Planning for Retirement with BSSP Benefits

Agenda

- Eligibility for BSSP Benefits
- Eligibility for Medicare
- Retiring before Medicare
- Retiree Coverage with Medicare: CompanionCare
- Dental, Vision, Other
Disclaimer

BSSP representatives will not provide recommendations regarding Medicare or BSSP retirement benefits. This presentation is intended to provide the viewer with information regarding what benefits options are available to active employees enrolled in BSSP benefits upon retirement.

For further information about Medicare, visit www.medicare.gov or contact a Health Insurance Counseling and Advocacy Program (HICAP) office near you.

Tips!

The BSSP logo indicates important information to note in this presentation.
Eligibility for BSSP

Benefits

Retiree Coverage is Optional

Unlike the requirement for full-time employees to participate in medical, dental and vision benefits, retirees are not required to continue coverage through BSSP.

- If you elect to not continue medical, dental or vision at retirement, or subsequently terminate coverage at a later date, benefits cannot be reinstated.

- Retiree benefits are not bundled.

  Example: Retiree Sally elects medical, only.
  Retiree Tom elects dental, only.
Eligibility for BSSP Benefits

You must be enrolled in coverage immediately prior to retirement to continue coverage as a retiree.

Part-time employees should enroll during annual enrollment period immediately prior to retirement.

Retiree benefits begin on the first of the month following your date of retirement or concurrent with drawing your STRS/PERS benefit.

For example, if your last day of work is June 3 and STRS/PERS benefits begin July 1, retiree coverage will also begin July 1.

There may be no gap in coverage between “active” and “retiree” status.

Coverage for spouse and/or dependent children REQUIRES BSSP coverage for retiree.

Eligibility for BSSP Benefits

As you approach retirement, meet with an HR representative to determine...

- WHAT retiree benefits are available to you
- WHEN eligibility for retiree benefits ends
- HOW MUCH your employer will contribute towards your retiree benefits

These vary by employer, bargaining unit and other factors; BSSP cannot provide this information to you.
Eligibility for Medicare

Most US citizens are eligible for Medicare at age 65 and effective

- 1st day of 65th birthday month if birthday on 2nd-31st of the month
- 1st day of month prior to 65th birthday month if birthday is 1st of the month

Eligibility due to disability is effective on 1st day of the 23rd month following the date of disability as determined by Medicare.
Eligibility for Medicare

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Medicare Premium</th>
<th>Your Deductible and Coinsurance before a Medicare Supplement*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A: Hospitalization</td>
<td>Most @ $0</td>
<td>$1,600 deductible&lt;br&gt;Days 1-60: $0 coinsurance&lt;br&gt;Days 61-90: $400 coinsurance per day of each benefit period&lt;br&gt;Days 91 and beyond: $800 coinsurance per each &quot;lifetime reserve day&quot; after day 90 for each benefit period (up to 60 days over your lifetime)&lt;br&gt;Beyond lifetime reserve days: all costs</td>
</tr>
<tr>
<td>Part B: Medical</td>
<td>Most @ $165~</td>
<td>You pay first $226 then 20% of Medicare-Approved Amount</td>
</tr>
<tr>
<td>Part D: Pharmacy</td>
<td>Included~ in and varies by supplemental plan</td>
<td></td>
</tr>
</tbody>
</table>

* Supplements vary in cost and what portion of deductible and coinsurance they offset.
~ Subject to Income-Related Monthly Adjustments Amount (IRMAA) from Medicare for those with higher annual earnings.

For further information about Medicare, visit [www.medicare.gov](http://www.medicare.gov) or contact a Health Insurance Counseling and Advocacy Program (HICAP) office near you.
Medicare Eligible as Active Employee

Full-time employees who are eligible for Medicare may waive BSSP’s medical plan with proof of enrollment in Medicare Part A and Medicare Part B.

Waiver prohibits access to all benefits associated with a BSSP medical plan, including the Health and Wellness Centers.

Coverage in BSSP’s dental and vision plans may continue.

Active Coverage + Medicare

When covered under a BSSP medical plan as an active employee (or active employee’s spouse or child) and eligible for Medicare, BSSP recommends:

Medicare Part A: Consider deferring enrollment in Medicare A until you are covered under a retiree plan. Although Medicare A is free to nearly all, enrollment in Medicare A terminates eligibility to contribute to a Health Savings Account (HSA).

Medicare Part B: Deferring enrollment until you are covered under a retiree plan. Medicare B costs a minimum of $165/month and is secondary to any BSSP benefit coverage.
Retiring before Medicare

SAME as Active
- Menu of plans (some exceptions)
- Benefits within each medical, dental and/or vision plan
- Monthly dental and vision rates
- Annual open enrollment

CHANGE from Active
- Some have a limited menu
- Coverage is optional
- Retiree medical plan rates are 2-or 3-tiered (based on contract):
  - $ Retiree, only
  - $$ Retiree + Family or Retiree + 1
  - $$$ Retiree + Family
Retiring before Medicare

The Benefits Overview (received each annual enrollment period) includes information on the monthly premium and each medical plan available to you during retirement.

Retiring with Medicare
Retiree Coverage with Medicare

Certificated: California Education Code provides opportunity for continuous medical coverage through employee’s lifetime.

Classified: Subject to collective bargaining agreement, MOU or contract. If no, then COBRA for 18 months, but not recommended.

Surviving Spouse: At spouse’s cost:
- COBRA for 36 months
- To spouse’s eligibility for Medicare
- Indefinite

ALL BSSP medical plans require Medicare Part A and Part B effective as of the later of:
- Medicare eligibility (1st of 65th birthday month or 1st of month prior when birth day is 1st of month)
- Effective 1st of the month following your date of retirement

You will not be penalized for late enrollment; at retirement request Form CMS-L564 re creditable coverage from your employer.

Coverage under retiree status + Medicare Eligibility (age 65) = Medicare Part A and Part B REQUIRED
Without A+B, you will pay an additional $625/month for each missing part of Medicare.
Retiree Coverage with Medicare

Medicare does not allow double coverage.

Health and Wellness Centers are not included with BSSP’s Medicare Supplement, CompanionCare.

Retiree must remain with BSSP in order to provide coverage to spouse and/or children not yet eligible for Medicare.

- If retiree does not remain covered under BSSP, spouse and/or children may elect COBRA for maximum 36 month-period.

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Retiree Coverage with Medicare

**CompanionCare Medicare Supplement**

- **Cost**
  - $382 per person per month thru 9/30/23
  - $415 per person per month effective 10/1/23

- **Type of Plan**
  - Medicare Supplement + Part D (included in price)
  - Medicare Parts A and B REQUIRED
  - Anthem Blue Cross processes claims

- **Medical Network**
  - Any US provider accepting Medicare
  - Generally ... $0 deductible; $0 copayments

- **Pharmacy**
  - Navitus for retail pharmacies
  - Costco for mail order
  - No donut hole or coverage gap
### Retiree Coverage with Medicare

**CompanionCare Coverage in addition to Medicare**

<table>
<thead>
<tr>
<th>Part B Services: Office Visits, Labs, X-rays, etc.</th>
<th>Medicare Pays</th>
<th>Companion Care Pays</th>
<th>Member Pays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Coverage (when outside the US for less than 6 consecutive months)</td>
<td>$0 (not covered)</td>
<td>80% of inpatient hospital, surgery, anesthetist and in-hospital visits for medically necessary services for 90 days of treatment per lifetime</td>
<td>20%</td>
</tr>
</tbody>
</table>

### Retiree Coverage with Medicare

**CompanionCare Pharmacy**

The Medicare Part D prescription drug plan is administered through Navitus Health Solutions. It is similar but not identical to your BSSP prescription formulary as an active employee or non-Medicare retiree.

<table>
<thead>
<tr>
<th></th>
<th>Generic*</th>
<th>Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail 30-day supply</td>
<td>$9</td>
<td>$35</td>
</tr>
<tr>
<td>Retail 90-day supply</td>
<td>$27</td>
<td>$105</td>
</tr>
<tr>
<td>Costco Mail Order 90-day supply</td>
<td>$18</td>
<td>$90</td>
</tr>
</tbody>
</table>

*$0 generic copay at Costco is not available
Retiree Coverage with Medicare
CompanionCare Pharmacy

- Plan uses Medicare Part D Formulary
- No donut hole or coverage gap
- Some exclusions and prior authorizations may apply
- Auto refills: Only available when using Costco’s online mail order services at www.Costco.com/home-delivery
- No-Hold for Mail Order: If you have a new prescription from your provider, please wait to send it to Costco until you are ready to fill it.

Retiree Coverage with Medicare
CompanionCare vs. Other Medicare Supplements

<table>
<thead>
<tr>
<th>CompanionCare</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expensive</td>
<td>Many plans at lower premiums</td>
</tr>
<tr>
<td>$0 out of pocket for care</td>
<td>Reasonable out of pocket for care</td>
</tr>
<tr>
<td>No network; provider must accept Medicare assignment (bill Medicare 1st)</td>
<td>Broad and limited networks</td>
</tr>
<tr>
<td>No prescription coverage gap (donut hole)</td>
<td>Many plans provide higher out of pocket costs for RX with a coverage gap (donut hole)</td>
</tr>
</tbody>
</table>
Retiree Coverage with Medicare
Medicare + Non-Medicare aka Split Households

Non-Medicare Eligible Retiree w/ Medicare Eligible Spouse

Retiree Option: Single or Family (if covering children) coverage from Active/Non-Medicare menu

Spouse Option: Medicare A & B, may enroll in CompanionCare*

Medicare Eligible Retiree w/ Non-Medicare Eligible Spouse

Retiree Option: Medicare A & B and CompanionCare*

Spouse Option: Single or Family (if covering children) coverage from Active/Non-Medicare menu

*The Medicare-eligible individual may remain enrolled in the non-Medicare Retiree plan with Medicare A & B as the primary coverage. However, it must be allowed by the district/bargaining unit and should be considered only when financially beneficial.

Few retirees continue with BSSP medical coverage at their own cost AND when younger spouse is eligible for Medicare.

Retiree Coverage with Medicare
Non-Medicare/Medicare Family Plans

- When one or more members are enrolled in Medicare A and B and other family members are not yet eligible for Medicare, i.e. “split household,” all plans on the bargaining unit’s active menu are available.

Rare enrollment options subject to employer approval:

- When a retiree (or family) at Medicare age (age 65) has a need for coverage that is not a supplement to Medicare, two plan options are available.
  - Retiree, spouse and dependent child(ren) are enrolled in Medicare A and B.
  - A family member is not qualified for Medicare (not a US citizen, lacking employment quarters, etc.)
## Dental, Vision, Other

### Dental

<table>
<thead>
<tr>
<th>Monthly Rate</th>
<th>Plan 1 $63</th>
<th>Plan 8 $104</th>
<th>Plan 10 $113</th>
<th>Plan 12 $130</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In-Network Benefits</strong></td>
<td>PPO Network</td>
<td>Premier+PPO Network</td>
<td>Premier+PPO Network</td>
<td>Premier+PPO Network</td>
</tr>
<tr>
<td><strong>Calendar Year Benefit</strong></td>
<td>$1,200 PPO</td>
<td>$2,200 PPO</td>
<td>$2,200 Premier and non-network</td>
<td>$2,200 Premier and non-network</td>
</tr>
<tr>
<td><strong>Calendar Year Deductible</strong></td>
<td>$50 / $150</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>Cleanings</strong></td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Preventive Care</strong></td>
<td>Plan pays 100%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
</tr>
<tr>
<td><strong>Fillings, etc.</strong></td>
<td>Plan pays 80%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
</tr>
<tr>
<td><strong>Crowns, etc.</strong></td>
<td>Plan pays 50%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
</tr>
<tr>
<td><strong>Bridges/implants</strong></td>
<td>Plan pays 50%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
<td>Plan pays 70-100%</td>
</tr>
<tr>
<td><strong>Night Guard</strong></td>
<td>Plan pays 50% up to $750</td>
<td>Plan pays 50% up to $750</td>
<td>Plan pays 50% up to $750</td>
<td>Plan pays 50% up to $750</td>
</tr>
<tr>
<td><strong>Orthodontia</strong></td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Plan 8 plus $2,000 lifetime Orthodontia Benefit per covered family member

Plan 10 with $3,000 Calendar Year Benefit PPO + Premier

$2,000 Calendar Year Benefit non-network
### Vision

<table>
<thead>
<tr>
<th>Monthly Rate</th>
<th>Plan 4</th>
<th>Plan 4X</th>
<th>Plan 8</th>
<th>Plan 8X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eye Exam</td>
<td>$15</td>
<td>$26</td>
<td>$23</td>
<td>$34</td>
</tr>
<tr>
<td>Copay</td>
<td>$10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eyeglass Lenses</td>
<td>$10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frames</td>
<td>$250</td>
<td></td>
<td>$250</td>
<td></td>
</tr>
<tr>
<td>Frame Allowance</td>
<td>$135</td>
<td></td>
<td>$135</td>
<td></td>
</tr>
<tr>
<td>Costco Frame Allowance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer Vision Care</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Lenses</td>
<td>$10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Lens Exam Copay</td>
<td>$60</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Eye Exam Every 12 months
- Copay $10
- Eyeglass Lenses Every 12 months
- Frames Every 24 months
- Frame Allowance $250
- Costco Frame Allowance $135
- Computer Vision Care
- Contact Lenses Every 12 months
- Contact Lens Exam Copay $60 (instead of glasses)

### Other Benefits

- **Life Insurance (The Hartford):** This may be converted to a private policy, but it is expense.
- **MASA:** You may continue this benefit until Medicare-eligibility, as long as you also have BSSP medical, dental and/or vision benefits.
- **Pet’s Best Pet Insurance:** You may continue this benefit indefinitely, as long as you also have BSSP medical, dental and/or vision benefits.
- **American Fidelity:** Some may be converted to a private policy.
- **Long Term Care:** You may convert to a private policy.
What’s Next?

Next Steps...

- Notify your employer of your intent to retire
- Employer will provide you with information regarding your district-specific contribution (if applicable) and plan options as a retiree
- Employer will notify BSSP of your upcoming retirement
  - BSSP will send information about CompanionCare and enrolling in Medicare, if applicable
Thank you!

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