



What to Do When You Retire: The Importance of Health Care Coverage

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Requirements for municipal, retiree health care coverage fall under Chapter 32B

General:

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIV/Chapter32B>

Section 18A:

<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIV/Chapter32B/Section18A>

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- ▶ What are the requirements of your carrier- *from where your municipality receives retiree health care coverage?*
- ▶ What does your retiree need to comply with municipal law and your internal process?
 - ▶ 3 months prior to 65th birthday visit Social Security office, call or go online
 - ▶ Sign up for Medicare A&B
 - ▶ Obtain written letter of Medicare A&B eligibility or ineligibility
 - ▶ Provide documentation to employer

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- ▶ If a retiree is NOT Medicare eligible, there is typically one path for coverage.
 - ▶ New program under which the municipality can absorb cost of Part A premium/surcharge and Part B surcharge allowing the retiree to purchase Medicare A&B.
 - ▶ Retiree would then be eligible for Medicare subsidized plan and the municipality, a reduction in future claims costs.
 - ▶ Check with your carrier or consultant.

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- ▶ If a retiree is Medicare A&B eligible and truly retired from the municipality, selecting coverage from the plan options provided.
- ▶ Opting for municipality's coverage is most common as there is almost always a premium contribution to offset the cost.
- ▶ In most cases a copy of the Medicare A&B card is required and a signed enrollment form.

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- ▶ Can a retiree live on straight Medicare alone?

<https://www.medicare.gov/>

- ▶ Medicare A (hospital)
 - ▶ Medicare B (medical, professional services)
 - ▶ Medicare Part D (drug)
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- ▶ Need to supplement coverage!

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- ▶ Medicare supplement plan for medical paired with or wrapped with a prescription drug coverage, in general, a Part D plan
 - ▶ PDP – Prescription Drug Plan
- ▶ Group (municipal) and non-group coverage differ greatly
- ▶ Carrier options can vary but most share similarities with medical and drug benefits
 - ▶ Part D plans provide employers with premium savings due to built in federal subsidy

What to Do When You Retire: The Importance of Health Care Coverage

- ▶ Retirement is a process for the retiree and the employer with shared responsibilities
- ▶ Choice does exist but there are requirements and time factors
 - ▶ Medicare
 - ▶ Municipality – aging in or open enrollment
- ▶ Retirees should consider cost but richness of benefit, residence, providers, prescriptions and short-term vs. long-term needs
- ▶ Communication from Medicare and the municipality

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Questions or comments after today's presentation?

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