



# Retiree Health Plans Frequently Asked Questions

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### **I am planning to retire or will soon reach age 65. What do I need to do?**

Your health plan is important to your well-being and security—especially as you move into retirement—and you want to be sure you’re not left without protection. If you are planning to leave State service or will soon become eligible for Medicare, the State offers resources to guide you through the process of continuing your health care into retirement. It’s important to make your decisions carefully, because you may have limited opportunities to take advantage of the health plan offerings.

It is highly recommended that, as you approach this important milestone, you review the materials available to you, including the Office of Employee Benefits website and this FAQ document. Furthermore, you are strongly encouraged to attend one of [the monthly retiree health information meetings](#) conducted by the Office of Employee Benefits. These online sessions are generally held on the first Thursday of every month at 1 p.m. Visit the Office of Employee Benefits website for the meeting schedule and registration link. If the session times are not good for you, you can also watch a prerecorded session on the Office of Employee Benefits website.

**Please note that for the benefits outlined in this FAQ, your date of retirement is considered to be your last day of work before you begin receiving your ERSRI retirement benefits.**



## Section I: Eligibility & Enrollment

### 1. Who is eligible for State-subsidized retiree health?

**If you are under age 65 or not eligible for Medicare**, you are eligible to enroll in subsidized State-sponsored medical and prescription coverage for you and your family if you:

- A. Were a State employee immediately prior to retirement,
- B. Immediately start collecting your State pension upon retirement. For this purpose, “retirement” means formally retiring through ERSRI and having an ERSRI retirement effective date, and
- C. Have 20 years of service attributable exclusively to State employment (including any State service credit purchased through ERSRI). Municipal service does not count toward the required 20 years of service.

If you meet the above requirements without 20 years of service, you may be eligible to enroll in pre-65 State-sponsored coverage, but without a State subsidy. In addition, spouses, dependents, and public school teachers who retire through ERSRI are also eligible to enroll but are not eligible for any State subsidy toward the cost of coverage. In those instances, COBRA continuation may be a more cost-effective option. See Section II: COBRA Continuation.

**If you are age 65 or older**, you must first enroll in Medicare Parts A and B and purchase your supplemental Medicare coverage through Via Benefits to qualify for State-provided funding. See Section IV: Medicare.

If you are a judge, legislator, or State police trooper, your benefits will be different. Visit the [Office of Employee Benefits website](#) for more information.

### 2. What plans are available under the State’s early retiree health coverage?

**If you are under age 65 or not eligible for Medicare**, there are three State-sponsored plans for retirees. All plans are administered by Blue Cross & Blue Shield of Rhode Island (BCBSRI). State subsidies are applicable to these three plans:

- Retiree Anchor Plan



- Retiree Anchor Plus Plan
- Retiree Value Plan

Enrollment in these plans is managed through the Office of Employee Benefits. If you elect this coverage, premiums are deducted from your monthly pension check on a post-tax basis.

Please be aware that if you do not meet the eligibility requirements (see question 1, above), you will not be eligible for a State subsidy. In that case, you may find COBRA continuation a more cost-effective option. See Section II: COBRA Continuation.

**If you are age 65 or older**, see Section IV: Medicare.

### **3. When do I become eligible for pre-65 retiree health coverage?**

Your eligibility for retiree health coverage begins the first of the month following your last day of work. However, if you are becoming Medicare eligible, it's important to begin the enrollment process in advance to ensure a smoother transition. See Section IV: Medicare.

**Remember: You must immediately start collecting your State pension upon retirement to qualify for State-sponsored medical and prescription drug coverage, as well as any State subsidy or funding.**

### **4. When do my active employee benefits end?**

Your active employee health coverage ends at the end of the pay period (always a Saturday) following your last day of work. The State will deduct a full co-share out of your final paycheck (always the following Friday) for your remaining active health coverage.

If you want to avoid a gap in coverage, it is strongly advised that you terminate your active employment at the end of a month. If you are transitioning directly from active employment into pre-65 coverage (also known as early retiree coverage), that coverage will begin on the first of a month following your retirement. Depending on how the pay periods fall, it is possible that you may have some overlap in coverage with the end of your active employee coverage occurring after the beginning of your early retiree



coverage. Even though you would have a short period of overlapping coverage, you would achieve the goal of avoiding a gap in coverage. For more information or assistance, contact the Office of Employee Benefits.

## **5. When does my pre-65 early retiree health plan coverage end?**

You will be automatically terminated from the early retiree health plan on the last day of the month before the month in which you reach age 65 (unless your birthday is the first of the month, in which case your coverage will end on the last day of the prior month).

Here are two examples of how this works:

- If your 65th birthday is on June 15, your early retiree health plan coverage will end on May 31.
- However, if your 65th birthday is on June 1, your early retiree health plan coverage will end on April 30.

You will receive a letter from Workterra notifying you that your pre-65 health plan is terminating and action is required on your part. At that time, you will be instructed to enroll in Basic Medicare (Parts A and B) through the Social Security Administration. You can then contact Via Benefits, the State's third-party Medicare exchange, to enroll in a Medicare Supplement plan or Medicare Advantage plan. For more information, see Section IV: Medicare.

## **6. If I elect State-sponsored early retiree health coverage, when does my coverage begin?**

It will always begin on the first of a month, but which month that is depends on when and why you're enrolling.

**If you are enrolling as part of a seamless transition from active employee coverage,** as long as you have formally retired through ERSRI, your coverage begins on the first of the month following your last day of work. It is important to make your retiree health coverage election in a timely fashion to continue your health plan without a gap in coverage. (See question 4 for information about avoiding a gap in coverage.) (See question 9 for information about when you can enroll.)



**If you are enrolling by virtue of a qualifying status change event with respect to losing other coverage**, as long as you formally retired through ERSRI immediately upon termination of employment, your coverage begins on the first of the month ahead of or following the date of your qualifying status change event. You'll have a 31-day window within which to process an enrollment action based on a qualifying status change event, and you can set your State early retiree coverage effective date to be the first of the month in advance of your qualifying event date (may eliminate the possibility of a gap in coverage but would require you to pay an additional month's premium for State early retiree coverage) or the first of the month following your qualifying event date (one less month's premium to pay for State early retiree coverage, but you may have a gap in coverage—if available from the source of the coverage you're losing, COBRA could be used to fill a gap).

**If you're enrolling during the State's annual open enrollment period (generally the first three weeks of November)**, as long as you formally retired through ERSRI immediately upon termination of employment, your coverage begins on the first of the following January.

## **7. Are my dependents eligible for coverage?**

Yes, as long as your qualified dependents are under age 65 and non-Medicare eligible, they can enroll in a pre-65 early retiree health plan without a State subsidy. You will need to complete a [Pre-65 Retiree Health Coverage Election Form](#) for each person being enrolled in the plan. However, when you leave State service, your dependents should exhaust their COBRA entitlement before enrolling in pre-65 early retiree coverage. COBRA is much more cost effective than the pre-65 coverage without a subsidy.

## **8. What coverage levels are available?**

The coverage levels for State-sponsored retiree plans are individual or family. If you need to enroll yourself and one other dependent, you can elect two individual plans. You will need to complete a [Pre-65 Retiree Health Coverage Election Form](#) for each person being enrolled in the plan.



If you elect COBRA continuation coverage, you can choose individual or family. If you only need to enroll one other dependent, you can elect two individual policies. You must indicate your preference in writing on your COBRA election notice.

## 9. When can I enroll for retiree health coverage?

**If you are under age 65 or non-Medicare eligible**, you may enroll in State-sponsored medical and prescription coverage during one of the following periods:

- Upon retirement from State service
- Open enrollment (generally the month of November for coverage effective January 1 of the following calendar year)
- Within 31 days of a qualifying status change
- Turning age 59—You may enroll for the month in which you reach your 59th birthday or within 31 days of your 59th birthday. (Coverage becomes effective on the first day of your birth month.)

Except for enrollments occurring during the open enrollment period and age 59 enrollments, all retiree coverage elections become effective as of the first of the month following the enrollment date.

**If you are age 65 or older**, you must enroll in Medicare during the specified enrollment time frame (see Section IV: Medicare).

## 10. How do I enroll?

**If you are a current employee getting ready to retire, or you are a pre-65 retiree looking to change coverage within an eligible enrollment period**, complete and submit the [Pre-65 Retiree Health Coverage Election Form](#) to the Office of Employee Benefits as instructed on the form. Please note that:

- You must fill out a **separate** form for each person you want to enroll. For example, fill out two forms if you are enrolling yourself and your spouse.
- The Office of Employee Benefits will accept forms up to 90 days before your requested effective date.



- For new retirees, you should submit this form to the Office of Employee Benefits *after* you submit your retirement paperwork to ERSRI.

**If you are age 65 or older**, see Section IV: Medicare for enrollment information.

## **11. How do I make changes to my coverage?**

Generally, you can make changes during the annual open enrollment period.

**If you are under age 65 or non-Medicare eligible**, you may submit the [Pre-65 Retiree Health Coverage Election Form](#) to the Office of Employee Benefits within 31 days of a qualifying life event or during the open enrollment period. Supporting documentation proving the occurrence of a qualifying life event is required, unless the change request is submitted during open enrollment.

**If you are age 65 or older**, you can make changes by contacting Via Benefits. To switch from one Medicare Supplement plan to another or to a Medicare Advantage plan, you will need to make any changes through Via Benefits. For the State's funding to be available to you, Via Benefits must be the broker of record on your Medicare profile. **You will lose your State funding if you use any other broker.**

## **12. How do I cancel my pre-65 early retiree State-sponsored health coverage?**

If you want to cancel your pre-65 early retiree health coverage, please submit the [Retiree Health Care Cancellation Form](#) to the Office of Employee Benefits.

The Office of Employee Benefits must receive your form by the first day of a month for your cancellation to be effective on the first day of the following month. For example, if your form is received by March 1, your cancellation will be effective April 1. However, if your form is received March 2 or later, the effective date of the cancellation will be May 1.



## Section II: COBRA Continuation

### 1. What is COBRA, and how does it work?

If you and your dependents are covered by the State of Rhode Island health insurance plans and you lose coverage, you may be eligible for COBRA continuation coverage on a self-pay basis for any combination of medical, dental, and vision care. Please read the [COBRA General Notice of Continuation Rights](#) for detailed COBRA information.

Under COBRA, you and your dependents can generally continue coverage for up to 18 months, or 36 months in the case of loss of dependent status, divorce, or death. Your cost for the self-pay premiums is 102% of the full cost of the coverage. You pay for your coverage monthly.

If you or your dependents lose coverage, you will be notified directly of your right to continuation coverage by Workterra, the State's COBRA administrator.

### 2. Do I need to enroll in COBRA? Is COBRA right for me?

COBRA continuation coverage can be a valuable tool for retirees and dependents, depending on individual circumstances. COBRA is available to continue medical, dental, and vision coverage. This option can act as a gap-filler between the end of your active employee coverage and the start of your retiree coverage or as a semipermanent source of coverage for up to 18 months.

In certain situations, COBRA may be a more cost-effective option than the State-sponsored plans. For example, if you are eligible to retire before age 59, you can elect the State-sponsored health plan. However, in that case, you would not be eligible for a subsidy, which could make the plan prohibitively expensive. In that scenario, you would benefit by continuing your coverage under COBRA until you are eligible for the subsidy. If your spouse loses coverage because of your retirement, COBRA may be a more cost-effective medical option than the State's pre-65 coverage, because your spouse would not be eligible for the subsidy. You may wish to enroll for dental and vision continuation under COBRA, because the State does not offer those plans to retirees.





### **3. What if I want to elect COBRA continuation but have not received my COBRA notice? Will I be without health coverage?**

Because processing your COBRA forms may take longer than it takes for you to enroll in a retiree health or Medicare-related plan, you may have your retiree medical coverage in place before you receive your COBRA notice. It can take up to one full month to issue your COBRA notice. If you have not received your COBRA notice after this period, contact the Office of Employee Benefits.

It's important to hold on to your COBRA notice, because you may need it to elect dental and vision continuation coverage. COBRA is the only option you have for electing State dental and vision coverage, because those plans are not offered to retirees. You may also need the notice to elect medical coverage if you do not choose a State-sponsored retiree health plan.

Your COBRA continuation can be elected retroactively to the date your active employee health coverage ended, so you will not be without protection.



## Section III: Premiums & Subsidies

### 1. How does the State's subsidy or funding work?

If your last day of work was on or after October 1, 2008, you have at least 20 years of service, and you are at least age 59, you are eligible for a subsidy toward the pre-65 early retiree health plan or funding toward expenses after enrolling in Medicare.

- **Before age 65**, the early retiree health plan subsidy is 80% of the individual premium for the plan in which you enrolled.
- **After age 65**, the funding is 80% of a benchmark Medicare Supplement plan rate. (See question 9 below for an explanation of the Medicare Supplement benchmark.)

If you qualify for State funding, and you have purchased a Medigap or Medicare Advantage plan through Via Benefits, you will receive your funding in the form of monthly State contributions to a health reimbursement arrangement (HRA). (See question 6 below for more information about the HRA.) You can then use the funds in your HRA to reimburse yourself for qualified expenses.

If you retired on or before September 30, 2008, your subsidy is determined differently. Refer to the Office of Employee Benefits website for [more information about State subsidies and funding](#).

### 2. What if I don't have enough years of service to qualify for the subsidy or funding? Does service with a municipality count toward my years of service?

To qualify for the subsidy or funding, you must have the required number of years of service as a State employee. Service with another government entity, such as a municipality, does not count. If you are short on years of service, you may be able to purchase credit through ERSRI.



### **Before Age 65: Early Retiree Health Plan Premiums**

#### **3. How much will I pay for pre-65 State-sponsored early retiree health coverage?**

How much you pay for early retiree health coverage depends on a variety of factors, including:

- The coverage you elect
- How many individuals you wish to cover
- The [State subsidy you qualify for](#), depending on your years of service and date of retirement from the State, if applicable
- The [premium rates](#) of the plan in which you wish to enroll

#### **4. How do I pay for pre-65 State-sponsored early retiree health coverage?**

Your premiums are deducted directly from your monthly pension check on a post-tax basis.

### **After Age 65: State Funding for Medicare and Supplemental Plans**

#### **5. How and when do I receive funding from the State toward my Medicare coverage?**

When you are enrolled in a Medigap or Medicare Advantage plan through Via Benefits, you receive funding from the State to help pay for your coverage. The funding is delivered to you in a health reimbursement arrangement (HRA) administered by Via Benefits. (See question 6 below for more information about the HRA.) You will submit reimbursement claims to Via Benefits. If the expense is qualified, they will issue your reimbursement.

Funding will be supplied to the HRA, and you will be able to submit for reimbursements from Via Benefits:

- After your 65th birth month, if you transition to Medicare from pre-65 State-sponsored early retiree health coverage, or



- If you are transitioning to Medicare from active employment, after you receive your first pension check. Because of processing time, it may take up to three months for you to receive your first full pension check. State-provided funding will be retroactive to the date you purchased coverage through Via Benefits.

The amount of your monthly HRA allocation varies depending on your age and the [State subsidy percentage for which you qualify](#).

## **6. What is a health reimbursement arrangement or HRA?**

An HRA is an account in your name maintained by Via Benefits to which the State makes contributions. You can use the funds to reimburse yourself for qualified medical expenses, such as health insurance premiums and out-of-pocket costs.

When Via Benefits gets the necessary information to open an HRA in your name, you will receive an HRA welcome packet in the mail. To learn more about how an HRA works and to find a complete list of eligible medical expenses, contact Via Benefits.

## **7. How do I receive my HRA reimbursement?**

Reimbursements are handled by Via Benefits. You can manually submit a reimbursement request form with proof of your Medicare or supplemental plan payment. You can also set up automatic premium reimbursements. Contact Via Benefits to learn more.

## **8. How do I use the HRA to pay for premiums and expenses?**

When you pay for an eligible expense or make a premium payment, you must submit proof of payment to Via Benefits. Once the expense has been verified, Via Benefits will reimburse your expense by direct deposit into your checking or savings account. Contact Via Benefits to learn more.

## **9. What is the benchmark Medicare Supplement plan rate?**

Your HRA allocation amount is determined according to a [statutory formula](#). A benchmark Medicare Supplement plan is used to set HRA allocations according to



subsidy entitlements. Your subsidy percentage is applied to the age-based rate of the benchmark plan, and the resulting amount is allocated to your HRA on a monthly basis.

The benchmark plan is currently the AARP Plan F underwritten by UnitedHealthcare. Although you may not be able to purchase this plan as a new retiree, the State uses it as the benchmark.

[Visit the Office of Employee Benefits website](#) to view the current monthly HRA allotments, because they are periodically subject to change. Seeing the amount of the HRA allotment can help you decide which Medicare Advantage or Medigap option works best for your financial situation.



## Section IV: Medicare

### 1. How does my retiree health plan work with Medicare?

When you enroll in Basic Medicare (Parts A and B), Medicare becomes your primary coverage for inpatient and outpatient care.

You are encouraged to contact Via Benefits, the State's Medicare plans administrator, to elect a Medicare Supplement or Medicare Advantage plan. Via Benefits also offers Medicare Part D prescription drug, dental, and vision coverage. These offer additional coverage beyond Basic Medicare.

**While you are required to purchase a Medicare Advantage or Medigap plan through Via Benefits to qualify for State funding, you are not required to purchase Part D, dental, or vision coverage.**

Visit the [Coverage Details section](#) on the Office of Employee Benefits website for more detailed information.

### 2. What are my coverage options under Medicare?

**If you are age 65 or older**, you must first enroll in Basic Medicare (Part A and Part B). You then will have the opportunity to purchase additional coverage through the State's Medicare exchange program administered by Via Benefits. These options include:

- Medicare Supplement (Medigap)
- Medicare Advantage plans
- Part D prescription drug plans
- Dental and vision plans

Enrollment and ongoing support for these plans are provided entirely through Via Benefits.



### 3. When can I enroll in Medicare?

If you are age 65 or older, there are two primary periods of Medicare enrollment:

#### A. Initial enrollment period (IEP)

A seven-month period that begins three months before and ends three months after you turn age 65. If you are covered by group health plan coverage at or beyond age 65, you do not need to enroll in Medicare during your initial enrollment period.

#### B. Special enrollment period (SEP)

If you did not enroll in Medicare during your IEP because you were covered under a group health plan, you may enroll at any time while covered under the group health plan or during the eight-month period that begins the month the employment ends or the group health plan coverage ends, whichever comes first.

Group health plan coverage is coverage based on your employment or your spouse's employment. **The State's pre-65 retiree health coverage, coverage based on a domestic partner's employment, and COBRA do NOT count as group health plan coverage.**

**Important note:** Penalties may be applied to your Part B premium if you do not enroll in Medicare Part B as soon as you are eligible, and to your Part D premium if you go 63 days or more after your IEP is over without prescription drug coverage. (If you are older than 65 and still working at the State, you are NOT required to purchase a Part D prescription drug plan. When you do retire, Medicare will require proof of creditable prescription drug coverage for the months or years after you turn age 65.)

### 4. How do I enroll in Medicare?

If you are age 65 or older, follow these steps:

*Step 1: Medicare Exchange Eligibility Form*

Submit the [Medicare Exchange Eligibility Form](#) to the Office of Employee Benefits at **least two months before your last day of work.**

*Step 2: Medicare Part A and Part B*

Contact the Social Security Administration to enroll in Medicare Part A and Part B:

- Call **800-772-1213**.



- Visit [ssa.gov/medicare](https://ssa.gov/medicare).

*Step 3: Medigap, Part D, and Medicare Advantage*

Once you have your Part B effective date and Medicare ID number, contact Via Benefits to enroll in Medigap, Part D, and Medicare Advantage plans:

- Call **844-448-7298**.
- Visit [my.viabenefits.com/ri](https://my.viabenefits.com/ri).

Note: In most cases, Via Benefits will not have your health reimbursement arrangement (HRA) funding information at the time of your initial call. Please [refer to the HRA page](#) of the Office of Employee Benefits website for additional details on the amount you can expect to receive.

**5. Do I pay the full cost of the Medicare Advantage or Medigap plan I elect?**

Yes, but you may be eligible for State funding to help defray the cost of your coverage. See Section III: Premiums & Subsidies for more information.

**6. When do I qualify to receive the State-provided funding?**

Your State-provided funding begins after you have formally retired under ERSRI, enrolled in Medicare with the Social Security Administration, and enrolled in coverage through Via Benefits. See Section III: Premiums & Subsidies for more information.





## Section V: Additional Questions

### 1. Is there dental or vision coverage for retirees?

**If you are under age 65**, dental or vision coverage after retirement is available only by enrolling in COBRA. If you elect dental and vision through COBRA, you will be offered the coverage tier in which you were enrolled before you left State service (for example, Anchor or Anchor Plus); you cannot choose a higher or lower tier of coverage than you had as an active employee.

**If you are age 65 or older**, you may be able to enroll for dental and vision coverage through the State's Medicare exchange program administered by Via Benefits.

### 2. What is the most cost-effective option for retired public school teachers?

Although retired public school teachers are eligible for the same plans as other State employees, they are not eligible for the State's health care subsidy. If you are a public school teacher, you may want to consider COBRA, the State-sponsored Retiree Value Plan (HSA-qualified plan), or the [HealthSource RI](#) health care exchange.

### 3. Where can I get more information?

If you have reviewed this FAQ document and still have questions, please contact the Office of Employee Benefits. You can reach us by telephone at **401-574-8530**, Monday–Friday, 8:30 a.m.–4 p.m. You can also email us at [doa.oeb@doa.ri.gov](mailto:doa.oeb@doa.ri.gov) or reach us through our website's [feedback tool](#).

Visit the retiree benefits section of the Office of Employee Benefits website for full details of the retiree health plans. In addition, attend one of the [monthly retiree health information meetings](#) conducted by the Office of Employee Benefits. These online sessions are generally held on the first Thursday of every month at 1 p.m. Visit the Office of Employee Benefits website for the meeting schedule and registration link.



### **IMPORTANT REMINDER**

To be eligible for State-sponsored retiree health coverage, you must have been a State employee **immediately** prior to your retirement with no break between your active service and retirement. If you leave State employment, don't immediately retire through ERSRI, and defer your retirement to a later date, **you will forfeit your retiree medical coverage.**