

Health Options Program

Welcome!

An Introduction to the PSERS Health Options Program & Medicare



3-17-2021

**For School Employees Considering
Retirement or Those Already Retired**

Finding Health Coverage After Retirement from School Employment

Prior to Age 65; Prior to eligibility for Medicare

- Coverage may be available from your former school employer for at least 18 months and possibly until eligible for Medicare Parts A & B
- Health Care Exchanges (HealthCare.gov) if under age 65 (not yet eligible for Medicare)
- Coverage under spouse's employer health plan
- Individual plans from private insurance companies

Finding Health Coverage After Retirement from School Employment

At or after age 65; Eligible for Medicare

- Coverage may be available from your former school employer under collective bargaining agreement
- Coverage under spouse's employer health plan
- Medicare (*provides partial coverage only*)
- Individual Medicare supplemental or Medicare Advantage plans from insurance companies

Health Options Program Eligibility

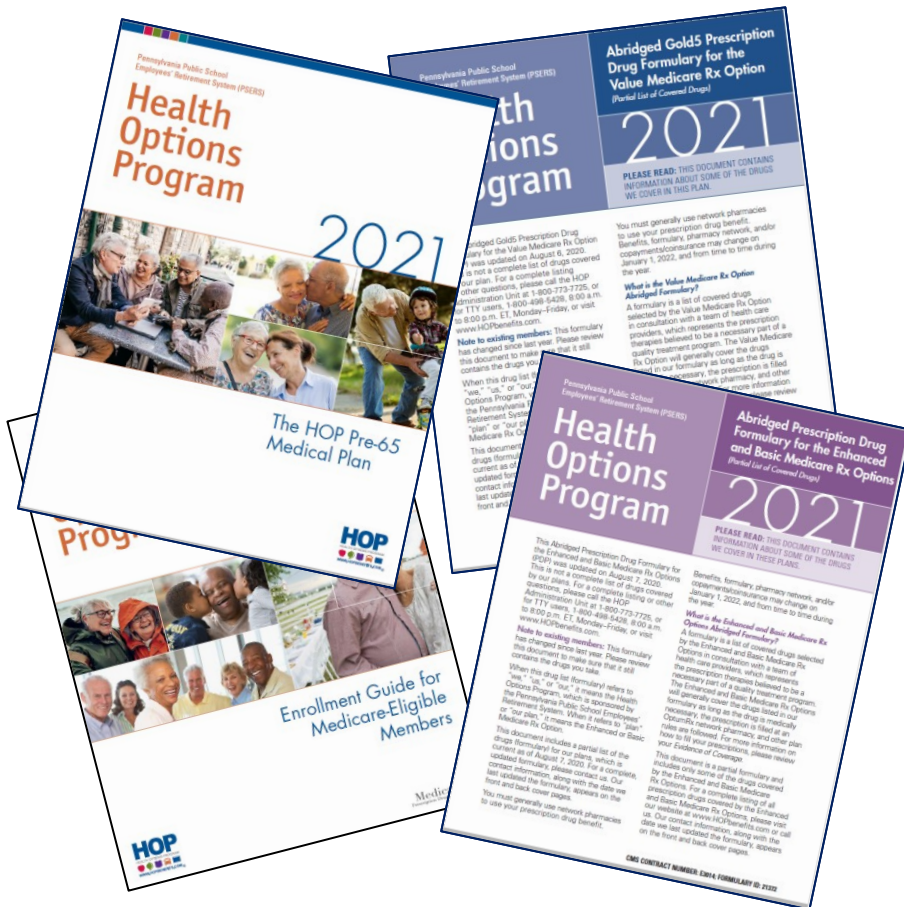
A PSERS retiree, spouse, eligible dependent(s), and/or survivor annuitant may enroll in the PSERS Health Options Program and select from a variety of coverage options, either pre-Medicare or Medicare related



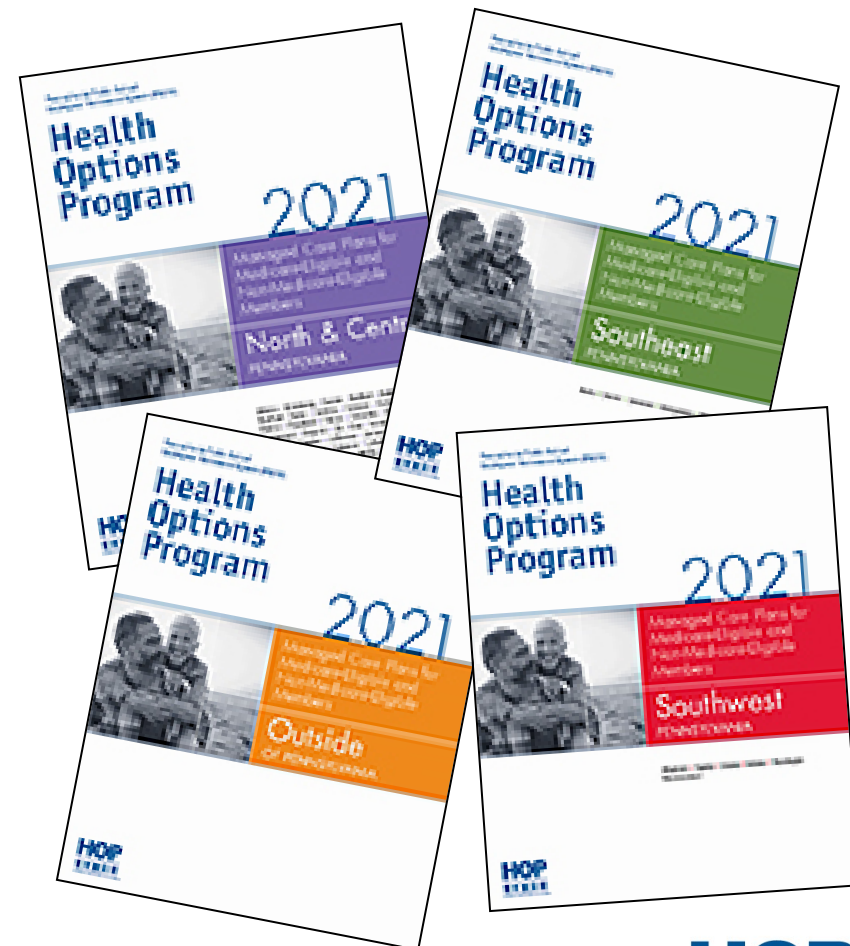
- **Spouse and/or dependent(s) must select same carrier/similar coverage as retiree**
- **If both spouses are school retirees, different carrier/coverage may be selected**

Benefit Information Printed Resources

Medicare Supplemental Plans



Medicare Advantage Plans



Premiums vary by area/by option and are shown in these publications as well as on-line

Qualifying Events (QE)

- Qualifying Events are the only times individuals may enroll in Health Options Program.
- Enrollment must be done within 180 days of experiencing a Qualifying Event.
- A Qualifying Event may provide an opportunity for all eligible family members to enroll.



Special Rule for Enrolling at Age 65

Enrollment must be done within 90 days of 65th birthday

Health Options Program Qualifying Events

- A member retires or loses health care coverage under a school employer's health plan
- An individual involuntarily loses health care coverage under a non-school employer's health plan (including coverage under COBRA)
- A dependent's status changes (including marriage, divorce, the addition of a dependent through birth/adoption, or the loss of a dependent's eligibility for coverage)
- A retiree becomes eligible for Premium Assistance due to a change in legislation
- A plan approved for Premium Assistance terminates, or an individual moves out of an approved plan's service area

Premium Assistance

- Up to \$100/month to reimburse basic health insurance premiums for qualifying retirees
- Available only if purchasing coverage in HOP-approved Medicare Supplements and Medicare Advantage plans
- Non-taxable reimbursement added to your monthly retirement benefit



Premium Assistance is not payable to spouses, surviving spouses or dependents even if the retiree qualifies.

Eligibility for Premium Assistance

- **24-1/2 years of service**

OR

- **15 years of service with termination of employment & retirement at or after age 62**

OR

- **PSERS disability**

PLUS

- **Out of-Pocket Premium Cost for an approved Medical Plan:**

- Former school employer's group insurance
- Any option under the PSERS Health Options Program



More Advantages of Health Options Program

- **Benefits** with no exclusions for pre-existing conditions or benefit waiting period for PSERS retirees and dependents
- **Flexibility** to change coverage options as needs change at time of Qualifying Events and during the Option Selection Period
- **Choices of Coverage** to fit individual needs and resources
- **Competitive Premium Rates** for comparable benefits
- **Premiums** deducted from retiree's monthly retirement benefit
- **Access to Free Resources**
 - Health Options Program newsletter
 - Toll-free customer phone service 1-800-773-7725
 - www.HOPbenefits.com

HOP Pre-65 Plans for Individuals Not Eligible for Medicare

- **HOP Pre-65 Medical Plan**
 - Fee-for-service companion to HOP Medical Plan and Value Medical Plan
 - Details available in separate booklet
- **Managed Care Pre-65 Plans**
 - Aetna Premier Open Choice PPO
 - Capital BlueCross PPO
 - Highmark PPO Blue (80-70 Plan)
 - Independence Blue Cross – POS \$20-\$40/\$250
 - UPMC Health Plan EPO

Call the HOP Administration Unit (1-800-773-7725) if you want detailed materials for any Managed Care Plan(s) available where you live.

HOP Plans for Individuals Eligible for Medicare

- **Medicare Supplement Plans**

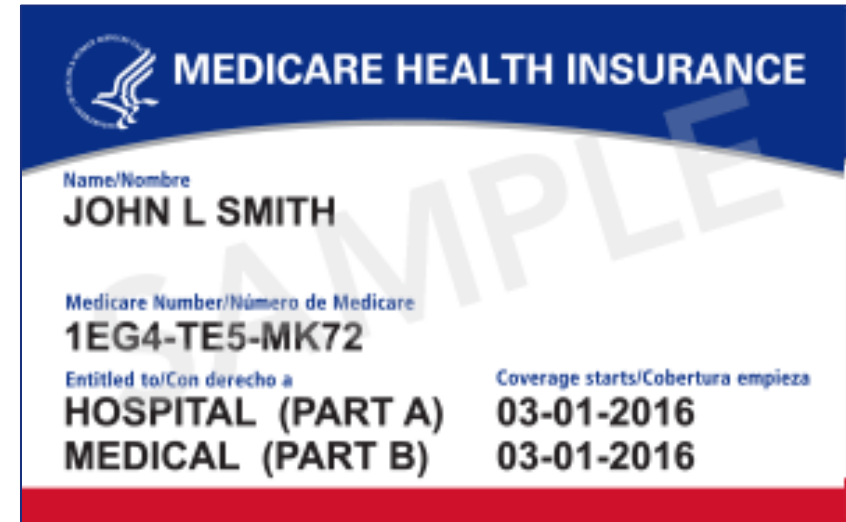
- HOP Medical Plan
- Value Medical Plan
- Medicare Prescription Plans: Enhanced, Basic & Value
- MetLife Dental/EyeMed Vision Coverage

- **Medicare Advantage Plans**

- Aetna Medicare V02 PPO
- Capital BlueCross BlueJourney PPO
- Highmark Freedom Blue PPO
- Highmark Security Blue/Point of Service (SW PA only)
- Independence Blue Cross Keystone Select 65 HMO
- UPMC PSERS HOP Custom HMO

What Is Medicare?

Medicare is a federal government program to help seniors & disabled citizens with medical costs.



- Eligibility for Medicare generally begins at age 65.
- It is possible to become eligible for Medicare before age 65 if you qualify for Social Security disability benefits.
- Medicare coverage begins the 1st day of the month of 65th birthday (unless born on first day of month)

Original Medicare

Medicare does not cover all medical expenses.

Part A covers many hospital expenses

	Medicare Pays	Individual (or other insurance) pays
Deductible	\$0	\$1,484
Days 1-60	100%	\$0
Days 61-90	100% less \$371/day	\$371/day
Days 91-150	100% less \$742/day	\$742/day

No current Part A premium

Part B covers a portion of medical/surgical/doctor costs

	Medicare Pays	Individual (or other insurance) pays
Deductible	\$0	\$203
Costs	80%	20%

Part B premium usually deducted from Social Security benefit

2021 Monthly standard-rate Part B Premium - \$148.50 for most new enrollees

Newer Parts of Medicare

Benefits are administered through insurance plans licensed by the federal government.



- **Part C – Medicare Advantage**




Combines Medicare benefits with managed care benefits as a replacement of Original Medicare benefits

- Part C premium paid to insurance plan
- Part B premium also paid to federal government

- **Part D – Provides 3 stages of prescription drug coverage; member pays part of drug costs**

- Premium paid to prescription drug insurance plan

How a Medicare Part D Plan Works

Coverage Stage	What You Pay	You Move to the Next Stage When...
Initial Coverage	A portion of the cost depending on the plan	Total drug spending (member & plan) reaches \$4,130 in 2021 
Coverage Gap	A portion of the cost (<i>portion usually different from Initial Coverage Stage</i>)	Member's costs (not the plan's payment) reaches \$6,550 in 2021 
Catastrophic Coverage	5% of the cost (\$3.70 minimum in 2021 for generics; \$9.20 minimum in 2021 for brands)	Final stage 

Your Cost for Prescription Drugs in Part D

Cost is based on drug tier and coverage stage you are at time of purchase

Different Benefits for Different Drug Types	
Preferred Generic (Tier 1)	Drug chemically equivalent to name brand; not under patent; usually least costly Rx
Non-Preferred Generic (Tier 2)	Drug chemically equivalent to name brand; not under patent
Preferred Brand (Tier 3)	Patented name brand drug for which a generic equivalent is not available
Non-Preferred Brand (Tier 4)	Name brand drug for which a generic equivalent is available (patent expired)
Specialty (Tier 5)	High cost oral or injectable drugs used to treat complex conditions

Becoming Enrolled in Medicare

- **If you ARE currently receiving Social Security benefits**, Medicare enrollment is automatic; your Medicare card will be sent to you about three months prior to your 65th birthday and you will be automatically enrolled into Medicare Parts A & B
- **If you ARE NOT receiving Social Security benefits**, Medicare enrollment at age 65 requires you to contact the Social Security Office or register online at www.medicare.gov

More About Medicare

- Medicare will not cover all health expenses
- Must be enrolled in Medicare Parts A & B to purchase any additional insurance coverage to fill gaps (Medicare Supplements OR Medicare Advantage)
- Late enrollment into Part B will result in permanently higher (penalty) premium unless eligible for exception

Part B Exception

If currently covered by employer health plan due to active employment of you or your spouse, enrollment in Part B may be deferred without future penalty until that employer coverage is no longer available.

Two Types of Additional Insurance to Help Pay for Gaps in Medicare Benefits



Medicare Supplement Plan

- helps to fill the coverage gaps of “Original” Medicare benefits
- Medicare is primary coverage and supplement is secondary coverage

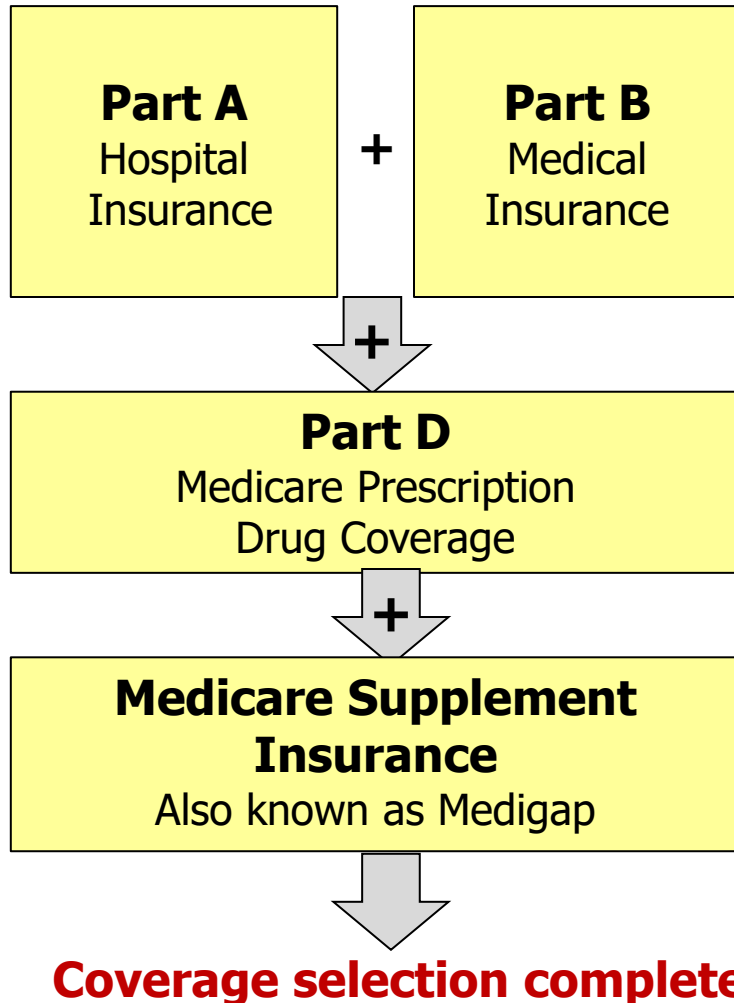
Medicare Advantage Plan

- combines “Original” Medicare benefits with additional managed care benefits
- sometimes called “replacing Original Medicare”

You must be enrolled in both Medicare Parts A & B to purchase either type of additional coverage.

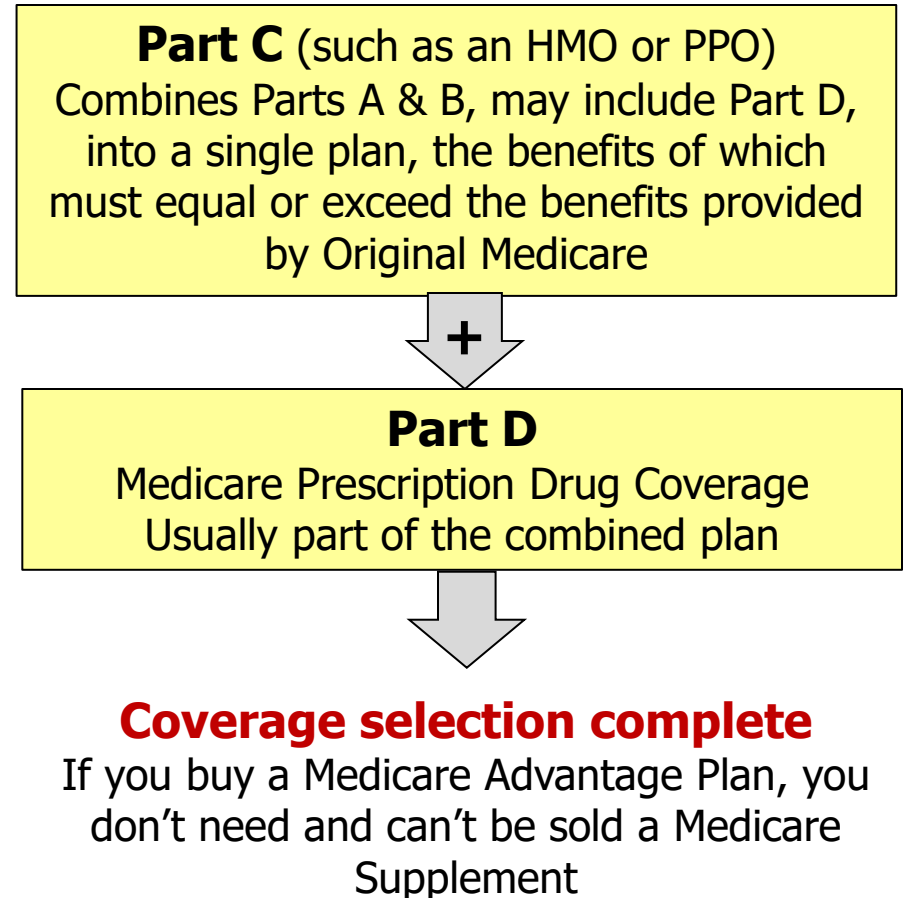
Choose One or the Other — Not Both

Medicare Supplement



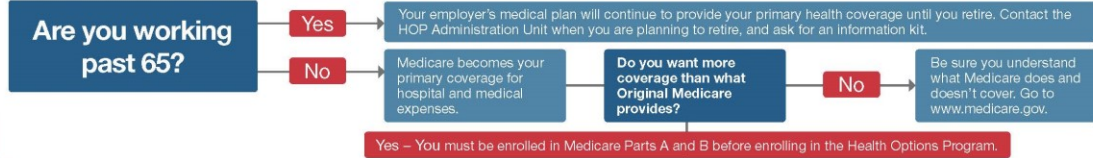
Medicare Advantage Plan

OR



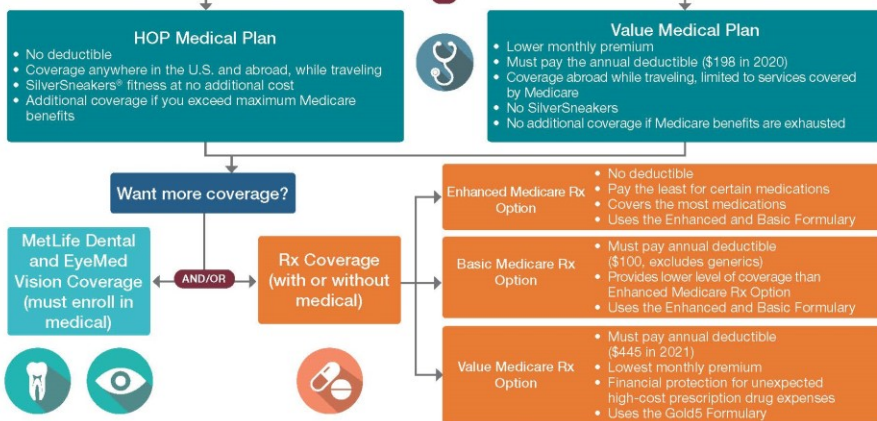
Health Options Program Offers Both

HEALTH COVERAGE FOR ELIGIBLE PSERS RETIREES

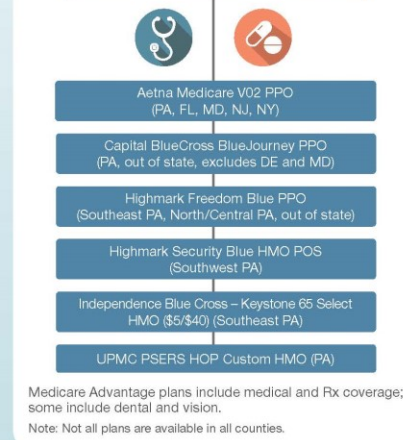


You can choose a Supplement Plan or a Medicare Advantage plan.

Medicare Supplement Plans



Medicare Advantage Plans



Premium Assistance – only available with the Health Options Program

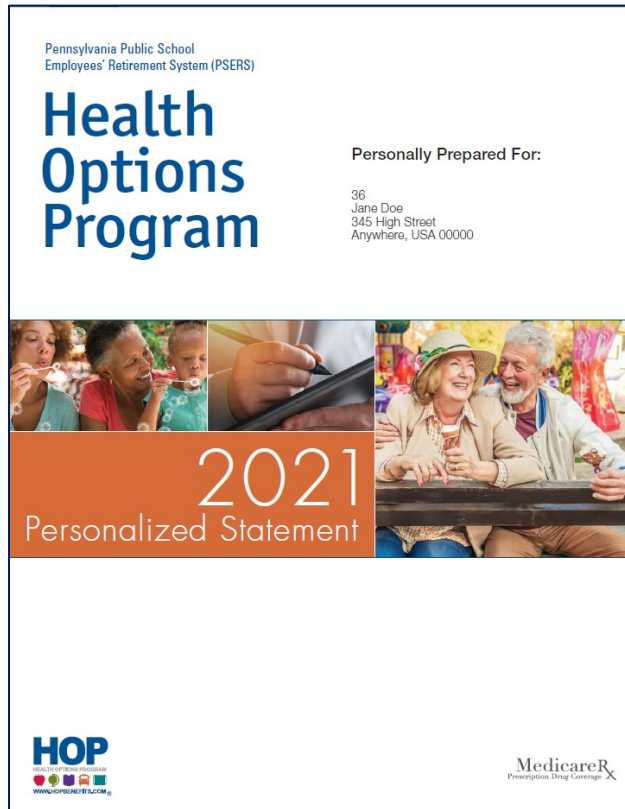
Eligible members receive up to \$100 a month to help pay for premiums. Over the course of their lifetime, on average, members could save up to \$24,000 or more.

Do you need to cover your spouse under the Health Options Program?*

- If your spouse is not a PSERS retiree and is Medicare-eligible, he or she must enroll in the same plan as you.
- If your spouse is not a PSERS retiree and is not Medicare-eligible, he or she must enroll in the same type of plan as you (e.g., HOP Pre-65 Medical Plan if you enroll in the HOP or Value Medical Plan, or a pre-65 Medicare Advantage plan offered by the same insurance company if you choose a Medicare Advantage plan).
- Note:** If you plan to enroll your spouse, elect plan options that are good for both of you. Your next opportunity to change options will be during the Option Selection Period in October.
- If your spouse is also a PSERS retiree, he or she can enroll in any option.

*Restrictions may apply.

Personalized Statement



- Sent to current retirees 3-9 months before 65th birthday along with an invitation to Health Options Program group meeting
- Includes benefit highlights for Medicare Supplement (including prescription drug options) and Medicare Advantage Plans
- Shows your personal coverage options available and monthly premiums

Don't forget the \$100 Premium Assistance non-taxable reimbursement you may be eligible to receive in your monthly PSERS benefit payment!

Medicare Supplement Options



HOP Medical Plan

- More comprehensive coverage; includes Major Medical & Silver Sneakers
- Discounted premium when enrolling at age 65 or when retiring between ages 65-69

Value Medical Plan

- Less comprehensive coverage; no Major Medical or Silver sneakers

Both plans may include:

- Medicare Part D Rx coverage options
- MetLife Dental & EyeMed Vision coverage – *may be added 1/1/2021 or at time of initial enrollment in HOP*

Medicare Advantage Plans

Combines “Original” Medicare and managed care benefits

- Enrollee must continue to pay Medicare Part B premium
- Must be enrolled in Health Options Program group Medicare Advantage plan to receive Premium Assistance
- Receive the highest level of benefits when using network or participating providers (doctors & hospitals)
- Emergency benefits covered for medical services received when traveling outside service area of any Medicare Advantage plan
- Medicare Advantage plans provide some vision, hearing and dental allowances not available through Medicare/HOP Medical Plan
- Most Medical Advantage Plans include fitness and wellness benefits

See Personalized Statement for details about benefits and premium costs of various Medicare Advantage plan(s) available where you live



Medicare Advantage Plans



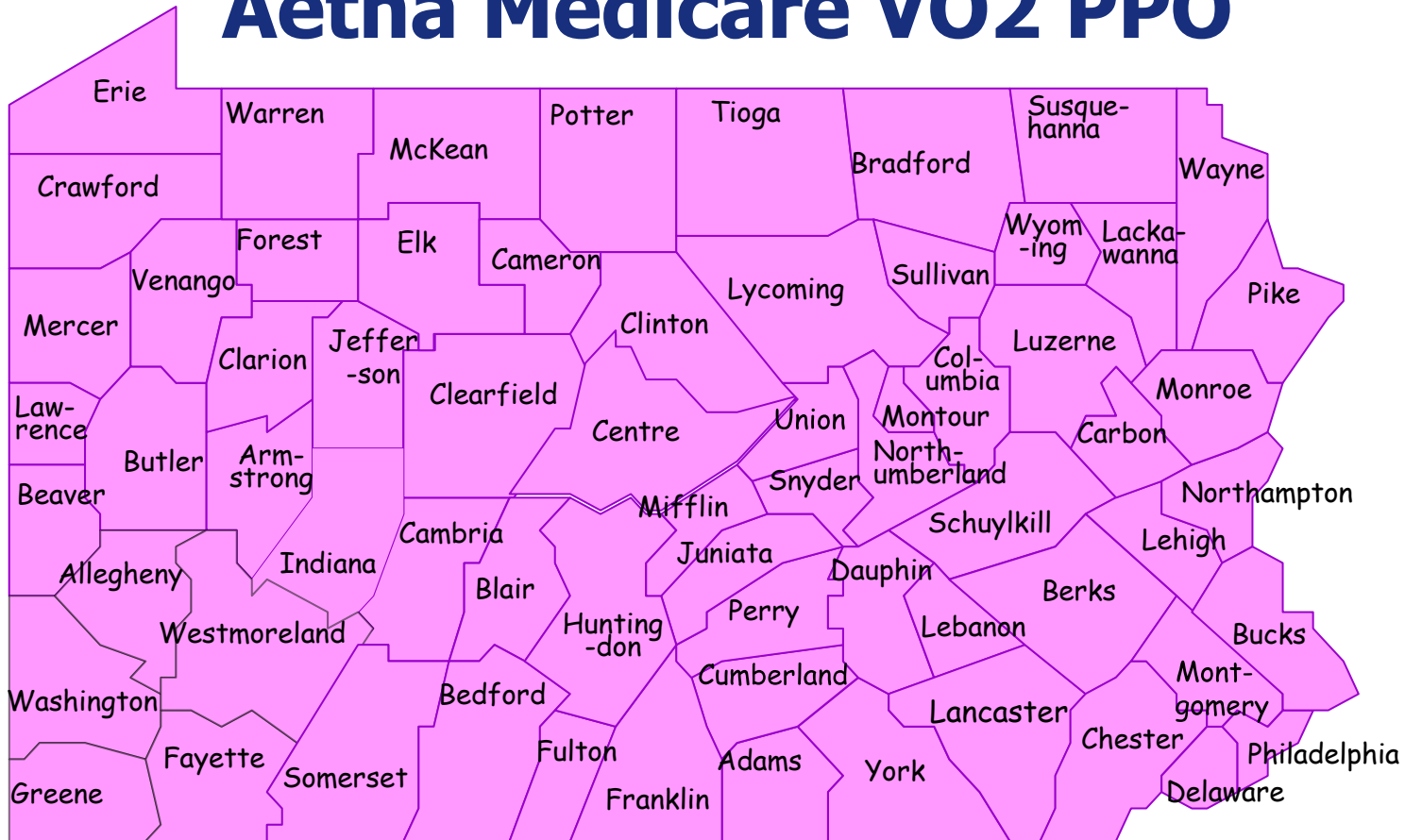
Different Types of Coverage

Health Maintenance Organization (HMO)	Preferred Provider Organization (PPO)
Require use of network providers and referrals	No referrals required
No non-emergency coverage for out-of-network services	Fixed co-pays when using in-network providers
	Provides both in-network and out-of-network services after deductibles & coinsurance
Plans have limited geographic service areas	

Call the HOP Administration Unit at 1-800-773-7725 to request detailed materials for the Medicare Advantage plan(s) available where you live.

Aetna Service Area

Aetna Medicare VO2 PPO



**Available in all of Pennsylvania & New Jersey
and parts of Florida, Maryland and New York**

Capital Blue Cross Service Area

Capital Blue Cross BlueJourney PPO

Available in Pennsylvania + all other states except DE & MD



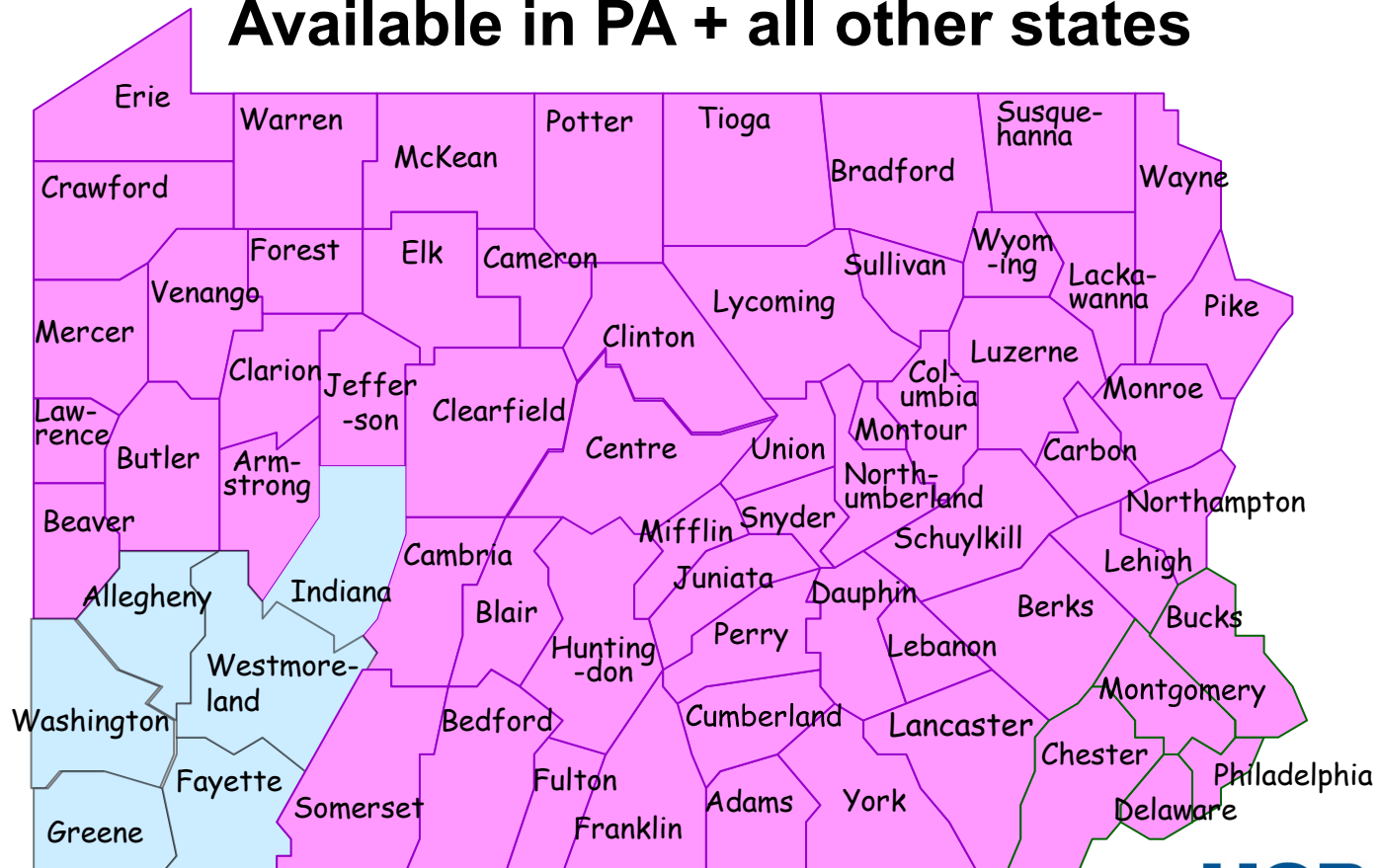
Highmark Service Area

Freedom Blue PPO offered in 61 counties of PA and in all other states

Security Blue HMO Point-of-Service offered in Allegheny, Fayette, Greene, Indiana, Washington & Westmoreland Counties

Highmark

Available in PA + all other states



Independence Blue Cross Service Area

Independence Blue Cross Keystone 65 Select (\$5/\$40) HMO

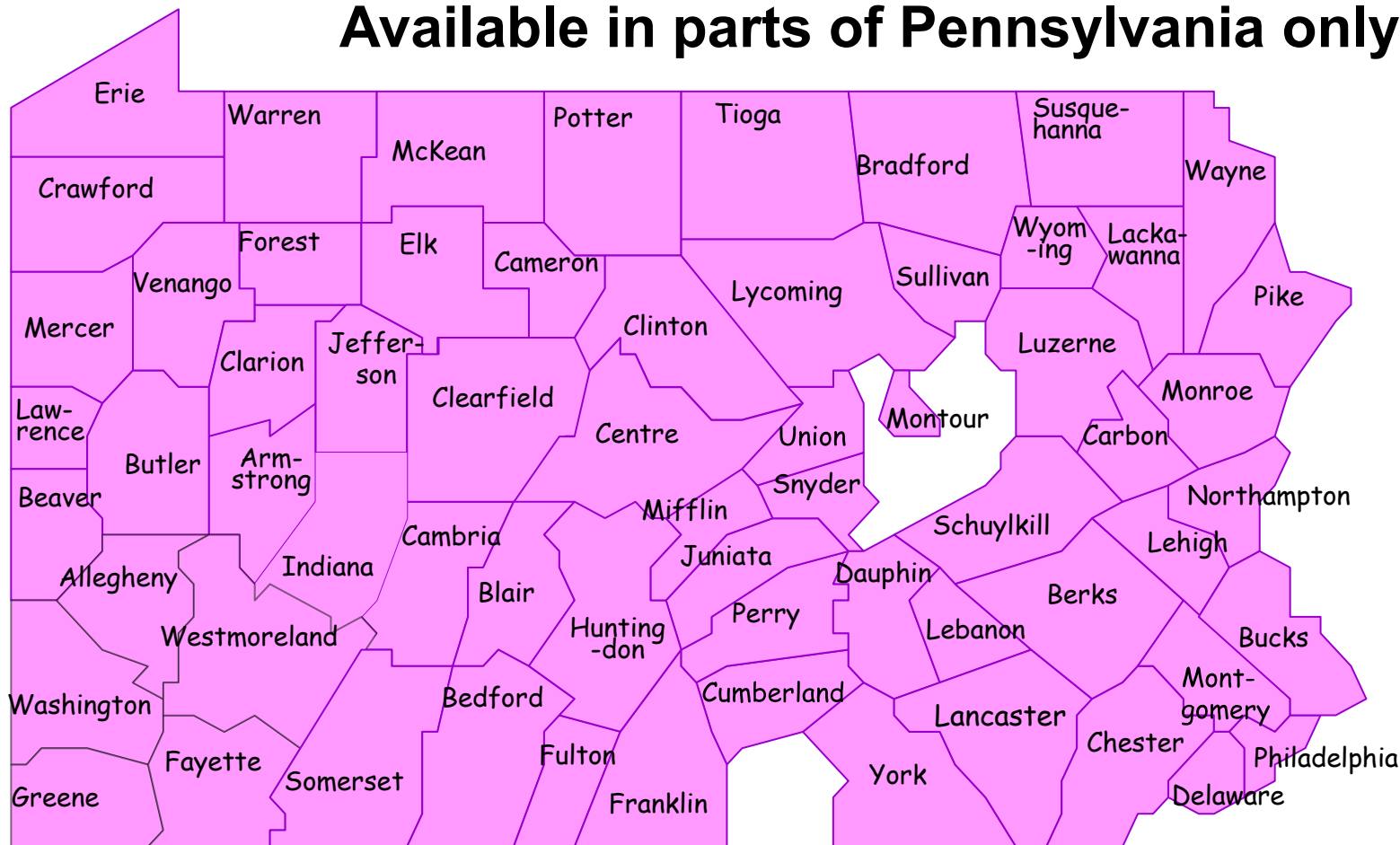


**Available in Southeastern
Pennsylvania only**

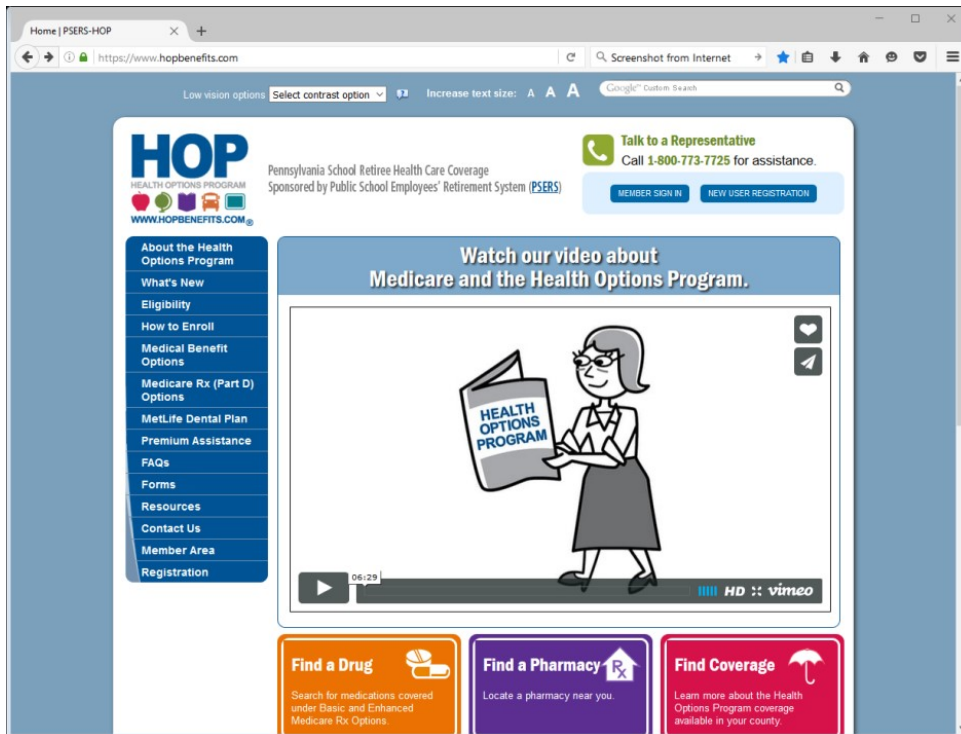
UPMC Service Area

UPMC *for Life* HMO (University of Pittsburgh Medical Center)

Available in parts of Pennsylvania only



Medicare/Health Options Program Video



Anytime you want to review the information learned today... view the video available at:

www.HOPbenefits.com

Questions?

For help or to receive more information, contact:

Mail: HOP Administration Unit, P.O. Box 1764, Lancaster, PA 17608-1764

Toll-free phone: 1-800-773-7725 (weekdays 8 a.m.-8 p.m.)

E-mail: hopadminunit@trustmarkbenefits.com

