



GEORGIA DEPARTMENT  
OF COMMUNITY HEALTH

# STATE HEALTH BENEFIT PLAN LET'S TALK RETIREMENT



Presentation to: **SHBP Employing Entities**

Presented by: **SHBP Member Eligibility and Employer Services**

Date: July 2022



# Mission:

The mission of the Department of Community Health is to provide access to affordable, quality health care to Georgians through effective planning, purchasing, and oversight.

# Topics

- Retiree Eligibility Criteria
- Employer and Member Responsibilities
- Premium Payments
- Retiree Plan Options
- Information for Retirees Age 65 and Older
- Important Details for Employers and Retirees



# Let's Talk Retirement

The purpose of this “Let’s Talk Retirement” presentation is to educate Benefits Professionals on the eligibility requirements to continue their employee’s health coverage from Active Member status to Retiree status.

The information provided in the presentation is intended only as a snapshot. Please visit the SHBP website for more information: [shbp.georgia.gov](http://shbp.georgia.gov).



# Retiree Eligibility Criteria

***For SHBP purposes, a Retiree is a person who:***

1. Was enrolled in SHBP coverage as an Active Member immediately prior to their retirement (i.e., with no break in coverage),
2. Receives a monthly annuity from a State Retirement System at the time of their retirement, **and**
3. Is currently enrolled in SHBP coverage as a Retiree.




***The State Retirement Systems include:***

- Employees' Retirement System of Georgia (ERS)
- Teachers' Retirement System of Georgia (TRS)
- Public School Employees' Retirement System (PSERS)
- Legislative Retirement System
- Judicial Retirement System
- Certain local school system teachers' retirement systems



# Retiree Eligibility Criteria



If as an Active Member covered by SHBP the employee withdraws all money from the retirement system prior to retirement, they will not be able to continue SHBP coverage as a Retiree.

If the employee is Not Currently Covered by SHBP Prior to their Retirement Date, they will not be able to enroll in SHBP Coverage as a Retiree.



# Retiree Eligibility Criteria

***To be eligible for SHBP Coverage as a Retiree, the employee must have continuous SHBP coverage from:***

1. Active Member status to Retiree status: enrolled in SHBP coverage as an Active Member immediately prior to retirement (i.e., with no break in coverage).
2. State Extended Coverage participant to Retiree status: enrolled in SHBP coverage as a State Extended Coverage participant immediately prior to retirement (i.e., with no break in coverage).
3. COBRA participant to Retiree status: enrolled in SHBP coverage as a COBRA participant immediately prior to retirement (i.e., with no break in coverage).

## ***Employee's Dependents Eligibility Requirement***

- If the Dependent(s) are currently covered immediately prior to retirement, the Dependent's coverage will transition to retirement status on the same day that the Retirement coverage begins.
- If the Dependent(s) are dropped from coverage, there will not be an opportunity to enroll them again, unless there is a Qualifying Event or the retiree returns to work with an SHBP Employing Entity in a benefits-eligible position.





# Employer Responsibilities

***At the time of an employee's retirement, you as the Employer should report the employee to SHBP via an automated file as "Terminating Due to Retirement".***

1

If you terminate the employee due to retirement *correctly*\* and the State Retirement System has reported the employee to SHBP as a New Retiree: the employee will transition to SHBP Retiree Coverage the 1st of the following month after the retirement date.

2

If you terminate the employee due to retirement *correctly*\* and the State Retirement System has not reported the employee to SHBP as a New Retiree: the employee will automatically become a Pending Retiree, which will allow the employee to continue coverage at the same rate they had as an Active Member for up to 6 months, without any interruption to the coverage.

***\* You as the Employer must report the employee to SHBP via an automated file as Terminating Due to Retirement. The record types vary between employers participating with the State Accounting Office (SAO) Peoplesoft/State Agencies and School Systems.***





# Employer Responsibilities

3

If you as the Employer terminate the employee *incorrectly*\*: SHBP will not know the employee has retired, and the employee will be treated like a terminated employee ineligible for SHBP Retiree Coverage.


4


If the terminated employee is currently enrolled in COBRA or State Extended Coverage and the State Retirement System Reports the terminated employee to SHBP as a New Retiree: they will transition to SHBP Retiree Coverage the 1st of the following month after the retirement date.

***\*You as the Employer should not report the employee to SHBP via an automated file as a Termination, but correctly as Termination Due to Retirement. The record types vary between employers participating with the State Accounting Office (SAO) Peoplesoft/State Agencies and School Systems.***



# Employee Responsibilities

 Upon Retirement or Pending Retirement, all SHBP Retirees receive a Welcome to Retirement Letter notifying them of important information.

 Retirees and Pending Retirees will receive this letter once the State retirement system has notified SHBP that the employee is eligible as a New Retiree.



# Premium Payments

**Retiree Coverage will be deducted from the retirees annuity (i.e., retirement check) if:**

- The monthly annuity is sufficient to cover the SHBP monthly premium deduction, and
- The SHBP monthly premium amount does not exceed the maximum amount set yearly by SHBP which limits the amount SHBP will deduct from a Retiree's annuity. For 2022, the maximum amount SHBP allows for annuity deductions is \$665.



# Premium Payments

**Retiree Coverage *will not* be deducted from the annuity (i.e., retirement check) if:**

- The Retiree's premium is more than \$665.00 (i.e., \$665.01 or higher). SHBP will place the Retiree on Direct Pay status and they will be billed directly by ADP's subcontractor (HealthEquity-Wageworks).
- If the retiree does not pay the invoice as billed, SHBP coverage will terminate with no right to reinstatement unless the retiree returns to work in a benefits-eligible position with an SHBP Employing Entity.



# Premium Payments

**Retiree Coverage *will not* be deducted from the annuity (i.e., retirement check) if it is not enough to cover the SHBP monthly premium deduction:**

- If the monthly premium amount is more than the annuity, SHBP will place the Retiree on Direct Pay status and they will be billed directly by ADP's subcontractor (HealthEquity-Wageworks).
- If the retiree does not pay the invoice as billed, SHBP coverage will terminate with no right to reinstatement unless the retiree returns to work in a benefits-eligible position with an SHBP Employing Entity.



# Premium Payments

**Retiree Coverage *will not* be deducted from the annuity (i.e., retirement check) if the employee submits their retirement paperwork late:**

- If the employee retires after the ERS and TRS cutoff for their retirement payroll, or after SHBP submits the premiums to ERS and TRS to be deducted from the retirement check: SHBP will place the Retiree on Direct Pay status and they will be billed directly by ADP's subcontractor (HealthEquity-Wageworks).
- If the retiree does not pay the invoice as billed, SHBP coverage will terminate with no right to reinstatement unless the retiree returns to work in a benefits-eligible position with an SHBP Employing Entity.



# Premium Payments

**Retiree Coverage *will not* be deducted from the annuity (i.e., retirement check) if an error occurs, such as:**

- The Employer fails to timely and correctly Terminate the coverage due to Retirement.
- The State Retirement System omits deducting the SHBP monthly premium from the retiree's annuity.
- SHBP omits providing the monthly premium to the State Retirement System for deduction from the annuity.

SHBP will place the Retiree on Direct Pay status and they will be billed directly by ADP's subcontractor (HealthEquity-Wageworks).

Failure to pay the invoice will result in termination of coverage with no right to reinstatement unless the retiree returns to work in a benefits-eligible position with an SHBP Employing Entity.





# Premium Payments



Lapse Letters are mailed to the retiree by SHBP when there is a missed premium deduction for any reason, even if current premium deductions are being taken from the annuity.



If the retiree believes the lapse letter is inaccurate and they have no missed premiums; the Retiree should contact the State Retirement System to confirm that a deduction was taken from their annuity.



If the Retiree doesn't respond or take any action on the Lapse letter, the SHBP coverage will be permanently terminated with no right to reinstatement, unless the retiree returns to work in a benefits-eligible position with an SHBP Employing Entity.



# Retiree Plan Options

**If the retiree is under age 65, the Plan Options are the same as Active Members, and currently include:**

## **Commercial (non-Medicare Advantage) Plan Options**

- Anthem Blue Cross and Blue Shield (Anthem) HRA Gold, Silver, and Bronze
- Anthem Blue Cross and Blue Shield (Anthem) and UnitedHealthcare HMO\*
- Kaiser Permanente Regional HMO
- UnitedHealthcare HDHP
- Tricare Supplement (eligible military only, ends at age 65)

**If the retiree is age 65 or older, the Plan Options subsidized by SHBP currently include:**

## **Medicare Advantage Plan Options**

- Anthem Blue Cross and Blue Shield (Anthem) MA PPO Standard
- Anthem Blue Cross and Blue Shield (Anthem) MA PPO Premium
- UnitedHealthcare MA PPO Standard
- UnitedHealthcare MA PPO Premium



# Retiree Plan Options

- SHBP Medicare Advantage Plan Options Replace traditional Medicare Part A hospital and Part B medical.
- The SHBP MA Plan Options also include Part D Prescription Drug Coverage. SHBP Medicare Advantage Plan Options include benefits for services not covered by traditional Medicare.



# Retiree Plan Options- January 1 Retirees

**Note for January 1 Retirees: If the retiree makes a change as an Active Member during Open Enrollment in 2022 but retires before the change can become effective on January 1, 2023:**

- **The Retiree will remain in the current elections (Plan Option and Tier) prior to Open Enrollment**, because Annuitants covered by SHBP transition to the same coverage they had as Active Members, unless;
- The Retiree and/or Dependent(s) are age 65 or older at the time of retirement and they have submitted their (and/or their Dependent's) Medicare Part B information to SHBP. Then the retiree (and/or Dependent) will be automatically enrolled in the lowest-cost Medicare Advantage Plan Option.



# Retiree Plan Options

## **Retirees may Change their Plan Options at the following times:**

1. Within 31 days of their retirement date or a Qualifying event
2. When Retiree or covered dependent(s) become eligible for Medicare
3. During the annual Retiree Option Change Period (ROCP)
4. Retirees May Discontinue Coverage at Anytime
5. If Retiree and spouse are both covered by SHBP and have no other dependents and are both drawing an annuity from a State Retirement System, the Retiree may:
  - Change from you + family coverage to each having “you only” coverage at any time (Note: the request must be submitted by both Retirees at the same time); The Retirees will not be allowed to move from separate “you only” coverage back to “you + family” coverage unless they have a Qualifying Event.



# Retirees Age 65 and Older



**To Continue to Receive a State Subsidy toward the Cost of Health Premiums, Retirees (and their Spouses/Dependents age 65 or older) must enroll in one of the SHBP Medicare Advantage Plan Options.** *The State ONLY subsidizes premiums for Members Age 65 and Older enrolled in Medicare Advantage Plan Options.*

**Retirees Can Pay the Entire Health Coverage with No State Subsidy:** Retirees and/or Spouses/Dependents age 65 or older may remain enrolled in the non-Medicare Advantage Plan Options available to Active Members, but they will pay the entire cost of coverage with no subsidy from the State which is significantly higher.



# Retirees Age 65 and Older

**To enroll in a Medicare Advantage Plan Option, the Retiree must provide the Medicare Part B Information directly to SHBP. Medicare Part B Reminder Letters are mailed to Active Members and Retirees at:**

1. Age 64 years and 8 months old, and again
2. Age 64 years and 10 months old.





# Retirees Age 65 and Older

***Prior to Retirement, When An Active Employee (or Their Spouse/Dependent) Turns Age 65:***

## Reminders

- **SHBP will send two (2) letters to Active Employees:** 4 months and 2 months before the employee or the employee's Spouse's/Dependent's 65th birthday requesting they enroll in Medicare Part B and provide proof to SHBP.
- No additional notices will be sent before retirement.

## Working

- **If Member continues to work as an active employee, Member (and their Spouse/Dependent) will retain the active (i.e., subsidized) rate.** Member (and their Spouse/Dependent) may provide Medicare Part B information to SHBP before their retirement.

## Provide Medicare to SHBP

- **Active Employee should Provide Medicare Part B for the employee (and/or Spouse's/Dependent's) to SHBP one month prior to Active Employee's retirement date:** Go to [mySHBPga.adp.com](https://mySHBPga.adp.com) or call SHBP Member Services at (800) 610-1863. Note in 2017 this information was added to the SHBP Member Services messaging for Active Members.



# Retirees Age 65 and Older

*When a Retiree (or Their Spouse/Dependent) Turns Age 65:*

## Reminders

- **SHBP will send two (2) letters to Retirees:** 4 months and 2 months before their or their Spouse's/Dependent's 65th birthday requesting they enroll in Medicare Part B and provide proof to SHBP.

## Enroll in Part B

- **To enroll in Medicare Part B,** Member and/or their Spouse/Dependent should contact the Social Security Administration (SSA).

## Provide Medicare to SHBP

- **Retiree Must Provide Medicare Part B to SHBP one month prior to the Retiree's (and/or Spouse's/Dependent's) 65th birthday:** Go to [mySHBPga.adp.com](http://mySHBPga.adp.com) or call SHBP Member Services at (800) 610-1863.



# Retirees Age 65 and Older

**Member's Medicare Part B information and Physical Address should be on file with SHBP:**

1. **One month prior to a Retiree's 65th birthday, OR**
  - Example: Retired and turning age 65 on 02/01/2023 – information **MUST** be received by 01/01/2023. This ensure the Centers for Medicare and Medicaid Services (CMS) approves the enrollment into an SHBP Medicare Advantage Plan by 02/01/2023.
2. **If actively employed in an SHBP benefits eligible position, one month prior to the Active Member's Retirement Date.**
  - Example: Age 70 and actively employed with upcoming Retirement Date on 01/01/2023 – information **MUST** be received by 12/01/2022. This ensures that CMS approves the enrollment into an SHBP Medicare Advantage Plan by 01/01/2023.

**Medicare Part B information should be submitted directly to SHBP ONLY, and cannot be submitted to the medical administrator, i.e., Anthem or UnitedHealthcare, nor the Retirement Systems, i.e., ERS or TRS.** Otherwise SHBP cannot submit the enrollment request to CMS and the member will remain in an SHBP Commercial Plan Unsubsidized, which means members pays the full costs of coverage because premiums will be unsubsidized and significantly higher than the Medicare Advantage Premiums.



# Quick Tips for What Not To Do When Age 65 or Older

If you or your covered dependent(s) are age 65 or older and....	Then...
<ul style="list-style-type: none"><li>You or your covered dependent(s) are without Medicare Part B</li></ul>	<p>You and/or your covered dependent(s) will remain enrolled in or be enrolled in an SHBP Commercial (active Non-MA) Plan Option (i.e., the Gold, Silver or Bronze HRA; one of the HMOs; or the HDHP) and you will pay 100% of the unsubsidized premium, which is substantially higher than the SHBP Medicare Advantage Plan Options;</p> <p>-OR</p> <p>You or your covered dependent(s) may purchase Part B to enroll in a MAPD option; however, you will be responsible for paying the Late Enrollment Penalty if you are enrolling late in Medicare after your Initial Enrollment Period prescribed by CMS for Medicare Parts A and/or B.</p>



# Quick Tips for What Not To Do When Age 65 or Older

If you or your covered dependent(s) are age 65 or older and....	Then...
<ul style="list-style-type: none"><li>• You or your covered dependent(s) do not have a physical address on file,</li><li>• You or your covered dependent(s) enroll in a third-party (non-SHBP) Medicare Advantage Plan, Medicare Part D Plan or Medicare Supplement, or</li><li>• You or your covered dependent(s) lose your Medicare Part B for any reason</li></ul>	<ul style="list-style-type: none"><li>• Your and/or your covered dependent's Medicare Advantage with Prescription Drugs (MAPD) coverage under SHBP will be terminated and SHBP will move you to a Commercial (active Non-MA) Plan Option (i.e., the Gold, Silver or Bronze HRA; one of the HMOs; or the HDHP) and you will pay 100% of the unsubsidized premium, which is substantially higher than the SHBP Medicare Advantage Plan Options.</li></ul>

Note: Enrollment in an SHBP Medicare Advantage Plan Option is prospective after any of the above circumstances, meaning until you are enrolled in an SHBP Medicare Advantage Plan Option, you will remain enrolled in an SHBP Commercial (active Non-MA) Plan Option and pay 100% of the unsubsidized premium, which is substantially higher than the SHBP Medicare Advantage Plan Options.



# Retirees Age 65 and Older



**The information should be provided as it appears on the Member's and/or Dependent's Red, White and Blue Medicare Card.**

**There are two methods to provide the Medicare information to SHBP.**

1. Call SHBP Member Services at 1-800-610-1863, or
2. Enter the information in the SHBP Enrollment Portal at [mySHBPga.adp.com](http://mySHBPga.adp.com).



# Returning to Employment After Retirement

**Benefits Eligibility:** If a retiree returns to work as a full-time employee in an SHBP benefits eligible position with an SHBP Employing Entity, either immediately at retirement or later, they must enroll in coverage as an Active Member.

SHBP relies on Employers to report eligibility status based solely on the “SHBP Eligibility” field reflecting “Yes” or “No” on the automated file.



**New Hires:** Retirees who return to work in benefits eligible positions are considered New Hires and are subject to the new hire rules.

**For Retired Teachers returning to Employment:**

Per HB 385, If a retired teacher returns to employment and wants to continue receiving their annuity, you as the employer should report the employee as benefits ineligible.





# Returning to Retirement After Employment

## Re-Retirement

**When a Retiree who was previously retired, returns to retirement status after employment, SHBP should be notified by the Retiree to reinstate their coverage as a Retiree.**

**Within 31 Days, the Retiree should notify SHBP of termination from employment by contacting SHBP Member Services at 800-610-1863.**

- SHBP will coordinate with the State Retirement system to resume deducting the SHBP monthly premiums from the Retiree's annuity.



# Returning to Retirement After Employment

## Re-Retirement

**Within 31 Days, the Retiree's Employer Must Report the termination date to SHBP to prevent a gap in coverage between active employment and returning to retirement.**

- If the employer fails to report the deductions timely, the member will have a lapse in coverage and will be responsible for any premiums missed.
- A lapse in coverage may result in loss of eligibility for SHBP coverage with no right to reinstatement.



# Important Details to Remember for Employers and Retirees

- Once the retiree is enrolled in an SHBP Medicare Advantage (MA) plan with UnitedHealthcare or Anthem, they will receive a new insurance card to use when receiving health services.
- If the retiree does not make a MA plan selection after providing SHBP with their Medicare Part B information, the retiree will be defaulted to the lowest cost MA plan which is currently the MA standard plan with UnitedHealthcare.
- The retiree shall continue to pay Medicare Part B premium to the Social Security Administration if the member is enrolled in a MA Plan Option and continue to pay the monthly SHBP coverage premiums to SHBP.

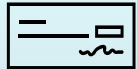


# Important Details to Remember for Employers and Retirees

- If the retiree discontinues SHBP coverage for any reason, they will not be able to re-enroll unless they return to work in a benefits eligible position that offers SHBP benefits.
- If a Retiree and/or Dependent enrolls in a non-SHBP MA or Prescription Drug Plan (PDP), Centers for Medicare and Medicaid Services (CMS) will terminate their enrollment in the SHBP MA Plan Option.



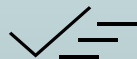
# Important Details to Remember for Employers and Retirees



**Pay SHBP premiums by due date provided on invoices.**



**Employees should update all contact information with SHBP.**



**Review all SHBP correspondence**



# Plan Resources for Retirees

**Refer Retirees to the [SHBP Website](#) for additional resources:**

- Retiree Decision Guide: [Click here](#)
- SHBP Plan Documents: [Click here](#)
- Retiree Option Change Period: [Click here](#)
- Retiree Rates (including Subsidy information): [Click here](#)
- Medicare Advantage: [Click here](#)
- Retiree Educational Sessions & Training (REST): [Click here](#)



# Plan Resources for Retirees

## **SHBP Enrollment Portal Available 24 Hours a Day**

- mySHBPga.adp.com is available 24 hours a day, seven days a week.
- Retirees can elect coverage at home, on vacation, on mobile devices, and anywhere convenient with a computer.

## **SHBP Member Services is Open:**

- Monday – Friday 8:30 a.m. to 5:00 p.m. ET
- Too busy to wait? Take advantage of:
  - Virtual Holds
  - Scheduled Callbacks





# Thank You





# Purpose:

Shaping the future of A Healthy Georgia by improving access and ensuring quality to strengthen the communities we serve.