REHP 2017 & COVERAGE AFTER THE DEATH OF THE RETIREE

PARSE Harrisburg, PA
January 17, 2017
REHP 2017
Effective January 1, 2017 the REHP implemented new plans for non-Medicare members:

- **Choice PPO** - administered by Aetna
- **Basic PPO** - administered by Highmark
- **REHP Custom HMO** - administered by Aetna in the Central region
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017 Basic PPO</th>
<th>2017 Choice PPO</th>
<th>2017 HMO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-network deductible</strong></td>
<td>n/a</td>
<td>$1,000 single /$2,000 family</td>
<td>$300 single /$600 family</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Out-of-network deductible</strong></td>
<td>$400 per person for PPO</td>
<td>$2,000 single /$4,000 family</td>
<td>$600 single /$1,200 family</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>PCP copay</strong></td>
<td>$15</td>
<td>$20</td>
<td>$20</td>
<td>$5</td>
</tr>
<tr>
<td><strong>Specialist copay</strong></td>
<td>$25</td>
<td>$40</td>
<td>$40</td>
<td>$10</td>
</tr>
<tr>
<td><strong>Outpatient Therapies</strong></td>
<td>$15</td>
<td>$20</td>
<td>$20</td>
<td>$5</td>
</tr>
<tr>
<td><strong>ER copay</strong></td>
<td>$50</td>
<td>$150</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td><strong>Urgent care copay</strong></td>
<td>$15-$50</td>
<td>$50</td>
<td>$50</td>
<td>$50</td>
</tr>
</tbody>
</table>
• Capital Blue Cross BlueJourney Medicare HMO has replaced Geisinger Gold in most Central PA counties.
• All other Medicare plans remain the same.
# REHP 2017 Medicare Medical Cost Changes

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCP copay</td>
<td>$10</td>
<td>$15</td>
</tr>
<tr>
<td>Specialist copay</td>
<td>$15</td>
<td>$20</td>
</tr>
<tr>
<td>Outpatient therapies copay (MHMO only)</td>
<td>$10</td>
<td>$15</td>
</tr>
<tr>
<td>PPO deductible</td>
<td>$166</td>
<td>$183</td>
</tr>
</tbody>
</table>

No changes to:
- Outpatient (MPPO)/inpatient (MPPO & MHMO) therapies copay
- Urgent care copay
- ER copay
2017 Prescription Changes
# Prescription Changes

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retail 30 days</td>
<td>CVS &amp; Mail Order 90 days</td>
<td>Rite Aid 90 days (non-Medicare)</td>
<td>Non-preferred retail (Medicare)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generic</td>
<td>$10</td>
<td>$10</td>
<td>$15</td>
<td>$15</td>
<td>$20</td>
<td>$20</td>
</tr>
<tr>
<td>Preferred Brand</td>
<td>$18*</td>
<td>$20*</td>
<td>$27*</td>
<td>$27*</td>
<td>$36*</td>
<td>$36*</td>
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<tr>
<td>Non-Preferred Brand</td>
<td>$36*</td>
<td>$40*</td>
<td>$54*</td>
<td>$54*</td>
<td>$72*</td>
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<tr>
<td></td>
<td>2017</td>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generic</td>
<td>$10</td>
<td>$10</td>
<td>$15</td>
<td>$15</td>
<td>$20</td>
<td>$20</td>
</tr>
<tr>
<td>Preferred Brand</td>
<td>$20*</td>
<td>$20*</td>
<td>$30*</td>
<td>$30*</td>
<td>$40*</td>
<td>$40*</td>
</tr>
<tr>
<td>Non-Preferred Brand</td>
<td>$40*</td>
<td>$40*</td>
<td>$60*</td>
<td>$60*</td>
<td>$80*</td>
<td>$80*</td>
</tr>
</tbody>
</table>

* Plus cost difference between brand and generic
Remains the Same for 2017

- Retiree contributions for both non-Medicare and Medicare retirees will remain the same.
Coverage After Death of Retiree
Who should be contacted when the retiree passes away?

- Contact SERS at 1-800-633-5461 within 7-10 days after the date of the retiree’s death.
- Waiting more than 60 days impacts ability to receive other coverage.
- PEBTF, who will be notified by SERS, will terminate the current spouse/dependent coverage and send a letter offering other coverage.
When does REHP coverage end?

- For non-Medicare members REHP coverage will end the day the retiree passed away.
- For Medicare eligible members REHP coverage will end:
  - The first of the month after the month the retiree passes away; or
  - If 21 day notice cannot be given, coverage extends for an additional month.
What happens if I use services after the retiree passes away?

- If you do not elect one of the coverage options available to you after the death of a retiree, you will be responsible for the full cost of any medical and/or prescription coverage you received after REHP coverage ended.
REHP Coverage for Eligible Commonwealth Retirees
• If you are a commonwealth retiree and you qualify for REHP coverage, but chose to be enrolled as a dependent of your spouse instead of electing REHP coverage on your own, you may elect REHP coverage after the death of your spouse.
• Inform SERS you want to enroll as the retiree when you notify SERS about the death of your spouse.
• There will not be a break in REHP coverage.
• If you have any dependents you will need to enroll them under your coverage.
• Cost of coverage may differ depending on when you retired, your salary as an employee prior to your retirement and/or Medicare eligibility.

• The cost of REHP coverage is based on the type of REHP coverage you qualify for:
  • Fully state paid
  • Majority state paid
  • Partially state paid
COBRA
• COBRA allows the spouse and/or dependents of the deceased retiree to pay to continue coverage for up to 36 months.
• Upon being notified of the retiree’s death, the PEBTF will send a COBRA election notice within 14 days.
• The election notice must be returned to the PEBTF within 60 days.
• Coverage will be effective the date the member lost coverage.
COBRA Cost

- Premiums must be paid for COBRA coverage to continue.
- Monthly cost of coverage varies based on plan selected:
  - $1,150 single non-Medicare
  - $2,300 family non-Medicare
  - $440 single Medicare
COBRA

COBRA End Date

• Upon failure to pay the required monthly premium within 30 days of the due date; or

• At the end of 36 months from the date COBRA coverage began.
Survivor Spouse
Survivor Spouse

- A spouse/domestic partner has the option to elect Survivor Spouse coverage which continues REHP coverage on a direct pay basis.
Effective date of coverage

- If the spouse/domestic partner elects coverage and returns the form to SERS within 30 days of receipt, coverage will be retroactive to the date the coverage ended.
- Any claims incurred after the original REHP coverage ended can be considered for payment.
Survivor Spouse

Effective date of coverage

- If the enrollment application is **not received** within 30 days, the coverage will be effective the first of the month following the postmark date.

- Any claims incurred between the end of the original REHP coverage and before the start of Survivor Spouse coverage will not be paid by the REHP.
Payment for Survivor Spouse Coverage

- If the deceased retiree elected a survivor retirement annuity, the cost of the health coverage will be deducted each month from the survivor’s annuity.
- If a survivor annuity was not elected or the monthly cost of health coverage is greater than the monthly survivor annuity, the PEBTF will bill the survivor for the entire amount.
Survivor Spouse Cost

- Monthly cost of Survivor Spouse coverage varies based on the plan selected:
  - $\approx 1,125$ for non-Medicare & Rx
  - $\approx 430$ for Medicare & Rx
Survivor Spouse coverage end date

• Upon non-payment of the monthly premium; or
• When the spouse/domestic partner contacts SERS to terminate coverage.
Questions