector Plan w/ HRA Frozen.	Stay in Connector Plan w/ HRA Frozen.
One Churn				



OPERS Re-employment Decision Tool



- PowerPoint driven tool
- Designed to help retirees understand health care options if choosing to become re-employed
- Available at opers.org under re-employment section
- www.opers.org/rr (demo)
- More tools to come
- Another mailing later this month

Questions?