



## Human Resources Department

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### HEALTH, DENTAL INSURANCE IN RETIREMENT

#### ***Health Insurance Continuation of Coverage***

Active employees who have health insurance coverage are eligible to continue the coverage in retirement by paying the premium. Health insurance plans available to retirees are the same as those held by active employees; there are no benefit changes for retirees. Eligibility continues as long as the City continues to offer group health insurance and the retiree maintains coverage. Should the retiree die, covered surviving dependents are eligible to continue the group health insurance coverage.

Retirees are notified of the annual Choice period by mail, and may make changes allowed in that interval (such as changing health plans or changing from family to single coverage).

#### ***Paying the Health Insurance Premium***

Health insurance premiums are costly. For 2020, retirees under age 65 pay between \$18,058 and \$19,715 annually for continuation of family coverage with one of the Dane County Service Area providers. Single coverage costs a minimum of \$7,384 per year. (See chart on the other side of this page for additional premium information.)

For many retiring employees, the value of a sick leave balance may be transferred to one of two *PRIME-Choice*® account types administered by Precision Retirement Group. A health reimbursement account may be set up, with money typically used for reimbursement of the monthly health insurance premium deducted from a retiree's monthly Wisconsin Retirement System (WRS) annuity – though reimbursement of premiums for other health coverage is also allowable. Money in the health reimbursement account is not taxed. As an alternative to a health reimbursement account, a 401(a) account - also administered by Precision - may be established when the retiree will not have significant health care expenses in retirement. Sick leave value placed into a 401(a) account is taxed when money is withdrawn and funds may be used for non-medical expenses.

#### ***Medicare***

A retiree continuing health insurance through the City's program (administered by Employee Trust Funds) who reaches age 65 must enroll in Medicare Parts A and B. The retiree's spouse who reaches age 65 is also required to enroll in Medicare. Failure to enroll will end eligibility for the continuation group health insurance coverage. At retirement, Medicare will become the primary payer for coverage. The combination of Medicare and the continuation coverage will provide the same level of coverage as that in effect before age 65/Medicare coverage.

From Employee Trust Funds:

*"If you are not enrolled for all available portions of Medicare (A, B and D) upon retirement, you may be liable for the portion of your claims that Medicare would have paid beginning on the date Medicare coverage would have become effective."*

*"The prescription drug coverage under this [Navitus] program is Medicare Part D coverage. Your monthly health insurance premium includes a portion that applies to this program's coverage."*

#### ***Canceling Group Health Insurance***

If a retiree cancels the City of Madison group health insurance at retirement or during retirement, there may be no future opportunity to re-enroll, subject to Employee Trust Funds policy. Current policy allows for re-enrollment in certain cases.

**Local Government Employees and Annuitants Health Insurance Rates  
2020 Rates**

2020 Monthly Local Employer Group Health Insurance Rates	Non-Medicare Rates <i>Rates apply only if no family member is eligible for Medicare</i>		Medicare Rates <i>Rates apply if at least one insured family member is eligible for Medicare</i>		
	SINGLE	FAMILY	SINGLE MEDICARE	FAMILY MEDICARE SOME*	FAMILY MEDICARE ALL**
DEAN HEALTH PLAN	\$ 664.24	\$ 1627.08	\$ 408.30	\$ 1050.20	\$ 794.26
GHC OF SOUTH CENTRAL WIS	670.56	1642.88	418.06	1066.28	813.78
QUARTZ UW HEALTH	615.36	1504.88	344.84	937.86	667.34
IYC ACCESS HEALTH PLAN***	1197.62	2960.54	357.80	VARIES	693.26
STATE MAINTENANCE PLAN (SMP)***	789.36	1939.90	357.80	VARIES	693.26
UNITEDHEALTHCARE (Medicare Only)	N/A	N/A	240.48	VARIES	458.62
Non-Dane County Service Area Plan Commonly Selected					
QUARTZ COMMUNITY	717.30	1762.40	440.88	1137.62	861.20

Medicare premium rates apply only to subscribers who have terminated employment.

\* Medicare Family Some – One or more family member enrolled in Medicare Parts A, B, & D and one or more family member not Medicare-eligible.

\*\* Medicare Family All – All family members enrolled in Medicare Parts A, B & D.

\*\*\* Members with IYC Access Health Plan or SMP coverage who become enrolled in Medicare Parts A and B will automatically be moved to the IYC Medicare Plus plan (a Medicare supplement plan). All other non-Medicare family members will remain covered under a non-Medicare health plan.

***Dental Insurance Continuation of Coverage***

An employee who has maintained dental coverage is eligible to continue the coverage in retirement. Quarterly bills are mailed to the retiree’s home or monthly deduction is set up with Delta Dental. Dental premium rates and coverage are the same for retirees as for active employees. If coverage is voluntarily cancelled or premiums are not paid and coverage is cancelled, there is no opportunity for re-enrollment. There is an annual “choice” period for retirees enrolled in the plan (this is an opportunity to add or drop eligible dependents outside of a qualifying event period – information will be sent by the City’s third party dental plan administrator to retired plan participants).