

# UC Retiree Health Benefits

**WELCOME TO THE WEBINAR. WE WILL START SHORTLY.**

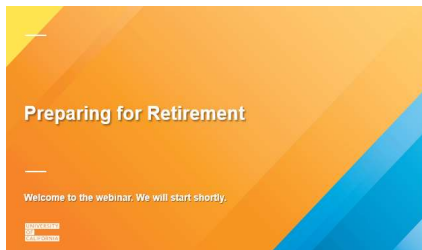
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[ucnet.universityofcalifornia.edu](https://ucnet.universityofcalifornia.edu) by searching "webinars"*



Welcome to the UC Retiree Health Benefits webinar. This presentation is intended for UC employees who are nearing or considering their retirement or UC retirees who want to better understand UC retiree health and the transition to Medicare.

In this webinar, we will provide an overview of the UC Retiree Health Benefits as well as tools and resources to assist you through the transition to UC Retiree Health.

## UC Retirement Planning Webinars

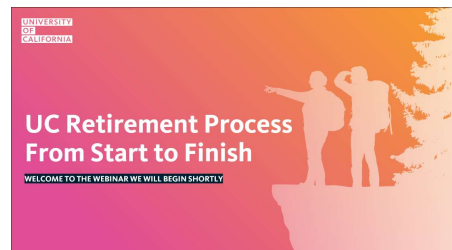


### Preparing for Retirement

1<sup>st</sup> Tuesday of the month at 10am

2<sup>nd</sup> Wednesday of the month at 5:30pm

UC Retirement Process  
4<sup>th</sup> Thursday of the month at 10am



Visit → <https://ucnet.universityofcalifornia.edu> search “webinars”

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In addition to the Retiree Health webinar, the UC also offers 2 additional UC Retirement Planning webinars, Preparing for Retirement which provides a comprehensive overview of UCRP, and the UC Retirement Process from Start to Finish which guides you through how to prepare and elect your retirement in the UCRAYS system. There is no limit to how many times you attend these webinars and attending more than once can be helpful as you prepare for retirement. More information including registration details about these webinars can be found on UCnet.

## Agenda



Eligibility



Retiree Health Groups & Premiums



Medicare & UC Overview



Transition to Retirement & Beyond



UC Medicare Plans Cost of Care

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In this webinar, we will begin by reviewing retiree health Eligibility and Retiree Health Groups and premiums. Next, we'll discuss Medicare and UC and how they coordinate, your Transition to Retirement and beyond, and conclude with a high-level overview of the Cost of Care under the UC Medicare plans.

# Eligibility

Let's begin with eligibility.

## UC Retiree Health Benefits



UC is committed to ongoing health benefits



Not a guaranteed benefit



Plan designs can change



Your share of costs may change

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As an important part of our retirement benefits, UC is committed to offering ongoing retiree health benefits to those who qualify.

It is important to know that these benefits are separate from the retirement pension and are not a vested benefit.

This means plan designs can change from year to year and UC's contributions to these benefits may change or be discontinued at any time, which impacts your share of the costs.

## Retiree Health and Welfare Benefits



Medical



Dental



Legal



Vision



Accidental Death &  
Dismemberment



Pet Insurance

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Retiree Health & Welfare Benefits can include Medical, Dental, Legal, Vision, AD&D and Pet Insurance.

In general, you may keep most of the plans you had as an employee.

## To be eligible for retiree health benefits:

- › **Enrolled or eligible** to be enrolled in UC employee benefits
- › **10 or more years** of Retiree Health service credit
- › Elect **monthly retirement income\***
- › **Retirement date within 120 days** of the date you separate from UC employment
- › **Continuous coverage** until your retiree eligibility begins
- › If you are **rehired after a break in service**, you must work at least **12 months in an eligible position**

\*You forfeit retiree health benefits if you elect a lump sum cash out.

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To be eligible for retiree health benefits you must meet the following criteria:

- Enrolled or eligible to be enrolled in UC employee benefits
- 10 or more years of Retiree Health Service credit
- Elect monthly retirement income\*. Please note: If you elect a lump sum cashout, you forfeit retiree health benefits
- Retirement date is within 120 days of the date you separate from UC employment
- You have continuous health insurance coverage until your retiree health begins
- If you are rehired after a break in service, you must work at least 12 months in an eligible position.

If you have other health insurance coverage at the time you retire, such

as your spouse's plan or a new employer's plan, you may suspend your UC retiree medical and/or dental coverage.

Provided your other coverage has been continuous, you may re-enroll within 31 days if you experience an involuntary loss coverage or during the Open Enrollment period. Keep in mind, if you experience an involuntary loss of coverage, you will be required to provide proof of loss to the Retirement Administration Service Center (RASC) in order to re-enroll.



## Eligible Family Members

- Spouse
- Domestic partner
- Children up to age 26
- Grand children
- Legal ward
- Over aged disabled child
  - › *Certified by your medical plan prior to age 26*

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Family members you enrolled as an active employee, may continue to be covered in retiree health. This includes:

- Spouse
- Domestic Partner
- Children up to age 26,
- a tax dependent grandchild
- legal ward,
- or an over-aged disabled child who was certified by your medical plan as disabled prior to age 26.

# Retiree Health Groups & Premiums

Retiree Health Groups & Premiums

## Cost for UC retiree medical and dental

- › Your retiree health group
- › Your retiree health service credit
- › UC's contribution, determined annually
- › % of UC's contribution for which you are eligible
- › Medical/Dental premiums charged to UC by the plan
- › Who is covered (Self, Self+Adult, Self+Child(ren), Family)
- › Medicare Eligible

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Cost for UC retiree health is determined by a variety of factors:

- Your retiree health group
- Your retiree health service-credit
- UC's contribution, (which is determined annually)
- Percentage of UC's contribution for which you are eligible
- Premiums charged to UC by the medical and dental plans
- Whom you are covering under the plan
- And whether you are coordinated with Medicare

## UC Retiree Health Groups

Group 1	Group 2	Group 3
Active UCRP member without break in service: <b>Before January 1, 1990</b>	Active UCRP member without break in service: <b>January 1, 1990 - June 30, 2013*</b>	Newly hired, or rehired after a break in service: <b>On/after July 1, 2013*</b>
% of UC Contribution: <b>100%</b>	% of UC contribution: <b>50-100%</b> <i>based on age and service</i>	% of UC contribution: <b>0-100%</b> <i>based on age and service</i>

\*Subject to collective bargaining

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Let's take a closer look at the UC Retiree Health Groups. UC has three retiree health groups and eligibility is based on the date you first became an active member of UCRP or Savings Choice participant, or based on the date you were rehired in a UCRP-eligible position after a break in service of more than 120 days.

If you are eligible for retiree health benefits, your retiree health group is going to determine what portion of UC's contribution you are eligible to receive towards retiree medical and dental premiums. We'll explore each of these groups in more detail.

## Retiree health service credit



UCRP service credit

Savings Choice service credit

- › Earned based on percent time worked in an eligible position
- › Forfeited if you take a full refund of UCRP accumulations or Savings Choice DC Plan balances before retirement

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The next factor in determining retiree health eligibility is retiree health service credit. Any time you are a member of UCRP or participating in the Savings Choice program you earn retiree health service credit.

UCRP and Savings Choice service credit are both earned based on the percent time worked in an eligible appointment. The retiree health service credit earned will be used to determine minimum eligibility requirements and the percentage of UC's retiree health contribution for which you are eligible to receive.

If you separate from UC employment and elect a refund of your UCRP accumulations and/or elect a full refund of your Savings Choice DC Plan balances, you will forfeit the associated service credit.

## Retiree health group 1



### UC's contribution: 100%

- › Active UCRP member prior to January 1, 1990
- › No break in service of more than 120 days

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Let's take a closer look at each of the Retiree Health Groups beginning with Retiree Health Group 1.

Group 1 includes members actively enrolled in UCRP prior to January 1, 1990 with no break in service of more than 120 days. Group 1 Members are eligible for 100% of the UC contribution toward retiree health.

If you experience a break in service, your retiree health benefits will be based on your rehire date.

## Retiree health group 2



### UC's contribution: 50-100%

- › Active UCRP member between January 1, 1990 and June 30, 2013\*
- › Rehired during this period after a break in service

### 50% of UC's contribution with:

- › 10 years of Retiree Health service credit
- › Age and service credit in whole years equals 75

### Increases 5% for each whole year over 10:

- › 11 years = 55%, 12 years = 60%, 13 years = 65%, etc.

### 100% UC contribution with 20+ years of service

\*Subject to collective bargaining

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**Retiree Health Group 2 includes active** UCRP Members between January 1, 1990 – June 30, 2013 or members rehired during this period following a break in service. The UC's contribution ranges from 50-100% under Group 2.

Member's eligibility under Group 2 is subject to collective bargaining. Please refer to your collective bargaining agreement for more information.

Group 2 members are eligible for 50% of UC contribution toward retiree health if you have 10 years of UCRP service credit or your age & service credit = 75

UC retiree health contribution then increases by 5% for each whole year over 10. (For example, 11yrs = 55%, 12yrs = 60%, and so on.)

Group 2 members are eligible for 100% of the UC contribution toward retiree health with 20+ years of UCRP service credit



## Retiree health group 3



### UC's contribution: 0-100%

- › Active UCRP or Savings Choice participant on or after July 1, 2013, or rehired after a break in service
- › Safety Members hired on or after July 1, 2013 are in Group 2

### UC's contribution based on age and service at retirement:

- › 10 years of Retiree Health service credit required
- › Minimum UC contribution of 5% at age 56

### 100% UC contribution at age 65 with 20+ years of service

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Retiree Health Group 3 eligibility includes active UCRP Members or Savings Choice participants enrolled with an entry or re-entry date on or after July 1, 2013, or, rehired after a break in service. Please note, Safety Members hired on or after July 1, 2013 fall under Group 2 eligibility.

UC retiree health contribution is based on age & service credit at retirement.

If you have a minimum of 10 years service credit & retire at age 56 (or older) then you are eligible to receive a UC contribution between 5% - 100%. If you have 10 or more years of service but retire prior to age 50, you will receive no contribution from UC towards retiree medical or dental benefits.

The minimum UC contribution toward retiree health begins at 5% at age 56 and caps at the maximum percentage at age 65, with 20 or more years of UCRP service credit.

## Retiree health group 3

Service Credit	Age at retirement										
	55	56	57	58	59	60	61	62	63	64	65
10	0%	5.0%	10.0%	15.0%	20.0%	25.0%	30.0%	35.0%	40.0%	45.0%	50.0%
11	0%	5.5%	11.0%	16.5%	22.0%	27.5%	33.0%	38.5%	44.0%	49.5%	55.0%
12	0%	6.0%	12.0%	18.0%	24.0%	30.0%	36.0%	42.0%	48.0%	54.0%	60.0%
13	0%	6.5%	13.0%	19.5%	26.0%	32.5%	39.0%	45.5%	52.0%	58.5%	65.0%
14	0%	7.0%	14.0%	21.0%	28.0%	35.0%	42.0%	49.0%	56.0%	63.0%	70.0%
15	0%	7.5%	15.0%	22.5%	30.0%	37.5%	45.0%	52.5%	60.0%	67.5%	75.0%
16	0%	8.0%	16.0%	24.0%	32.0%	40.0%	48.0%	56.0%	64.0%	72.0%	80.0%
17	0%	8.5%	17.0%	25.5%	34.0%	42.7%	51.0%	59.5%	68.0%	76.5%	85.0%
18	0%	9.0%	18.0%	27.0%	36.0%	45.0%	54.0%	63.0%	72.0%	81.0%	90.0%
19	0%	9.5%	19.0%	28.5%	38.0%	47.5%	57.0%	66.5%	76.0%	85.5%	95.0%
20 or more	0%	10.0%	20.0%	30.0%	40.0%	50.0%	60.0%	70.0%	80.0%	90.0%	100.0%

Retirement Handbook



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Here is the Retiree Health Group 3 chart which displays the percentage of UC's contribution towards medical and dental premiums. Service credit and age at retirement are in whole years only.

As you can see from the chart, at the minimum age of 56 years with 10 years of service credit you would receive 5% graduated eligibility of the UC contribution up to a maximum contribution at age 65 with 20 or more years of service credit.

This chart along with additional information regarding retiree health is available in the Retirement Handbook on UCnet.

## Example medical premiums and UC's contribution

	<u>Example A</u> 100% of UC contribution	<u>Example B</u> 75% of UC contribution	<u>Example C</u> 50% of UC contribution
<b>Total monthly premium</b> (UC Blue & Gold, Self + Adult)	\$1,800		
<b>UC contribution</b>	\$1,000	\$750	\$500
<b>Your monthly cost</b>	\$800	\$1,050	\$1,300

[Retiree Medical Plan Costs 100% of UC contribution](#)  
[UC Davis Retiree Estimator Tool](#) Graduated Eligibility



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Let's look at an example of how the UC's contribution is applied to medical premiums for retirees eligible for 100%, 75%, and 50% of the UC contribution. In this example, the premium for Self + Adult enrolled in UC Blue & Gold, is \$1800 per month.

Let's say the UC's maximum contribution toward medical is \$1,000. If you are eligible to receive 100 percent of UC's contribution, your medical cost would be \$800 per month. If you are eligible to receive 75% of UC's contribution, then you'd be eligible for \$750 of the UC contribution and pay \$1050. Finally, if you are eligible to receive 50 percent of UC's contribution, the UC pays \$500 and you pay \$1300 per month.

As this chart illustrates, your costs can go down substantially if you wait to retire when you can maximize UC's contribution.

## Example dental premiums and UC's contribution

	<u>Example A</u> 100% of UC contribution	<u>Example B</u> 75% of UC contribution	<u>Example C</u> 50% of UC contribution
<b>Total monthly premium</b> (Dental PPO, Self + Family)	\$100		
<b>UC contribution</b>	\$100	\$75	\$50
<b>Your monthly cost</b>	\$0*	\$25	\$50

\*UC pays 100% of the monthly dental plan premium for retirees eligible for the full UC contribution

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Dental premiums work in the same way as medical premiums. In this example, the monthly premium for Delta Dental PPO for a Retiree + Family is \$100.

UC will pay the full dental premium for retirees eligible for 100% of UC's contribution. If you have graduated eligibility, then your premium cost will be adjusted based on the percentage amount you're eligible to receive, and you pay the difference.

## How are premiums paid?



**Medical**



**Dental**



**Legal**

- › Elect coverage as part of the retirement process
- › Deducted from your UC monthly pension check

Enrollment in Medical, dental, and legal premiums is part of the retirement process. Once enrolled, premiums are automatically deducted from your UC pension.

## How are premiums paid?



**Vision**



**AD&D**



**Pet Insurance**

- › Voluntary
- › You enroll separately
- › Pay premiums directly to VSP, Prudential or Nationwide

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Vision, accidental death & dismemberment and pet insurance are voluntary at retirement.

You decide whether to continue this coverage at retirement or not. If you wish to continue coverage, then you enroll in these plans separately at the time of your retirement and you pay the premiums directly to VSP, Prudential or Nationwide.

# Medicare & UC Overview

Next, we'll take a closer look at both Medicare and UC requirements and how Original Medicare coordinates with the UC Medicare plans.



## Medicare & UC Requirements



### Medicare Requirements

- › Eligible based on your own work history or that of a current, former, or deceased spouse
- › If eligible for Medicare Part A for free, you must enroll in Part B
- › Medicare starts the first day of the month you turn 65 (for most)



### UC Requirements

- › UC requires all retirees and family members to enroll in Medicare, if eligible
- › “Coordinating” your UC medical plan with Medicare helps sustain the retiree health program

One of the most important things when transitioning to retiree health is understanding both Medicare’s requirements and UC’s requirements.

Under Medicare, eligibility is based on your own work history or that of a current, former, or deceased spouse. If you’re eligible for Medicare Part A for free, you must enroll in Part B. Medicare for most begins the first day of the month you turn 65.

The UC requires all retirees and family members to enroll in Medicare, if eligible. Failure to do so can result in penalties. Coordinating your UC medical plan with Medicare helps sustain the retiree health program

## Medicare Glossary



### Original Medicare

- › Federally funded program made up of 3 parts (A, B & D)
- › Social Security Administration controls enrollment in Medicare Parts A & B



### Receiving social security income?

- › Medicare premiums will automatically be deducted from your SS income check



### Not yet receiving social security income?

- › Premiums will be billed to you in 3-month increments

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## Not yet receiving social security income?

- › Premiums will be billed to you in 3-month increments

## How do I qualify for Medicare?

### **Most people become eligible for Medicare under their own work record at age 65:**

- › Qualify by paying into Medicare for 40 quarters (10 years)
- › Some people may become eligible for Medicare under age 65 if disabled or have End-Stage Renal Disease, as determined by SSA

### **If you do not qualify, you must provide the RASC with proof from Medicare:**

- › You may qualify under your current, former or deceased spouse generally if you were married for at least 10 years
- › If your spouse is not yet age 62, you must remember to reapply when they reach 62 to avoid penalties

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## Most people become eligible for Medicare under their own work record at age 65:

- › Qualify by paying into Medicare for 40 quarters (10 years)
- › Some people may become eligible for Medicare under

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If you do not qualify, you must  
provide the RASC with proof from  
Medicare:

- › You may qualify under your  
current, former or deceased  
spouse generally if you were  
married for at least 10 years
- › If your spouse is not yet age  
62, you must remember to  
reapply when they reach  
62 to avoid penalties

## Medicare – Made up of three parts\*



### Part A: Hospital insurance

- › Financed by payroll taxes
- › If you are eligible to receive it based on your own or your spouse's contributions during employment, you do not pay a premium



### Part B: Medical insurance

- › Monthly premium, usually deducted from SS check



### Part D: Prescription insurance

- › Most UC retirees do not pay an extra Part D premium
- › May if you have a higher income

\*Part C is not a component of Medicare, but a type of Medicare Advantage plan

Medicare is a federally run program that is made up of 3 parts:

Part A is Hospital Insurance: This is financed by payroll taxes. If you are eligible to receive it based on your own or your spouse's contributions during employment, you do not pay a Part A premium

Part B is Medical Insurance. You pay a monthly Part B premium to the Centers for Medicare & Medicaid Services (CMS) which is automatically deducted from your social security check if you're receiving social security or billed to you directly.

Part D is Prescription Insurance. Most UC retirees do not pay an extra premium for Part D unless they have a higher income.

The UC coordinates Medicare with your UC Medicare plan.

Now, oftentimes folks ask, what about Part C? Part C is not a component of Medicare. It is a type of Medicare Advantage plan which we will cover in more detail in the Cost of Care section.

## Medicare Part B & D Premium Breakdown



### Determined by CMS, updated and released annually

Based on your modified adjusted gross income, as reported on your IRS tax return from the previous 2 years

- › 2024 premiums based on 2022 tax returns

#### 2024 Standard Part B premium – \$174.70

- › \$103,000 or less – filed individual tax return
- › \$206,000 or less – filed joint tax return

#### Higher-income earners pay a higher Part B & Part D

- › \$103,000 or more - filed individual tax return
- › \$206,000 or more - filed joint tax return

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Medicare premiums are determined by CMS and updated and released annually. The calculated premium is based on your modified adjusted gross income as reported on your IRS tax return from the previous 2 years. This means the 2024 premiums are based on your 2022 tax returns.

The standard Part B premium for 2024 is \$174.70 which applies to folks who earned less than \$103,000 filing an individual tax return or less than \$206,000 and filed jointly. If you qualify for the Standard Part B premium, then you will not have a Part D premium.

If your income is more than \$103,000 filing individually or more than \$206,000 filing jointly, then you would be subject to a higher Part B premium and a Part D premium.

## 2024 Medicare Part B & D Premiums

If your filing status and yearly income in 2022 was

File individual tax return	File joint tax return	File married & separate tax return	Part B each month (in 2024)	Part D each month (in 2024)
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70	\$0
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	Not applicable	\$244.60	\$12.90 + Part B premium
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	Not applicable	\$349.40	\$33.30 + Part B premium
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	Not applicable	\$454.20	\$53.80 + Part B premium
above \$193,000 and less than \$500,000	above \$386,000 and less than \$750,000	above \$103,000 and less than \$397,000	\$559.00	\$74.20 + Part B premium
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$594.00	\$81.00 + Part B premium

Visit [medicare.gov](https://www.medicare.gov) or contact Social Security for more info

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Medicare premiums are determined by CMS and updated and released annually. The calculated premium is based on your modified adjusted gross income as reported on your IRS tax return from the previous 2 years. This means the 2024 premiums are based on your 2022 tax returns.

In 2024, folks who earned less than \$103,000 and filed individually or less than \$206,000 and filed jointly qualify for the standard Part B premium of \$174.70 and do not pay a Part D premium.

If you have a higher income then as you can see from the chart, you will be subject to a higher Part B & Part D premium.

## How come we need both?



### Original Medicare pays for most, but not all, healthcare services

- › UC Medicare plans help offset the cost of services under Original Medicare



### UC Medicare Advantage plans (Part C):

- › UC Medicare Choice PPO → UnitedHealthcare
- › Kaiser Senior Advantage HMO → Kaiser Permanente



### UC Medicare Supplement plans (Medigap):

- › UC Medicare PPO
  - › UC Medicare PPO w/o Rx
  - › UC High Option
- Anthem Blue Cross



### Medicare Coordinator Program – Via Benefits

- › Live or move outside of CA and all family members are enrolled in Medicare
- › Via Benefits will do outreach
- › HRA contribution

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A common question we receive is how come we need both Medicare and UC Medicare coverage.

Original Medicare pays for most, but not all, healthcare services and supplies. The UC Medicare plans help offset the cost of services under Original Medicare.

The UC offers both Medicare Advantage plans (also known as Part C) and Medicare Supplement plans (also known as Medigap) which coordinate with Original Medicare and help offset the cost of service under Original Medicare.

UC Medicare Choice PPO administered by UnitedHealthcare and Kaiser Senior Advantage administered by Kaiser Permanente are the UC Medicare Advantage Plan designs.



UC Medicare PPO, UC Medicare PPO w/or Rx, and UC High Option administered by Anthem Blue Cross, are UC Medicare Supplement.

We'll review the differences between a Medicare Advantage Plan and a Medicare Supplement plan design in more detail in the Cost of Care section.

Retirees who live or move outside of CA and whose family members are also enrolled in Medicare, qualify for the Medicare Coordinator Program administered by Via Benefits.

We'll cover each of these plans in more detail later in the presentation.

## UC Non-Medicare & Medicare “Partner Plans”

UC Non-Medicare Plans		UC Medicare Plans
Core PPO	↔	UC Medicare PPO
UC Blue and Gold	↔	UC Medicare Choice
Kaiser Permanente	↔	Kaiser Senior Advantage
UC Care PPO	↔	UC Medicare PPO
If enrolled in UC Health Savings Plan and one or more family members age into Medicare, you <u>must switch plans</u>		

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The UC non-Medicare plans are the same as the employee plans. If you or your family members are not eligible for Medicare at the time of retirement, then you’ll simply remain in your current employee health plan.

If you or a family member is eligible for Medicare at the time of retirement, then you’ll transition to the partner Medicare plan at the time of your retirement except for folks enrolled in the Health Savings Plan. If you are enrolled in the Health Savings Plan and one of your family members ages into Medicare, you must switch to a plan that has a partner Medicare plan.

## What if I'm 65+ and still working?

### Employees and covered spouses

- › May enroll in Part A while working - not required and some **exceptions\***

### If you're collecting SS, you will automatically be enrolled in Parts A & B at 65

- › May defer Part B if you're working –contact SSA directly\*

### If you're not drawing Social Security, you may enroll in Part A

- › If you enroll in Part A while working, delay enrollment in Parts B & D until retirement
- › No cost for most to enroll in Part A
- › Help pay as secondary to your UC employee plan

**Health Savings Plan\*** members must delay enrollment in all parts of Medicare until retirement

**Domestic Partner\*** contact SSA before 65th birthday for info on when to apply for Medicare

Contact Social Security for more information

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## What if I'm 65 or older and still working?

UC employees and spouses have the option to enroll in Part A and delay enrollment in Part B & D until retirement. This is not required and there are some exceptions.

- If you're drawing Social Security, you will automatically be enrolled in Parts A & B at 65. If you're not drawing social security, you may enroll in Part A
- If you enroll in Part A while working, you will want to delay enrollment in Parts B & D until you retire from UC. For most, there's no cost for enrolling in Part A and it can help pay as secondary to your UC employee medical plan.

Exceptions to this rule apply to employees enrolled in the Health Savings Plan and Domestic Partners. HSP members must delay enrollment in all parts of Medicare until retirement as the IRS does not

allow you to contribute to a health savings account while enrolled in Medicare. Medicare also has different rules for domestic partners. If you have a Domestic Partner, they will need to contact Social Security before their 65<sup>th</sup> birthday for info on when to apply for Medicare.

If you have questions additional questions, please contact Social Security directly for more information.

## Understanding Medicare Page on UCnet

Understanding Medicare | UCnet x +

https://ucnet.universityofcalifornia.edu/compensation-and-benefits/health-plans/medical/medi...

UCnet UCOP Redwood HR Tools & Resour... girs-6000.pdf Webinar Q&A log ]... The UC Brand | Ho... Business Resource...

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HOME NEWS WORKING AT UC **COMPENSATION & BENEFITS** TOOLS & SERVICES understanding medicare

COMPENSATION & BENEFITS

UC Fair Wage/Fair Work Plan

Compensation

Health Plans

Medical Plans

### Understanding Medicare

Medicare is the federal health insurance program for people 65 and over, and it plays an important role — in coordination with your UC retiree health benefits — in covering your health care costs as you age.

#### Enrolling in Medicare: When you are eligible and when you are required to enroll

If you're like most people, when you turn 65 you will become eligible to enroll

RESOURCES

- Medicare Fact Sheet [PDF]
- Enrolling in Medicare
- Medicare FAQ
- Medicare.gov

Active employees who will be aging into Medicare or are 65 and older and plan to continue working for the UC beyond age 65 can find additional information and resources about Medicare while working on the Understanding Medicare Page on UCNet.

## What if I'm 65+ and retiring?

Age 65+ during the retirement process:

- › **Self-identify on your PRP in UCRAYS if you or an enrolled family member is Medicare eligible at the time of retirement**
  
- › **RASC will send a Medicare Letter with instructions:**
  1. Complete and submit the CMS L564 form to Social Security
  2. Once enrolled in Medicare or can provide proof of enrollment
  3. Complete the appropriate UBEN form and return it to RASC

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What happens if I'm 65 and older and retiring?

If you're 65 or older and retiring from the UC, you will want to self-identify on your personal retirement profile (PRP) in the UCRAYS system.

RASC will then send you a Medicare Letter which will include instructions on how to enroll in Medicare.

This letter will include information on the CMS L564 form in which you and the UC attest that you had creditable health coverage through the UC beyond age 65.

Once you're enrolled in Medicare, you and any eligible family members will need to complete the appropriate UC medical plan form provided

in your packet.

## Elect Retirement in UCRAYS – Retiree Health

**Elect UCRP Retirement**

1 Retirement Details and Payment Option(s) 2 Contact Information and Consent 3 Survivors and Contingent Annuitants 4 UCRP Monthly Benefit 5 CAP Distribution

6 Insurance 7 Elect UCRP Retirement

**Review Insurance Details**

Your retiree insurance premiums will be based on the following information.

Bargaining Unit : RX - RX-Research Support Professionals  
 Last Business Unit : UC Berkeley, Campus  
 Health and Welfare Service Credit : 27.6154  
 Percentage of UC Contribution : 100%  
 Retiree Health Eligibility Group : Group 3

Medical :  Continue  Suspend  
 Dental :  Continue  Suspend  
 Legal :  Continue  Cancel

Enrollee	Relationship	Date of Birth	Medical Plan	Dental Plan	Legal Plan
FirstName1074425 LastName1074425	Member	12/12/1967	UC Care Plan	Delta Dental PPO	ARAG Legal Plan
ContactFirstName258141 ContactLastName258141	Spouse	05/17/1963	UC Care Plan	Delta Dental PPO	ARAG Legal Plan

Check if you and/or your enrolled family member(s) will be eligible for Medicare on your retirement date. Please review the [Medicare Fact Sheet](#) for more information. By checking this box, you will receive instructions on how to enroll in and coordinate Medicare with your UC retiree medical benefits.

Cancel Previous Next

1. Review your retiree insurance details (if eligible)
2. Select the Medicare Eligible checkbox to receive Medicare packet

Here is a screenshot of how you would self-identify in UCRAYS. If you're eligible for retiree health insurance, on the insurance screen in the UCRAYS wizard, you'll be able to review your retiree insurance details as well as select the Medicare Eligible checkbox on this screen to receive a Medicare packet.



# Medicare: Request for Employment CMS L564

## 65+ and retiring from the UC:

- ✓ Complete CMS L564 online at [ssa.gov/medicare/sign-up](https://ssa.gov/medicare/sign-up)

### Acceptable verifying documentation includes:

- A signed letter, fax, or email from your location
- Income tax returns that show health insurance premiums paid;
- W-2s reflecting pre-tax medical contributions;
- Pay stubs that reflect health insurance premium deductions;
- Health insurance cards with a policy effective date;
- Explanation of benefits paid by GHP or LGHP; and
- Statements or receipts that reflect payment of health insurance premium

- ✓ Print CMS L564 and complete Section A and take it to your location to complete Section B

- ✓ **If you are turning 65 within 3 months of the start date of your UC retiree health benefits**, you can enroll in Medicare during your Initial Enrollment Period (IEP) and do not need to complete this form

If you or your spouse turned 65 while you were still working, you will be required to complete the CMS L564 form. This is to attest that you and your spouse had a creditable health plan through your employer. You can complete the CMS L564 on the SSA website or you can print it and take a copy to your local Benefits Office or Health Care Facilitator who can assist you in completing the form.

You'll need to complete this form even if you or your spouse are already enrolled in Part A. If you are turning 65 within 3 months of the start date of your UC retiree health benefits, you can enroll with Medicare during your Initial Enrollment Period and do not need to complete this form.

## How to enroll in Medicare at Retirement

Retirement allows you to apply for Medicare Parts A & B without penalty during a Special Enrollment Period (SEP)

- If you're receiving social security income, you'll automatically be enrolled in Parts A & B
- If you're not receiving social security income, enroll in Medicare approximately **2 months** before your retirement date:
  - › Create an account via [ssa.gov/medicare/sign-up](https://ssa.gov/medicare/sign-up)
  - › Sign up for Parts A & B
  - › Sign up for Part B (if already enrolled in Part A)
- Need Medicare card information to complete the UC UBEN form to transition to a UC Medicare plan



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Retirement from UC allows you to apply for Medicare Parts A & B without penalty during what is known as a Special Enrollment period.

- If you're receiving social security income, you'll automatically be enrolled in Parts A & B
- If you're not receiving social security income, enroll in Medicare approximately 2 months before your retirement date:
  - › Create an account via [ssa.gov/medicare/sign-up](https://ssa.gov/medicare/sign-up)
  - › Sign up for Parts A & B
  - › Sign up for Part B (if already enrolled in Part A)
- Need Medicare card information to complete the appropriate UC UBEN form to transition to a UC Medicare plan

## UC non-Medicare & Medicare “Partner Plans”

UC Blue & Gold HMO  
Complete: UC Medicare Choice [UBEN 121](#)

UC Care PPO, CORE PPO  
Complete: UC Medicare PPO [UBEN 123](#)

Kaiser HMO  
Complete: Kaiser Senior Advantage [UBEN 127](#)

Health Savings Plan  
Complete:  
i. [UBEN 100](#) Retiree Continuation, Enrollment, or Change form &  
ii. [UBEN 121, 123, or 127](#) to the plan you choose above

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Let’s look at the UC medical forms you’ll need to complete if you or a family member is Medicare-eligible at or after your retirement from UC.

If you are enrolled in UC Blue & Gold HMO and you or a family member is eligible for Medicare at retirement, you’ll need to move to the UC Medicare Choice plan and complete the UBEN 121 form.

Medicare-eligible folks enrolled in the UC Care PPO or UC CORE PPO will need to complete and submit the UBEN 123 to coordinate coverage under the UC Medicare PPO plan and folks enrolled in Kaiser HMO will need to move to Kaiser Senior Advantage and complete the UBEN 127 form.

When completing these forms, you’ll need to include a copy of your

Medicare card or Medicare award letter showing enrollment in both Medicare Parts A & B. Non-Medicare eligible family members would simply remain in the non-Medicare partner plan.

The UC Health Savings Plan does not have a Medicare partner plan. This means if you are enrolled in this plan and you or any covered family member are eligible for Medicare, you will have to switch your entire family to a new plan that offers a Medicare partner plan. To do so, you'll need to complete and submit the UBEN 100 Retiree Insurance Continuation Form along with the appropriate Medicare coordination form (UBEN 121, 123 or 127) depending on which plan you choose.

Each family member eligible for Medicare will need to complete a separate form and submit it to the RASC along with a copy of their Medicare card.

Each of these forms are available on UCnet:

**UBEN 100:** <https://ucnet.universityofcalifornia.edu/forms/pdf/uben-100.pdf>

**UBEN 121:** <https://ucnet.universityofcalifornia.edu/forms/pdf/uben-121.pdf>

**UBEN 123:** <https://ucnet.universityofcalifornia.edu/forms/pdf/uben-123.pdf>

**UBEN 127:** <https://ucnet.universityofcalifornia.edu/forms/pdf/uben-127.pdf>

## What if I turn 65 after retirement?

Turn age 65 after retirement:

- › RASC will notify you approximately 3 months before your 65<sup>th</sup> birthday
  - › Will send a Medicare letter with information and instructions
- › If you're receiving social security income:
  1. SSA will automatically enroll you in Parts A and B
  2. Complete the appropriate UBEN from and send to RASC
- › If you're not receiving social security income:
  1. Enroll in Parts A and B with SSA
  2. Complete the appropriate UBEN form and send to RASC
- › If you're not eligible for Medicare, must provide proof of ineligibility to the RASC

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If you turn 65 after retirement, RASC will notify you approximately 3 months before your 65<sup>th</sup> birthday and send a Medicare letter which will include information and instructions on applying for Medicare.

If you're receiving social security income:

- 1) SSA will automatically enroll you in Parts A and B
- 2) You complete the appropriate UBEN form and return it to RASC

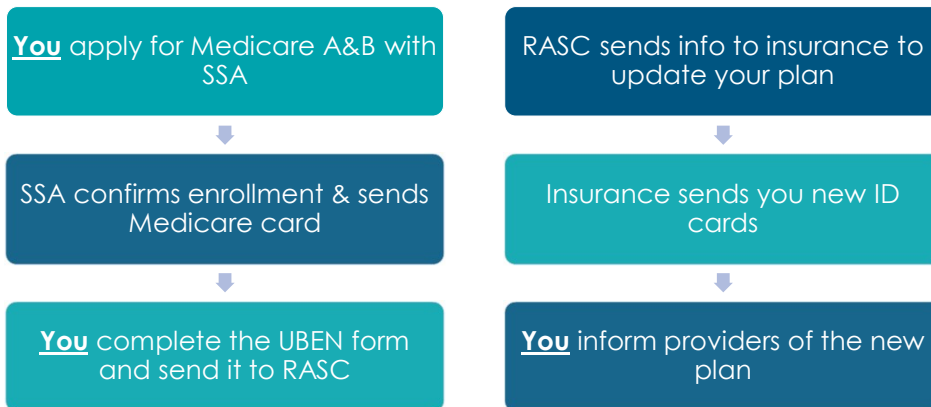
If you're not receiving social security income:

- 1) Enroll in Parts A and B with SSA
- 2) Complete the appropriate UBEN form and return it to RASC

If you're not eligible for Medicare, must provide proof of ineligibility to the RASC.

## Transition to UC Medicare

If you're eligible for Medicare at or after Retirement



Let's look at a summarized timeline of the transition to Medicare for you and your eligible family members at the time of your retirement. This timeline also applies to retirees and/or their family members who age into Medicare after they've retired from UC.

## UC medical plans and Medicare

### Medicare becomes your primary insurance at retirement

- › Switch to the version of your UC medical plan that coordinates with Medicare

### Most UC Medicare plans coordinate with Part D

- › Do not need to enroll in a separate Part D plan
  - › May lose your UC medical coverage if you enroll separately
- › UC Medicare PPO w/o RX –enroll in a Part D plan and provide proof to RASC

### Part B Reimbursement

- › You may be eligible for a Part B premium if the monthly UC contribution exceeds the cost of your plan

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What happens now that you're enrolled in Medicare?

Medicare becomes your primary insurance at retirement, and it is at this point that you will need to transition to the partner UC Medicare plan of your current plan. Again, the UC Health Savings Plan is the only plan that does not have a UC partner Medicare plan so you will need to switch to a UC plan that includes a partner Medicare plan.

Most of the UC Medicare plans already have a Part D component which means you do not need to enroll in a separate Part D plan. If you enroll in a separate Part D plan you may lose your UC-sponsored Medicare coverage as Medicare only allows you to be enrolled in 1 Part D drug plan.

The UC Medicare PPO without Prescription Drugs plan is the only plan that does include Part D Rx coverage. If you enroll in the UC Medicare

PPO without Prescription drugs, then you must enroll in a separate Part D plan that meets CMS requirements of creditable coverage and provide proof of enrollment to RASC.

Once you're enrolled in the UC-sponsored Medicare plan, you may be eligible for a Part B reimbursement if the UC contribution exceeds the cost of the plan. If you qualify for a Part B reimbursement the reimbursement will be added back to your UC pension.



## Part B Reimbursement

	<u>Example A</u> 100% of UC contribution	<u>Example B</u> 75% of UC contribution	<u>Example C</u> 50% of UC contribution
<b>Total monthly premium</b> (Kaiser Senior Advantage Self + Adult)	\$500		
<b>UC contribution</b>	\$640	\$480	\$320
<b>Your monthly cost</b>	\$0	\$20	\$180
<b>Part B reimbursement*</b>	\$140	\$0	\$0

\*Part B reimbursement is payable if UC's contribution exceeds the plan premium

As mentioned previously, some retirees may be eligible for a Medicare Part B reimbursement. A Part B reimbursement applies if the UC contribution exceeds the plan premium cost. This chart illustrates the cost of medical premiums when coordinated with Medicare. The premiums for a UC-sponsored Medicare plan go down significantly, and thus so do the retiree's medical premiums.

In this example, the monthly premium for Kaiser Senior Advantage is \$500 per month and UC's contribution is \$640. Under example A, a retiree receiving 100% of UC's contribution would have no monthly premium for their medical plan. In addition, since UC's contribution exceeds the medical plan premium, the retiree is eligible to receive the difference, \$140, which will be added back to your UC pension check to offset the cost of Medicare Part B.

In the other examples, while there is no Part B reimbursement, the monthly premiums are significantly reduced compared to a non-Medicare Plan.

## Medicare & UC Premium Recap

Medicare



UC



Voluntary



+

+

### **Medicare Premium(s):**

- Part B (& D if you have a higher income)
- Deducted from your SS check or
- Billed to you directly if you're not yet receiving SS

### **UC Premium(s):**

- Medical, Dental, & Legal
- Deducted from the UC pension
- If eligible for Part B reimbursement added to UC pension

### **Voluntary Premium(s):**

- Vision, AD&D, & Pet Insurance
- Enroll directly with the plan
- Pay premiums directly to the plan

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Here is a recap of your Medicare and UC premiums.

Medicare Part B (and D if you have a higher income) will be automatically deducted for your social security check if you're receiving social security income or billed to you directly if you're not yet receiving social security income.

UC medical, dental, and legal premiums will be deducted from your UC pension and if eligible for a Part B reimbursement this will be added back to your pension.

Vision, Accidental death and dismemberment, and pet insurance are voluntary in retirement. If you wish to continue coverage under these voluntary plans, you'll need to enroll directly with and pay the premiums to the plan administrators.

# Transition to Retirement & Beyond

Next, we'll explore the transition into retirement and beyond

## Transition from employee benefits to retiree benefits



### Enrollment in UC retiree medical, dental and legal plans:

- › Occurs as part of the retirement process
- › You will receive new medical ID cards in retirement
- › We encourage you to refill any prescriptions and make any necessary appointments before retirement



### Medicare plans:

- › You must enroll with Medicare through Social Security
- › You must complete the proper UC UBEN form to coordinate Medicare with your UC Medicare plan

Let's take a moment to review your transition from employee benefits to retiree benefits. Enrollment in UC retiree medical, dental, and legal plans occurs as part of the retirement process.

Since you'll be transitioning from active employee health coverage to retiree health coverage you will receive new medical ID cards whether you are Medicare eligible or not. Since you will receive new medical ID cards in retirement, we encourage folks to refill any prescriptions and make any necessary appointments before retirement.

If you or a family member is Medicare-eligible at or after retirement, then they'll need to enroll in Medicare Parts A & B through SSA and then complete the appropriate UBEN form and send it to the RASC to coordinate enrollment in Original Medicare with their UC Medicare plan.

## Medical Plans Geographically

	Available in CA	Available in U.S.	Outside the U.S.
Non-Medicare	UC Blue & Gold HMO Kaiser HMO UC Care PPO CORE PPO Health Savings Plan*	UC Care PPO CORE PPO Health Savings Plan*	UC Care PPO CORE PPO
Medicare	UC Medicare Choice Kaiser Senior Advantage UC Medicare PPO UC Medicare PPO w/o Rx UC High Option**	UC Care/UC Medicare CORE/UC Medicare <i>(split families only)</i> Medicare Coordinator Program <i>(all family members are in Medicare)</i>	Not available

\*Coverage in the HSP must continue from employment, you cannot newly enroll

\*\*Available during open enrollment

If you move during or after your retirement from the UC, it's helpful to understand what plans are available to you geographically depending on your location.

Let's begin with the Non-Medicare Plans. If you reside in CA and are in a plan participating service area; UC Blue & Gold HMO, Kaiser HMO, UC Care PPO, Core PPO and the Health Savings Plan are your plan options. Please note coverage in the Health Savings Plan must continue from employment and you can not newly enroll in this plan. If you move outside of CA and remain in the U.S. then your plan option would be UC Care PPO, Core PPO, or the Health Savings Plan. Finally, if you reside outside of the U.S. then your plan options would be UC Care PPO or Core PPO as each of these plans provides international coverage.

If you're Medicare-eligible and reside in CA and are in a plan

participating service area; UC Medicare Choice, Kaiser Senior Advantage, UC Medicare PPO, UC Medicare PPO w/o Rx and UC High Option are your options.

If you move outside of CA and remain in the U.S. and you have some family members enrolled in Medicare and some who are not, your plan options would be UC Care PPO/UC Medicare PPO or Core PPO and UC Medicare PPO.

If you move outside of CA and remain in the U.S. and all family members are in Medicare, then you'll move to the Medicare Coordinator Program administered by Via Benefits. We'll take a closer look at this plan in the following slides. Finally, if you're Medicare-eligible and you move or reside outside of the U.S., then your plan options would be UC Care PPO or Core PPO as Medicare is not available outside the U.S., and UC Care PPO and Core PPO plan both offer international coverage.

## What happens with “split families”?

When a retiree has both Medicare & non-Medicare family members

Non-Medicare family members stay		Medicare family members transition
Core PPO	↔	UC Medicare PPO
UC Blue and Gold HMO	↔	UC Medicare Choice
Kaiser HMO	↔	Kaiser Senior Advantage
UC Care PPO	↔	UC Medicare PPO
If enrolled in the Health Savings Plan and a family members ages into Medicare, you <u>must switch plans</u>		

We briefly introduced the concept of split families in the previous slide. A split family refers to a retiree who has both Medicare-eligible and non-Medicare-eligible family members.

If you have a split family, your Non-Medicare family members remain in the Non-Medicare plan and your Medicare-eligible family members transition to the partner Medicare plan of the non-Medicare plan.

If you're enrolled in the Health Savings Plan and you or a family member ages into Medicare, you must switch to a plan above that has a partner Medicare plan.



## Medicare Coordinator Program



### Eligibility

- › Retirees 65+ living outside of CA but in the US
- › Retiree + Spouse/Domestic Partner in Medicare



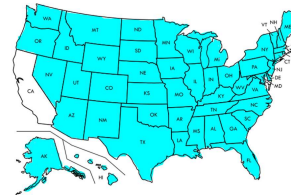
### If you move

- › Notify UC and update your address in UCRAYS
- › Within a month Via Benefits will contact you



### More choices

- › Individual plans for each family member
- › Administered by ViaBenefits



I'd like to take a moment to expand more on the Medicare Coordinator Program. This program applies to retirees and their spouse or domestic partner who are 65 or older, enrolled in Medicare, and live or move outside CA but remain in the US.

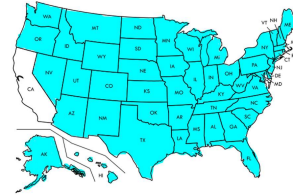
If you move, you'll need to notify RASC and update your address change in UCRAYS. RASC will then notify Via Benefits, the administrator of the Medicare Coordinator Program, of your move. Via Benefits will then do outreach to you and work with you and your spouse/domestic partner to find a Medicare plan in the state/county/city in which you live that best fits your individual needs.

## Medicare Coordinator Program



### Health reimbursement account (HRA)

- › \$3,000 for retiree and \$3,000 for spouse/domestic partner
- › HRA is prorated if not eligible for UC's full contribution
- › Used to pay premiums, out-of-pocket expenses, Medicare premiums
- › Any unused funds roll over each year



For retirees eligible for the maximum UC contribution toward retiree health, UC will contribute \$3,000 per individual (up to \$6,000 for each Medicare-eligible family member) towards a health reimbursement account. Retirees not eligible for the maximum UC contribution will receive a prorated HRA contribution.

You may use your HRA funds to pay premiums, out-of-pocket expenses, prescription medication, and more. Any unused funds roll over each year.

## Other benefits available in retirement

### Enrollment in retiree vision, AD&D, and pet insurance voluntary

- › Vision enroll with → VSP
- › Accidental Death & Dismemberment enroll with → Prudential
  - › AD&D benefits are reduced to a maximum of \$250,000
- › Pet Insurance enroll with → Nationwide <http://petinsurance.com/uc/>

### Homeowners/renters/auto insurance

- › Premiums paid directly to California Casualty/Farmers

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Other benefits available in retirement include vision, accidental death & dismemberment, and pet insurance which are all voluntary at the time of your retirement. If you wish to continue this coverage you will need to complete your enrollment directly with VSP, Prudential and Nationwide. Please note that AD&D benefits are reduced to a maximum of \$250,000.

For Homeowners, renters and auto insurance, you'll continue to pay your premiums directly to California Casualty/Farmers

## Benefits that end at retirement

### Life Insurance & Supplemental Health

- › Conversion or portability options may be available
- › Contact Prudential for more info

### Health Flexible Spending Account (FSA)

- › Ends on the last day of last month you contributed

### UC and employee-paid disability

- › Ends on the last day of work

### COBRA Notification

- › When your employee benefits end, you will automatically receive a medical plan termination in the mail
- › If you are eligible for retiree health benefits or do not need COBRA continuation coverage, you can ignore the medical plan termination letter and disregard the COBRA notification package
- › Rates available on UCnet

### Employee Benefits that end at retirement include:

Life Insurance & Supplemental Health however Prudential may provide conversion or portability options, so you'll want to contact Prudential for more information.

If you have a Health Flexible Spending Account this will end on the last day of the last month you contributed.

UC and employee-paid disability will end on the last day of work.

By law, the UC is required to send out a COBRA notification packet following termination of employment. When you retire from the UC and your employee benefits end, you will receive a COBRA plan termination packet in the mail. If you are eligible for retiree health benefits or do not need COBRA continuation coverage, you can ignore the medical plan termination letter and disregard the COBRA notification packet. If you are not eligible for retiree health and would like to elect COBRA

continuation of coverage you can access the monthly rates on UCnet.

## When will my employee benefits end?

### Separation or termination due to your retirement:

- ✓ Employee benefits end on the last day of the following month that you separate:
  - › Separation date: 06/28/2024
  - › Retirement date: 07/01/2024



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If your separation or termination from the UC is due to your retirement, then your employee benefits will end on the last day of the following month that you separate.

If your separation date is June 28, 2024 and you elect a July 1 retirement date, then your employee coverage ends on July 31, 2024, and your retiree health (and Medicare if you're eligible for Medicare) would begin on August 1<sup>st</sup>.

## When will my employee benefits end?

Separation or termination is **not due** to your retirement:

- › Employee coverage ends on the last day of the month that you separate



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If your separation or termination is not due to your retirement then your employee coverage ends on the last day of the month that you separate. If your separation date is June 28, 2024 your employee coverage will end on June 30, 2024.

## What if I don't qualify for UC retiree health?



If you are not eligible for UC retiree health benefits, you need to consider the following options:

- › Do you qualify for health benefits under a family member including a UC spouse or domestic partner?
- › Are you eligible for Medicare?
- › COBRA Continuation of Coverage
- › CoveredCA or individual insurance plan

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If you are not eligible for UC retiree health benefits, you need to consider alternative options of coverage:

- 1) Do you qualify for health benefits under a family member including a UC spouse or domestic partner?
- 2) Are you eligible for Medicare?
- 3) COBRA - which provides continuation of coverage for up to 18 months
- 4) Explore plan options through CoveredCA or an individual insurance plan



## Can I change my medical plan when I retire?



Retirement itself is not considered a qualifying life event.

### A qualifying life event includes:

- › Moving outside of a plan service area
- › Getting married or entering a domestic partnership
- › Newly eligible dependent (child, grandchild, adoption)
- › Involuntary loss of other coverage

### Waive retiree health due to other coverage

- › Medical and dental

### Open enrollment

- › Your annual opportunity to make changes (in Oct/Nov)

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## Can I change my medical plans when I retire?

Retirement itself is not a qualifying life event to change plans however, there are some life events that can occur which may allow a member to switch plans mid year:

- › Moving outside of your current plan service area
- › Getting married or entering a domestic partnership
- › Newly eligible dependent (child, grandchild, adoption)
- › Or and involuntary loss of other coverage

If you have other health insurance coverage at retirement such as through a spouse or a new employer, then you may waive your UC retiree medical and dental coverage and re-enroll during the open enrollment period or if you experience a qualifying life event.

If you don't experience a qualifying life event, then you will have an opportunity to switch plans during the annual open enrollment period which takes place in Oct/Nov.

## Will my premiums increase once I retire?

As an employee, your health premium is based on your salary pay band.

As a retiree, health premiums are based on the following:

- › Which medical or dental plan you are enrolled in
- › Who you are covering on your plans
- › Whether you or your covered family members are eligible for Medicare
- › Your retiree health group
- › How many years of retiree health service credit you have

100% of UC contribution: [Retiree Medical Plan Costs](#)  
Graduated Eligibility: [UC Davis Retiree Estimator Tool](#)



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Will my premiums increase once I retire?

As an employee, your health premiums are based on your salary band.

A retiree, your health premiums are based on the following:

- Which medical or dental plan you are currently enrolled in
- Who you are covering under your plan
- Whether or not you or your family members are eligible for Medicare
- Your retiree health group and how many years of retiree health service credit you have

Retirees eligible for 100% of the UC contribution can view the Retiree Medical Plan Costs page on UCnet for the 2024 rates or the UC Davis Retiree Estimator tool if they have graduated eligibility.

## What about Survivor Benefits?

Your survivors may be eligible for benefits in medical, dental, vision, AD&D or legal if your survivor is:

- › Enrolled or eligible to be enrolled as a family member in UC- sponsored plan
- › An eligible survivor and receives monthly income from UCRP
- › Monthly benefit becomes payable 120 calendar days of the retiree's death

If your survivor does not qualify:

- › Coverage will end last day of the month of retiree's death
- › May elect continuation of coverage through COBRA
- › Convert UC- sponsored medical plan to individual plan

## What about Survivor Benefits?

Your eligible survivors may continue health benefits in medical, dental, vision, accidental death & dismemberment or legal if the following apply:

- They are enrolled or eligible to be enrolled as a family member in UC- sponsored plan
- Receiving monthly survivor income from UCRP
- The monthly benefit becomes payable 120 calendar days of the retiree's death

In the event your survivor does not qualify:

- Their coverage will end the last day of the month of retiree's death
- They may elect continuation of coverage through COBRA
- Or they can convert their UC- sponsored medical plan to an individual plan

## Who are eligible Survivors? (con't)

### Spouse or domestic partner

- › Married/Partnered one year prior to retirement until death
- › Payable for life
- › Marriage Cert./UBEN 250 Domestic Partnership Declaration

### Children

- › Under age 18, or age 22 if a full-time student
- › Disabled, provided disability occurred before 18 or 22

### Members in the 2013, Modified 2013 Tier, or 2016 Tier

- › You must elect a contingent annuitant option for your eligible survivor

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## Who are Eligible Survivors?

You cannot choose the survivor eligible for post retirement survivor continuance, eligible survivors are defined by UCRP in the following order:

Your spouse or domestic partner (if you have been married or in a domestic partnership for at least one full year prior to retirement). To verify, UC requires a copy of your marriage certificate, registration of domestic partnership, or UBEN 250 Declaration of Domestic Partnership form with two pieces of evidence showing financial interdependence;

Your eligible children (under age 18, or under age 22 if full time student, or disabled). Any disabled child must have become disabled prior to age 18 or 22 if in school full time.

For members in 2013, Modified 2013 or 2016 Tier, there is no built post-retirement survivor continuance, to receive health benefits as a survivor, you must elect an alternate payment option and name your eligible survivor as a contingent annuitant.

While Savings Choice participants can be eligible for UC retiree health benefits and continue to cover eligible family members, those benefits end upon your death as there are no survivor income benefits payable.

# Cost of Care

In this section, we will dive into a high-level overview of the Cost of Care under the UC Medicare plans.

## Are the UC non-Medicare plans different in retirement?

The UC non-Medicare plans are the same as employee plans:



**UC Care PPO, Core PPO, Health Savings Plan**  
**UC Blue & Gold HMO**  
**Kaiser HMO**

- › Coverage, cost of services, and plan administrators remain the same
- › Premiums change in retirement

First let's look at the UC non-Medicare plans.

The UC non-Medicare plans are the same as the employee plans. This means coverage, cost of services, and plan administrators remain the same. The premiums you pay for the non-Medicare plans do change in retirement as they are calculated based on your retiree health group, retiree health service credit, and UC's contribution which you are eligible to receive.

## UC Medicare Advantage Plans



### Also known as Part C or MA plans

- › You assign your Medicare to a Medicare-approved private company that must follow Medicare rules
- › Provider bills insurance carrier directly
- › You pay copays for services



### UC Medicare Choice PPO → administered by UnitedHealthcare

- › Flexibility to see both UHC and Medicare providers
- › Referrals not required for specialist visits

UnitedHealthcare  
Group Medicare Advantage



### Kaiser Senior Advantage HMO → administered by Kaiser

- › Must stay within the Kaiser network
- › Referrals required for specialist visits



### UC Medicare Choice & Kaiser Senior Advantage include Part D prescription drug

- › Do not need to enroll in a separate Part D plan
- › Enrolling in a separate Part D plan can result in the loss of UC coverage

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The UC offers both Medicare Advantage and Medicare Supplement Plans.

Under a Medicare Advantage plan design, you assign your Medicare to a Medicare-approved insurance carrier that must follow strict rules set forth by Medicare. Whenever you visit your provider, your provider will bill your insurance carrier directly. Under this plan design, you do not have a deductible and you pay copays for services.

UC offers two Medicare Advantage plans. UC Medicare Choice PPO plan administered by UnitedHealthcare is a Medicare Advantage PPO plan design. This means you have the flexibility to see both UnitedHealthcare and Medicare providers and you do not need a referral to see a specialist.

The Kaiser Senior Advantage plan, administered by Kaiser Permanente is a Medicare Advantage HMO plan design. This means you must stay within the Kaiser network and referrals are required to see a specialist.

UC Medicare Choice and Kaiser Senior Advantage include Part D prescription drug coverage, so you do not need to enroll in a separate Part D plan. Please note that enrolling in a separate Part D plan can result in the loss of UC coverage.



## UC Medicare Advantage Plans – Cost for Services



### UC Medicare Choice PPO & Kaiser Senior Advantage HMO

Service	Copay
Deductible	\$0
Office Visit	\$20
Urgent Care	\$20
Emergency Room	\$65 (waived if admitted)
Outpatient Surgical Center	\$100
Inpatient Hospital	\$250
Annual Out-of-Pocket Max	\$1,500 (per member per year)

UnitedHealthcare  
Group Medicare Advantage



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Here is a brief summary of the cost of services you can expect to pay under UC Medicare Choice and Kaiser Senior Advantage. As previously mentioned, you do not have a deductible and you pay copays (which is a fixed amount) for services.

Under both UC Medicare Choice and Kaiser Senior Advantage you would pay a \$20 copay for an office visit and a \$65 copay for the ER. Finally, the annual out-of-pocket maximum is \$1,500 per member per year.

## UC Medicare Advantage Plans – Prescription Costs

Plan	Rx Copay		
	Retail (up to 30-day supply)	Mail Order (31-90 day supply)	Specialty Drugs
<b>UC Medicare Choice PPO</b>	\$5/\$25/\$40 (Generic/Brand/Non-Formulary)	\$10/\$50/\$80 (Generic/Brand/Non-Formulary)	\$25 (30-day supply) \$50 (31-90 day supply)
<b>Kaiser Senior Advantage HMO</b>	\$5/\$25 (up to 30 day supply) \$10/\$50 (31-60 day) \$15/\$75 (61-100 day) (Generic/Brand)	\$5/\$25 (up to 30 day supply) \$10/\$50 (31-100 day supply)  (Generic/Brand)	N/A



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Here is a brief overview of what you can expect to pay for prescriptions under the UC Medicare Choice PPO plan and Kaiser Senior Advantage HMO plan. Again, both UC Medicare Choice and Kaiser Senior Advantage include prescription coverage, so you do not need to enroll in a separate Part D plan.

## UC Medicare Supplement Plans



### UC Medicare PPO, UC Medicare PPO w/o Prescription Drug, & High Option PPO

- › Medicare is the primary payer; Anthem pays secondary
- › You pay deductibles and co-insurance for services



### Must use Medicare providers for most services: [www.medicare.gov](http://www.medicare.gov)

- › Non-participating providers can charge up to 15% more
- › Providers who opt out of Medicare are not covered
- › ~ 98% of U.S. providers participate in Medicare (as of 2022)



### UC Medicare PPO & High Option PPO include Part D prescription coverage

- › Do not need to enroll in a separate Part D plan
- › Enrolling in a separate Part D plan can result in loss of UC coverage



### UC Medicare PPO without Prescription drug does not include Part D

- › Enroll in a Part D plan and provide proof of enrollment to the RASC

UC Offers 3 Medicare Supplement Plans, UC Medicare PPO, UC Medicare PPO w/o Prescription Drug and High Option. Each of these plans are administered by Anthem Blue Cross. Under the Medicare Supplement plans, Medicare is the primary payer and Anthem pays secondary.

Since Medicare is the primary payer, you must use Medicare providers for most services. Non-participating provider, which is a provider who doesn't accept assignments can charge up to 15% more. Providers who opt out of Medicare, meaning they choose not to work the Medicare program are not covered.

Like UC Medicare Choice and Kaiser Senior Advantage, UC Medicare PPO & High Option both include Part D coverage, so you do not need to enroll in a separate Part D plan. Enrolling in a separate Part D plan can result in loss of UC coverage.

The UC Medicare PPO w/o Rx is the only Medicare plan the UC offers that does not include Part D prescription drug coverage. If you enroll in this plan you need to enroll in a Part D plan out on the Marketplace and then provide proof of enrollment to RASC.

## UC Medicare Supplement Plans



### UC Medicare PPO

**UC Medicare PPO without Rx** - excludes prescription coverage

- › Annual Deductible: \$100\*
- › Annual Out-of-Pocket Max: \$1,500\*
- › Anthem pays 80% after Medicare for most services



### High Option PPO

- › Annual Deductible: \$50\*
- › Annual Out-of-Pocket Max: \$1,050\*
- › Anthem pays 100% after Medicare for most services



\*per member

Let's explore how the UC Medicare PPO, UC Medicare PPO w/o Rx, and High Option are different. The only difference between UC Medicare PPO is that UC Medicare PPO w/o Rx does not include a Part D prescription drug component. Outside of this, everything else is the same.

Under these plans, you have an annual \$100 deductible, with an annual out-of-pocket maximum of \$1,500 per member. As secondary to Medicare, Anthem pays 80% after Medicare for most services under these plans.

Medical coverage under the High Option is all the same as the UC Medicare PPO plans however, what is different is your deductible and annual out-of-pocket maximum. Under the High Option you have an annual \$50 deductible and a \$1,050 per member annual out-of-pocket

maximum. Additionally, under the High Option Anthem pays 100% after Medicare for most services.

In the next slide, we'll look at an example of how claims are processed with Medicare as the primary payer and Anthem as the secondary payer.

## UC Medicare Supplements – Office Visit Example

Medicare Allowable = \$150

Who Pays	UC Medicare PPO* 80%	High Option PPO* 100%
Medicare Pays 80% of allowable	\$120 (\$150 x 80%)	\$120 (\$150 x 80%)
<b>Total with Original Medicare</b>	<b>\$30</b>	<b>\$30</b>
Anthem Pays	\$24 (80%)	\$30 (100%)
<b>You pay</b>	<b>\$6</b>	<b>\$0</b>

\* For most services



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Here is an example of how Medicare coordinates with the UC Medicare Supplement plans UC Medicare PPO and High Option. Medicare's allowable amount for an office visit is \$150.

Under Original Medicare, Medicare pays 80% of the allowable amount which is \$120. With Original Medicare, your out-of-pocket cost for the office visit is \$30.

As a secondary payer, Anthem pays 80% under the UC Medicare PPO plans which brings your out-of-pocket cost for the office visit to \$6. Under the High Option plan, Anthem pays 100% after Medicare which brings your out-of-pocket cost for the office visit to \$0.

## UC Medicare Supplement Plans – Prescription Costs

Plan	Rx Copay	
<p><b>UC Medicare PPO</b></p> <p>&amp;</p> <p><b>UC High Option</b></p>	<p><b>Retail</b></p> <p>(up to 30-day supply)</p> <p>\$10/\$30/\$45/\$30</p> <p>(Tier 1-4)</p>	<p><b>Mail Order</b></p> <p>(90-day supply)</p> <p>\$20/\$60/\$90/NA</p> <p>(Tier 1-4)</p>



Which Medicare Plan is Right for You



Here is a brief overview of what you can expect to pay for prescriptions under the UC Medicare PPO and High Option plans. Prescription coverage is based on a Tier system that ranges from 1-4. Prescription coverage for these plans is identical.

For additional information about the cost of care including prescription drug coverage checkout the Which Medicare Plan is Right for You booklet available on UCnet.



## What about Dental and Vision?



### Dental

If you are eligible for the maximum UC contribution

- › Premium paid in full by UC

If you have graduated eligibility, you pay the difference

- › Deducted from UC pension



### Vision

Voluntary at retirement – enroll with VSP

- › Retiree vision rates are available on UCnet



Let's take a moment to recap dental and vision coverage in retirement. Dental insurance will continue in retirement, provided you elected it during the retirement process. If you are eligible for the maximum UC contribution toward retiree health, then your dental premium will be paid in full by the UC. If you have graduated eligibility (meaning you are eligible for a percentage of the UC contribution) you pay the difference. If you have a dental premium, it will be automatically deducted from your UC pension.

Vision insurance is voluntary at retirement. To continue coverage, you must enroll directly with VSP and pay the premiums to VSP. You can view the retiree vision rates on UCnet.

# Mid-Year Plan Changes



Certain qualifying events allow changes mid-year

- › Marriage/Domestic Partnership
- › Birth/Tax dependent (such as grandchild)
- › Out-of-area move
- › Involuntary loss of other coverage



If you experience a life event:

- › Update changes in UCRAYS
- › Complete the UBEN 100 form within 31 days of the event



Make changes during annual Open Enrollment

- › October/November
- › OE changes effective Jan. 1

Life doesn't stop in retirement, and you may at some point experience a life event that allows you a mid-year plan change, such as a marriage, out-of-area move, or involuntary loss of coverage.

If you experience a mid-year life event, you have 31 days from the date of the event to complete the UBEN 100 form and send it to the RASC to make a change to your retiree health benefits.

If you don't experience a mid-year change, you can always make a change during the annual open enrollment period which takes place in Oct./Nov. of each year. All changes made during open enrollment are effective January 1.

## Tools & Resources

**Retirement Administration Service Center (RASC) – 1-800-888-8267**

[retirementatyour.service.ucop.edu](http://retirementatyour.service.ucop.edu) (UCRAYS)

View your membership and service credit details  
Apply for and elect UC retirement  
Manage your UC retiree health plan enrollments

**Fidelity Workplace Financial Consultants – 1-800-558-9182**

[MyUCretirement.com](http://MyUCretirement.com)

Retirement Readiness  
Enroll/view retirement savings program balances  
Financial classes/webinars  
1:1 Personal Retirement counseling

**UCnet - [UCnet.universityofcalifornia.edu](http://UCnet.universityofcalifornia.edu)**

Annual Open Enrollment Information  
Summary of Benefits Booklets  
Medicare Factsheet  
Retirement Handbook

**Health Care Facilitators (HCF)**

Dedicated and knowledgeable campus resources  
Supports UC faculty, staff, & retirees  
Helps you better understand your UC benefits

**Social Security**

[ssa.gov](http://ssa.gov)

(800) 772-1213  
(800) 325-0778 (TTY users)

**Centers for Medicare & Medicaid Services (CMS)**

[medicare.gov](http://medicare.gov)

(800) MEDICARE (800-633-4227)  
(877) 486-2048 (TTY users)

Here is a list of resources we covered throughout the presentation. As a UC retiree, you may continue to access and leverage these resources. Furthermore, as you plan and prepare for retirement use this as a guide to better navigate and educate yourself so you can continue to get the most out of your UC benefits in retirement.

# Thank You!

We value your input!  
Please take a moment to complete  
our survey.

Survey Link:  
[ucop.questionpro.com/Retiree](https://ucop.questionpro.com/Retiree)



The information contained herein has been provided by the University of California and is solely the responsibility of the University of California.

On behalf of the University of California, thank you for attending this webinar, thank you for your years of service, and best wishes to you for a long and prosperous retirement!