

Planning for Health Insurance in Retirement Years

The multitude of health insurance options available to Oregon PERS retirees at the time of retirement can often be confusing. Several federal and state laws and regulations have added additional choices for early retirees; however finding comprehensive information about the myriad of options is sometimes difficult and frustrating.

PERS Health Insurance Program member specialists are available to help retirees get the information they need. Retirees often find themselves enrolled in health insurance plans that may not necessarily best serve their needs in the long term. Retirees should carefully consider all of the options available, and as a part of that review, be sure to ask long the program or plan will continue coverage, and inquire about the program options that will be available should coverage end because of age or other circumstances.

Following is a brief description of the health insurance programs and choices available to retirees along with brief information to assist retirees with these choices. More information can be obtained by calling the PERS Health Insurance Program at 800-768-7377.

Employer-Sponsored Retiree Health Insurance Plans

Oregon Revised Statute 243.303 requires Oregon public employers to make their group insurance plans available to retirees and dependents until the retiree or dependent is Medicare eligible. These plans typically offer comprehensive benefits and rates similar or equal to those available to active employees, and are often the most ideal option for retirees. Some Oregon public employers pay all or a portion of the premium for their retirees. Usually these plans are only available at retirement, and retirees who do not choose this option at retirement are not later allowed to enroll in the employer plans.

Spouse's Employer Sponsored Health Insurance Plans

Most employers allow employees to enroll their spouse on the employer group insurance plan during an open enrollment period, or by providing proof that the spouse's insurance has been canceled. The additional premium may be covered by the employer or be charged to the employee.

COBRA Continuation Options

The Consolidated Omnibus Budget Reconciliation Act (COBRA) was signed into law in 1986. Employers are required to offer employees, spouses, and dependents continuation of coverage on a self-pay basis. This coverage is available for a period of 18 months following retirement.

Individual Plans

Most health insurance plans market individual health insurance plans. These are policies issued directly to an individual, and the premiums are usually age rated. These plans are not group insurance plans, and applicants may be rejected due to pre-existing medical conditions.

PERS-Sponsored Health Insurance Plans

PERS has offered health insurance to retirees and their dependents for more than 45 years. The PERS plans offer both Medicare supplement plans and non-Medicare plans for retirees not yet eligible for Medicare. The benefits in the PERS non-Medicare plans are less generous than most employer sponsored health plans, and the cost is often greater than the employer sponsored plans offered to retirees.

PERS retirees with more than eight years of qualifying PERS service are eligible for a premium subsidy of up to \$60 per month from PERS if they are enrolled in Medicare Parts A and B and enrolled in a PERS sponsored Medicare plan.

PERS has three enrollment opportunities for retirees: 1) within 90 days of receipt of the first retirement check, 2) within 90 days of Medicare eligibility, and 3) any time if enrolling from 24 months of previous coverage in an employer-sponsored group insurance plan. These enrollment opportunities are the same for the retirees' spouse or dependent.

PERS retirees who are approaching Medicare eligibility at age 65 or as a result of an early disability must decide at that time if they want to enroll in a PERS sponsored health plan. The enrollment opportunity at the time of Medicare eligibility will most likely be the last chance retirees or dependents will have for enrollment into the PERS health insurance program.

If you have further questions regarding the PERS Retiree Insurance Program, please call 1-800-768-7377, or you may access the PERS Retiree Insurance program's website at www.pershealth.com