



STATE OF RHODE ISLAND RETIREE HEALTH COVERAGE

January – December 2024



PRESENTATION ROADMAP

- Leaving State service - COBRA Coverage
- Retiree health coverage eligibility & subsidies
- Pre-65 State Coverage
- Post-65 Medicare Coverage
- Other coverage options & resources



LEAVING STATE SERVICE

- Rule #1: Active employee coverage terminates at the end of the pay period in which the termination date occurs
- Rule #2 Retiree health coverage (pre-65 or Medicare coverage) always begins on the first of a month (usually following retirement)
- So, terminating employment early, or in the middle of a month, can lead to a gap in coverage
- COBRA continuation coverage available to “fill gap”
- Want to avoid a coverage gap? Terminate employment at the end of the month



WHAT IS COBRA?

- COBRA is a federally-mandated continuation program for employer-sponsored health coverage (medical/prescription, dental, vision and FSA)
- COBRA is a continuation of the same coverage you have as an active employee, just more expensive (no State subsidy)
- COBRA is offered to all terminating employees that had active health coverage
- For terminating employees and their dependents, COBRA coverage can last up to 18 months



HOW DOES COBRA WORK?

- COBRA enrollment and billing is managed by Workterra
- OEB receives a copy of CS-5 term action and terminates active employee coverage in Workterra as of end of pay period
- Workterra sends a COBRA election notice packet (called a COBRA Specific Rights Notice – example on OEB website)
- You then make COBRA elections directly with Workterra via snail mail or fax (can mix and match)
- Workterra enrolls you in elected COBRA coverage once premium payment is made



HOW DOES COBRA WORK?

- COBRA only offered for plan(s) and coverage level active employee had during employment
- COBRA election notices usually received after employment termination and retiree health coverage kicks in
- COBRA can be elected retroactively up to 60 days after date of COBRA election notice
- Don't have to elect – look back on gap period



HOW DOES COBRA WORK?

- If you had health expenses during your gap period:
 - 1) try your active employee coverage
 - 2) explain to provider that you are electing COBRA and request claim be held and reprocessed when COBRA is active
 - 3) submit claim to Blue Cross for processing once COBRA is active
- REMEMBER - It may be cheaper to pay out of pocket



HOW DOES COBRA WORK?

- If electing coverage, see Workterra Alternate COBRA Payment Process document on OEB website
 - Snail mail is an option but fax may be faster
 - Electronic funds transfer available with submission of ACH approval form along with copy of voided check
- If electing for you and one dependent, you may elect two individual policies instead of a family policy



HOW DOES COBRA WORK?

- If not electing medical/Rx COBRA coverage:
 - Don't throw away election notice – COBRA is only way you can receive State dental and vision coverage in retirement
- COBRA only offered once to terminating State employees
 - If enrolling in State retiree coverage due to the loss of other coverage, your COBRA coverage must be obtained from the source of the other coverage



HOW MUCH DOES COBRA COST?

COBRA MONTHLY RATES (1/1/24 – 12/31/24)			
Medical/Prescription Coverage			
<i>Initial premium prorated to the day coverage begins, but initial election must always be back to COBRA effective date (loss of active employee coverage)</i>	Anchor Plan	Anchor Plus Plan	Anchor Choice Plan
Individual	\$790.19	\$845.47	\$784.50
Family	\$2,215.30	\$2,370.25	\$2,199.31



HOW MUCH DOES COBRA COST?

COBRA MONTHLY RATES (1/1/24 – 12/31/24)

Dental Coverage

<i>Initial premium prorated to the day coverage begins, but initial election must always be back to COBRA effective date (loss of active employee coverage)</i>	Anchor Dental	Anchor Dental Plus	Anchor Dental Platinum
Individual	\$34.98	\$39.22	\$45.25
Family	\$90.58	\$101.61	\$117.19



HOW MUCH DOES COBRA COST?

COBRA MONTHLY RATES (1/1/24 – 12/31/24)		
Vision Coverage		
<i>Initial premium prorated to the day coverage begins, but initial election must always be back to COBRA effective date (loss of active employee coverage)</i>	Anchor Vision	Anchor Vision Plus
Individual	\$5.48	\$7.84
Family	\$15.13	\$21.63



RETIREE HEALTH COVERAGE ELIGIBILITY

- Statutory - eligible to enroll if you are a:
 - **“State retiree”**
 - Someone who was a State employee immediately prior to formal retirement through ERSRI and collection of pension benefits
 - Loss of eligibility if deferred retirement
 - **“Retired teacher”**
 - A retired public school teacher that has formally retired under ERSRI
- Dependent of one of the above



RETIREE HEALTH COVERAGE SUBSIDIES

- No subsidies for retired teachers or dependents
- Date of Retirement on or after 10/1/08:

Years of State Service	Age	State Pays	Retiree Pays
20+	59+	80%	20%

- Pre-65 coverage: "Retiree Pays" 20% deducted post-tax from monthly pension check
- Post-65 Medicare coverage: "State Pays" 80% applied to benchmark Medigap rate and resulting amount allocated monthly to an HRA



RETIREE HEALTH COVERAGE SUBSIDIES

- Date of Retirement between 7/1/89 – 9/30/08

Until Age 65:

State Service	Age at Retirement	State Pays	Retiree Pays
10-15	60	50%	50%
16-22	60	70%	30%
23-27	60	80%	20%
28+	<60	90%	10%
28+	60	100%	0%
35+	Any	100%	0%

At Age 65:

State Service	State Pays	Retiree Pays
10-15	50%	50%
16-19	70%	30%
20-27	90%	10%
28+	100%	0%

- Pre-65 coverage: “Retiree Pays” percentage deducted post-tax from monthly pension check
- Post-65 Medicare coverage: “State Pays” percentage applied to benchmark Medigap rate and resulting amount allocated monthly to an HRA



PRE-65 COVERAGE DETAILS

- 3 medical/prescription plans available for pre-65 population
- Refer to plan comparison table for coverage details
- Retiree Anchor and Retiree Anchor Plus offer identical coverage as the Anchor and Anchor Plus plans for active employees except for three things:
 - **No** requirement for primary care provider (PCP) coordination of care
 - **No** place of service tiering feature for major imaging services
 - Premium rates
- Retiree Value Plan is HSA-qualified plan unique to pre-65 retirees



PRE-65 COVERAGE & RATES

(DATE OF RETIREMENT ON OR AFTER 10/1/08)
(JANUARY 1, 2024 – DECEMBER 31, 2024)

		Monthly Rate	Cost with 80% Subsidy
Retiree Anchor	Individual	\$1,361.11	\$272.22
	Family	\$3,787.03	\$2,698.14*
Retiree Anchor Plus	Individual	\$1,456.42	\$291.28
	Family	\$4,052.22	\$2,887.08*
Retiree Value	Individual	\$828.89	\$165.78
	Family	\$2,323.77	\$1,660.66*

* Subsidized family rates are calculated by multiplying the individual rate by 80% and then subtracting the resulting amount from the family plan rate



PRE-65 COVERAGE DETAILS

- New ID card after enrollment. Alphanumeric prefix will change, but BCBSRI ID# will remain the same if policy holder as an active employee

RIS will change to R2I

- If electing coverage for two people, may elect two individual policies instead of a family policy
- Progress towards deductible/out-of-pocket maximum will carry over for retiree, but new accumulators for new dependent policy holders



PRE-65 COVERAGE DETAILS

- Premiums deducted post-tax from pension checks - multi-month deduction in first regular pension check
- Premiums paid in advance - in first regular pension check it may look like an additional month's deduction has been made (just next month's premium)
- Direct remittance process for amounts not covered by pension check managed by BCBSRI



HOW DO I ENROLL IN PRE-65 COVERAGE?

- *Pre-65 Retiree Health Coverage Election Form* must be submitted to the Office of Employee Benefits (OEB) for retiree and for each dependent
 - If enrolling directly out of employment: request 1st of month following employment termination as effective date
 - OEB accepts forms up to 90 days before a new retiree's requested effective date
 - New retirees should submit this form to OEB when retirement paperwork is submitted to ERSRI



HOW DO I ENROLL IN PRE-65 COVERAGE?

- *Pre-65 Retiree Health Coverage Election Form* must be submitted to the Office of Employee Benefits (OEB) for retiree and for each dependent
 - If enrolling as a status change: request 1st of month ahead of or following status change as effective date
 - Turning 59 recognized as status change
 - If enrolling during open enrollment: request 1st of following January as effective date



WHEN DOES PRE-65 COVERAGE END?

- State law requires retiree enrollment in Medicare when eligible
- You are eligible to enroll in Medicare as of the first day of your 65th birth month
- *Exception: Birthday on 1st of the month, eligible to enroll in Medicare as of 1st of the month before 65th birth month*



WHEN DOES PRE-65 COVERAGE END?

- State pre-65 coverage automatically terminates at the end of the month before 65th birth month
 - *Example: 65th birthday is June 15th → State pre-65 coverage terminates May 31st*
 - *Exception: Birthday on 1st of the month, State pre-65 coverage terminates at the end of month 2 months before 65th birth month*
 - *Example: 65th birthday is June 1st → State pre-65 coverage terminates April 30th)*
- Workterra “birthday letter” if enrolled in State pre-65 coverage



POST-65 MEDICARE COVERAGE

- Medicare Basics
 - Part A – inpatient
 - Part B – outpatient
 - Part D – prescription drugs
- Medicare Supplement (Medigap)
- Medicare Advantage
- State-sponsored Medicare “Exchange” Program



MEDICARE ENROLLMENT PERIODS

- **Initial enrollment period –**
 - 7 month period
 - Begins 3 months before 65th birth month and ends 3 months after 65th birth month
 - Applicable to most pre-65 retirees – must enroll in Medicare during initial enrollment period unless covered by spouse's employment-based coverage (enroll during special enrollment period)



MEDICARE ENROLLMENT PERIODS

- **Special enrollment period –**
 - Applicable to most State employees that retire 65+
 - For people who do not enroll in Medicare when they turn 65 because they had group health plan coverage based on their own or a spouse's employment
 - 8 month period
 - Begins the month the employment ends or the group health plan coverage ends, whichever comes first



MEDICARE ENROLLMENT PERIODS

- If enrolling in Medicare outside these periods, substantial permanent penalties may apply to your premiums
 - 10% of premium per month you were eligible to enroll but did not, added on top of your regular monthly premium, for life
- Note: COBRA coverage does not qualify as group health plan coverage for Medicare penalty purposes



PART D LATE ENROLLMENT PENALTY

- A late enrollment penalty may be added to your Part D monthly premium if, for any continuous period of 63 days or more after your initial enrollment period is over, you go without one of these:
 - Part D prescription drug plan
 - Medicare Advantage plan or another Medicare health plan that offers Medicare prescription drug coverage
 - Creditable prescription drug coverage (the State of Rhode Island does not offer creditable prescription drug coverage to its Medicare-eligible retirees)



MEDICARE PREMIUM INFORMATION

- **Part A** is premium-free for most people
- **Part B** monthly premiums are deducted from your Social Security check – direct bill process if no Social Security check
 - Premiums are less than \$200 per month for most people – based on income filed with IRS
 - Standard monthly Part B premium in 2024: \$174.70
- **Part D prescription drug plan** monthly premiums are paid directly to an insurance carrier
 - Premiums are around \$50 per month for most people – can be increased based on your income filed with the IRS



MEDIGAP VS. MEDICARE ADVANTAGE

- **Medigap** plans compliment original Medicare by filling in the gaps of what original Medicare doesn't cover
- **Medicare Advantage** plans replace original Medicare with, at a minimum, similar benefits



MEDIGAP VS. MEDICARE ADVANTAGE

- **1) What type of network do you want?**
 - Medigap offers same national network as original Medicare
 - Medicare Advantage plans usually work like an HMO with smaller, local networks



MEDIGAP VS. MEDICARE ADVANTAGE

- **2) What level of coverage do you want?**
 - Medigap provides comprehensive coverage (minus Rx)
 - Most plans cover:
 - Additional 360 days of hospital coverage
 - Foreign travel emergency
 - Most deductibles, copays and coinsurance
 - Still need to purchase a Part D prescription drug plan



MEDIGAP VS. MEDICARE ADVANTAGE

- **2) What level of coverage do you want?**
 - Medicare Advantage plans replace original Medicare with equivalent benefits but are not required to fill in the coverage gaps
 - Most plans have prescription drug coverage
 - Most plans will charge you copays and deductibles but will cap your out-of-pocket expenses at \$8,850 in 2024



MEDIGAP VS. MEDICARE ADVANTAGE

- **3) How much can you pay each month?**
 - Medigap plans average monthly premiums range from \$100-\$200
 - Medicare Advantage plans average monthly premiums \$18.50 in 2024 due to smaller networks and less benefits
- For both:
 - Premiums paid directly to carrier
 - Part B premium deducted from Social Security check



MEDIGAP VS. MEDICARE ADVANTAGE

MEDIGAP

Original Medicare + Medigap Supplement

- ✓ Higher premiums but **no** co-pays
- ✓ Freedom to choose doctors
- ✓ No referrals necessary
- ✗ Some routine services **not** covered (vision, hearing)
- ✓ Covered anywhere in US

VS

MEDICARE ADVANTAGE

Medicare Advantage Plan

- ✗ Generally lower premiums but **has** co-pays
- ✗ May be restricted to network
- ✗ May need referrals for specialists
- ✓ May include extra benefits (vision, hearing, fitness)
- ✗ Emergency services **only** outside service area



MEDIGAP VS. MEDICARE ADVANTAGE

- Medicare Advantage
 - Open enrollment periods every year
 - Medigap guaranteed issue rights expire 6 months after Medicare Part B effective date
 - Possible higher premiums due to pre-existing conditions if outside guaranteed issue period (CA/CT/MO/NY/OR have special rules)
- Medigap
 - Options are less confusing (all 10 kinds of Medigap plans are exactly the same all across the country)



MEDIGAP PLAN TYPES

Benefits	A	B	C	D	F	G	K	L	M	N
Part A Hospital Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
365 Additional Hospital Reserve Days	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Benefit For Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part B Co-Insurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	*Co-Pays
Hospice Co-Insurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility Co-Insurance	✗	✗	✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible	✗	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗
Part B Excess	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗
Foreign Travel Benefit	✗	✗	✓	✓	✓	✓	✗	✓	✓	✓
Preventive Care Co-Insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Out-of-Pocket Limit	None	None	None	None	None	None	\$4620	\$2310	None	None

*Plan N has up-to a \$20 co-pay for office visits, and up-to a \$50 co-pay for emergency room visits.

- 1/1/20: no new enrollments in Plan F or Plan C (Medigap policies that provide full coverage of the Part B deductible - \$226 in 2023 and \$240 in 2024)
- People that are eligible for Plans C or F prior to 1/1/2020 will be allowed to keep them/enroll.
- Plan G is the next most comprehensive Medigap policy available.



MEDICARE EXCHANGE PROGRAM

- Medicare-eligible State retirees **must** purchase a Medicare Advantage plan or a Medigap plan through an “exchange” operated by a third-party vendor (currently Via Benefits) to receive or continue receiving their subsidy
 - Part D plans, dental plans and vision plans are also available through Via Benefits
 - Retired teachers and all dependents may purchase plans through Via Benefits but do not receive subsidies



STATE SUBSIDY THROUGH HRA

- Subsidies provided via health reimbursement accounts (HRA) administered by Via Benefits
 - Funded by State contributions
 - Unspent dollars roll over year to year
- Loss of HRA funding if plan purchased outside of Via Benefits
- HRA provides reimbursements for qualified medical expenses such as premiums and out-of-pocket expenses



STATE SUBSIDY THROUGH HRA

- Subsidies based on the lowest-cost Medigap Plan F on file with the RI Health Insurance Commissioner
- As of 1/1/22, lowest-cost Plan F is the AARP Plan F
- Determining an individual retiree's monthly HRA allocation amount:
 - Applicable subsidy percentage is applied to age-based AARP Plan F premium



MONTHLY HRA ALLOCATIONS 2023-2024

		MONTHLY HRA ALLOCATIONS (EFFECTIVE 6/1/23)				
Age	AARP Plan F Rate	100% Subsidy	90% Subsidy	80% Subsidy	70% Subsidy	50% Subsidy
65	\$187.08	\$187.08	\$168.37	\$149.66	\$130.96	\$93.54
66	\$195.09	\$195.09	\$175.58	\$156.07	\$136.56	\$97.55
67	\$203.11	\$203.11	\$182.80	\$162.49	\$142.18	\$101.56
68	\$211.13	\$211.13	\$190.02	\$168.90	\$147.79	\$105.57
69	\$219.15	\$219.15	\$197.24	\$175.32	\$153.41	\$109.58
70	\$227.16	\$227.16	\$204.44	\$181.73	\$159.01	\$113.58
71	\$235.18	\$235.18	\$211.66	\$188.14	\$164.63	\$117.59
72	\$243.20	\$243.20	\$218.88	\$194.56	\$170.24	\$121.60
73	\$251.22	\$251.22	\$226.10	\$200.98	\$175.85	\$125.61
74	\$259.23	\$259.23	\$233.31	\$207.38	\$181.46	\$129.62
75+	\$267.25	\$267.25	\$240.53	\$213.80	\$187.08	\$133.63



HOW DOES THE HRA SYSTEM WORK?

- Any pension check deductions for pre-65 health coverage premiums stop
- Retiree pays Medicare Advantage/Medigap/Part D plan premiums out-of-pocket directly to carrier
- Retiree submits claims to Via Benefits for reimbursement of qualified medical expenses, including Part B premiums, Medicare Advantage/Medigap/Part D plan premiums, and most medical/pharmacy/dental/vision out-of-pocket expenses
- Via Benefits will direct deposit them in your bank account



HOW DOES THE HRA SYSTEM WORK?

- HRA claims can be submitted manually or can be set to occur automatically
- Manual claims require submission of a reimbursement form and proof of payment for a qualified medical expense
- Automatic claims can be based on Medicare Part B premiums or on Medicare Advantage/Medigap plan premiums purchased through Via Benefits
 - Note: where automatic premium reimbursement is turned on and your premium amount exceeds your monthly HRA allocation, you can receive multiple reimbursements in a month and the amounts you receive from month to month may vary



AUTOMATIC PREMIUM REIMBURSEMENT

- January premium: \$187.08
 - January reimbursement #1: \$149.66
 - January reimbursement #2 (out of February funding): \$37.42
- February premium: \$187.08
 - February reimbursement #1: \$112.24
 - February reimbursement #2 (out of March funding): \$74.82
- March premium: \$187.08
 - March reimbursement #1: \$77.36
 - March reimbursement #2 (out of April funding): \$109.72
- April premium: \$187.08
 - April reimbursement #1: \$39.94
 - April reimbursement #2 (out of May funding): \$147.14
- May premium: \$187.08
 - May reimbursement #1: \$2.52
 - May reimbursement #2 (out of June funding): \$149.66
 - May reimbursement #3 (out of July funding): \$34.90
- June premium: \$187.08
 - June reimbursement #1 (out of July funding): \$114.76
 - June reimbursement #2 (out of August funding): \$72.32
- July premium: \$187.08
 - July reimbursement #1 (out of August funding): \$77.34
 - July reimbursement #2 (out of September funding): \$109.74
- August premium: \$187.08
 - August reimbursement #1 (out of September funding): \$39.92
 - August reimbursement #2 (out of October funding): \$147.16
- September premium: \$187.08
 - September reimbursement #1 (out of October funding): \$2.50
 - September reimbursement #2 (out of November funding): \$149.66
 - September reimbursement #3 (out of December funding): \$34.92
- October premium: \$187.08
 - October reimbursement #1 (out of December funding): \$121.15
- November premium: \$187.08 (no reimbursement)
- December premium (66th birth month): \$195.09 (no reimbursement)
- **Total 2023 Premiums & Subsidies:**
 - Age 65 premiums: \$2,057.88 Age 65 subsidies: \$1,646.26 (80%)
 - Age 66 premium: \$195.09 Age 66 subsidy: \$156.07 (80%)
 - Total premiums: \$2,252.97 Total subsidies: \$1,802.33 (80%)



HOW DO I ENROLL IN MEDICARE AND IN COVERAGE THROUGH VIA BENEFITS?

- First enroll in basic Medicare and get a Part B effective date
- **Enroll in Medicare:**
 - Enrollment in basic Medicare must be coordinated through the Social Security Administration
 - 800-772-1213
 - www.ssa.gov/benefits/medicare



HOW DO I ENROLL IN MEDICARE AND IN COVERAGE THROUGH VIA BENEFITS?

- Enroll in basic Medicare and get a Part B effective date (cont.)
- **Get a Part B effective date:**
 - If transitioning from State retiree pre-65 coverage, request the first of the month following your loss of coverage
 - If over 65 when losing group health plan coverage:
 - Request the first of the month prior to your loss of coverage to eliminate possibility of gap, but pay for an extra month of Medicare (may be cheaper than COBRA if you're retiring early in a month)
 - Request the first of the month following your loss of coverage and elect COBRA to fill any gap as necessary (usually the most cost-effective option)



HOW DO I ENROLL IN MEDICARE AND IN COVERAGE THROUGH VIA BENEFITS?

- Submit Medicare Exchange Eligibility Form to OEB
- Enroll in a plan through Via Benefits
 - **Via Benefits**
 - 844-448-7298
 - [My.Via Benefits.com/ri](https://my.viabenefits.com/ri) (not all plans displayed)
 - Don't forget to get your Part B effective date first! Via Benefits will not help you unless you have a Part B effective date
 - Note: Initial call with Via Benefits can be long – plan for 90 minutes
 - May be shortened if you use online platform first to enter medical information and make an appointment



WHEN IS MY HRA OPENED?

- **Transitioning from pre-65 State retiree coverage to Medicare**
 - Via Benefits opens your HRA for the month you turn 65 and enroll in a Medicare Advantage or Medigap plan purchased through Via Benefits
- **Transitioning from active employment to Medicare**
 - Via Benefits opens your HRA for the month you receive your first pension check
 - Your HRA will be retroactively funded for the months you purchased a Medicare Advantage or Medigap plan purchased through Via Benefits



RETIREEE DENTAL/VISION COVERAGE

- COBRA is only way State retirees can maintain current dental/vision coverage – remember COBRA only lasts for 18 months!
- Other options:
 - Via Benefits: dental and vision plans (Medicare-eligible only)
 - Healthsource RI: dental plans (RI residents only)
 - Chewsi: not a dental plan, but a new app that provides access to discounted dental care (www.chewsidental.com)



HEALTHSOURCE RI COVERAGE

- HealthSource RI (HSRI) is Rhode Island's health benefits marketplace established under the federal Affordable Care Act
- HSRI offers many different plans (including dental plans) from multiple insurance carriers
- The varied plan offerings provide many options to choose from, and they may be a particularly cost-effective choice for a retiree's dependents
- No State subsidies are available for coverage purchased through HSRI, but there may be income-based federal tax credits available to the purchaser
- Explore options by calling 855-840-4774 or by visiting www.healthsourceri.com



"SHIP" COUNSELLING

- **Rhode Island Senior Health Insurance Program**
 - Federal/State program to help consumers make informed health care choices
 - Administered in RI by Office of Healthy Aging
 - For more information, contact OHA:
 - 888-884-8721
 - oha.ri.gov/what-we-do/access/health-insurance-coaching/ship/



QUESTIONS?

Feel free to ask any questions. If questions come up later, you can contact the Office of Employee Benefits at 574-8530 or doa.oeb@doa.ri.gov.

We are happy to help!