



PUBLIC EMPLOYEES'

**PEBB**

BENEFIT BOARD

## *2004 Benefits*

### **PEBB Insurance for State Retirees**

Health plan decisions are important for everyone. This brochure summarizes information about retiree health insurance and other benefit options through the Public Employees' Benefit Board (PEBB). It is a summary, only. Please contact any one of the entities listed here if you have questions or need further information about health plan insurance options on your retirement.

#### **Medicare-eligible or Not?**

If you plan to retire before you are eligible for Medicare (pre-Medicare-eligible), you have four options to consider:

- PEBB retiree medical and/or dental plans
- A health plan offered by PERS
- A federally mandated health insurance option called COBRA, which stands for the Consolidated Omnibus Budget Reconciliation Act
- A portability plan through the insurance company you are insured with as you leave active-employee status.

You may also have other coverage options through other employers, government agencies or individual insurance. This brochure discusses only PEBB retiree options.

If you are a state employee eligible for Medicare and begin receiving your PERS retirement, you are no longer eligible for PEBB plans. Options for you and your family members include:

- A Public Employees Retirement System (PERS) Medicare supplement plan
- An individual Medicare supplement plan.

Enrollment opportunities in the PERS program are limited. For information on either of these options, call PERS at (503) 224-7377 (Portland), (800) 768-7377 or TTY (800) 433-6313. Or send e-mail to [persinfo@pershealth.com](mailto:persinfo@pershealth.com). Or write to PERS Health, P.O. Box 40187, Portland, OR 97240-0187.

#### **BestChoice Administrators**

BestChoice Administrators (BCA) administers PEBB retiree and COBRA health insurance plans. BCA processes enrollments and premium payments and provides a central point of contact for retirees. To receive a PEBB retiree enrollment packet, call BCA at (503) 765-3581 (Portland) or (800) 556-3137.

#### **PEBB Plans for Retirees**

Pre-Medicare-eligible Oregon State retirees may choose from the same medical and dental plans as those offered to active employees. For 2004, these retirees may also opt for one of two lower-cost medical plans with a reduced level of benefits and a lower-cost, lower-benefit dental plan.

## What to Choose?

Your choice of PEBB medical and dental plans will depend on your life circumstances. Ask yourself:

- What will I do after retiring from the state?
- Will I continue to work full time or part time?
- Do I plan to move out of Oregon or travel extensively?
- Will my spouse or domestic partner continue to work?
- What are my obligations to dependents?
- Do I have a Medicare-eligible dependent?
- Will my dependents live at home or be away at school?
- What is my general health status?

Keep these questions and your answers in mind as you review the rest of the information in this brochure.

## PEBB Retirement Plan Eligibility

The individuals eligible for PEBB retiree plans include you, your spouse or domestic partner, and/or the dependent children covered on your active employee plan at the time of your retirement. (See the PEBB Eligibility Handbook for detailed eligibility information.)

You and your eligible individuals can continue coverage under PEBB retiree plans as long as:

- You and your dependents are not eligible for Medicare.
- You pay the premiums on time.
- The state continues to offer retiree coverage.

In the case of your death, your enrolled dependents may continue coverage as long as they meet the eligibility requirements.

To be eligible for PEBB retiree plans, you must be eligible to receive retirement benefits under PERS rules. In addition, you must:

- Be currently enrolled in an active-employee medical and/or dental plan or have opted out of a medical plan
- Submit a completed PEBB Retiree Medical and Dental Plan Enrollment Form within 60 days of the date your active group coverage ends.

### **You are not eligible for PEBB retiree plans if you:**

- **Are eligible for Medicare**
- **Do not submit an enrollment form within the 60-day window**
- **Drop coverage for any reason at any time after you enroll.**

You may elect to participate in PEBB medical or dental coverage only during your initial 60-day enrollment window. To determine your 60-day enrollment window, contact your employing agency for the date your active group coverage ends. Your enrollment window extends 60 days from that date.

PEBB retiree coverage must be continuous. If you choose COBRA coverage and then retire, you can transfer to the retiree group during or at the end of the COBRA period.

## Changing among PEBB Plans

After you have enrolled in PEBB plans as a retiree, you may make changes in your coverage only during periods PEBB specifies as retiree change periods or within 60 days of a qualified status change event (see PEBB Eligibility Handbook for details). Retiree change periods are determined by the Benefit Board and may or may not be annual. These periods may or may not coincide with PEBB Open Enrollment for active employees. When a status change occurs, you have 60 days to request a change related to and consistent with the change.

During a plan change period, you may not add dental or medical coverage if you had not elected it previously. In addition, you may not add dependents to your plan coverage unless they meet the requirements for loss of other coverage or another status change.

## Dependent Loss of Other Coverage

If your dependent loses other group medical or dental insurance coverage while you are a PEBB-enrolled retiree, you may enroll the dependent in PEBB plans within 60 days of the date the dependent's other coverage ends. This option applies only when the dependent loses coverage in a group plan. The previous coverage must have been continuous, with no break in coverage.

## PERS Plan

PERS offers supplemental plans for retirees who are eligible for Medicare and full plans for those who are not. These plans offer coverage for the PERS-eligible retiree, spouse and dependents only. Dependents now also include dependent domestic partners. Contact the PERS Health Insurance Program for a packet of information. The retiree must be receiving a pension allowance from PERS to be eligible. PERS will automatically send you a packet of information about the PERS Health Insurance Program when you become Medicare-eligible. For

information about PERS non-Medicare plans, call the PERS Health Insurance Program at (800) 768-7377.

## **COBRA**

The federal COBRA law allows you to continue your participation as a member of the active-employee group even though you pay your own premium with no state contribution. COBRA allows you to keep the same benefits as PEBB's active employees. However, this option has some important distinctions.

First, COBRA allows continuation of your participation in the active-employee group only for 18 months.

Second, COBRA coverage ends if you:

- Become eligible for Medicare in the 18-month period
- Become covered by another group medical plan that does not exclude or limit coverage for pre-existing conditions
- Fail to make a timely premium payment.

Third, in the event of your death, COBRA coverage will continue for dependents up to 36 months from the time you began to pay your own premium. (Special continuation provisions apply for widowed spouses and for spouses who divorce at age 55 or older. See the PEBB Eligibility Handbook for details.)

If you retire because of disability, you may be eligible for an additional 11 months of COBRA coverage, for a total of 29 months. Additional restrictions will apply. For additional information, contact BestChoice Administrators, PEBB's retiree and COBRA plan administrator, at (503) 765-3581 (Portland) or (800) 556-3137.

## **Portability Coverage**

PEBB's group medical plans are "portable." Portability means that you may purchase an individual medical plan offered by your insurance company on a guaranteed issue basis within 63 days after leaving the PEBB group. To be eligible for portability, you must

- Have 180 days of continuous group medical coverage
- Be an Oregon resident
- Not be eligible for Medicare
- Currently not be enrolled in another medical plan.

In the case of your death, your dependents may continue coverage if they continue to meet the eligibility requirements.

For portability information and rates on individual medical plans, call individual plan carriers directly.

## **Medicare Coverage**

Medicare covers:

- People 65 years of age and older
- Certain younger people with disabilities
- People with end-stage renal disease (permanent kidney failure requiring dialysis or transplantation).

The federal Centers for Medicare and Medicaid Services (CMS) administer Medicare. For comprehensive information, call (800) 633-4227 or visit [www.hcfa.gov](http://www.hcfa.gov).

When you become eligible for Medicare, you are no longer eligible for participation in PEBB plans. If you become eligible for Medicare but your spouse or domestic partner and dependents are not, these family members may continue PEBB coverage as long as they were already on your coverage when you became eligible for Medicare.

It's a good idea to purchase a supplemental insurance plan when you become eligible for Medicare. You may enroll in a supplemental plan sponsored by PERS or an individual plan.

Enrollment opportunities in the PERS program are limited. If you don't enroll with PERS when you are initially eligible for Medicare, you will not be able to enroll at a later time. If you have more than eight years of PERS-eligible service with the state, you may be eligible for a PERS premium subsidy toward your supplemental plan. Contact the PERS Health Insurance Program at (800) 768-7377 for more information.

For information about individual plans to supplement Medicare coverage, contact the Senior Health Insurance Benefits Assistance (SHIBA) program at (800) 722-4134.

## **Conversion of Other Insurance Plans**

You may be able to convert certain other insurance coverage to individual plans when you retire. If you have optional employee, spouse or dependent life insurance through PEBB, you must convert the policies to individual plans to continue coverage. The Standard Insurance Company guarantees your acceptance if you request conversion information within 60 days from the date of your retirement. Request conversion information from PEBB or call Standard at (800) 242-1888 (Portland), (800) 628-8600, or (503) 321-7944. Or write to Standard at PO Box 2800, Portland, OR 97208-9929.

If you and your spouse or domestic partner are state employees, when you retire you can roll over your Optional Life Insurance coverage premium to payroll deduction while your spouse or partner continues state employment. Your spouse or domestic partner must be enrolled in Optional Life coverage or must have applied and was declined for medical reasons.

If your life insurance ends due to retirement, you may have the right to purchase the Retiree Life Option without submitting evidence of insurability. You must apply for this option within 60 days of the date your active insurance ends.

The amount of your benefit if you are under age 65 is an amount you select in increments of \$2,500, from \$2,500 to \$200,000. However, the amount may not exceed 50 percent of the amount of Basic and Optional Life Insurance in effect on the day before your retirement date.

The amount of your Optional Life Insurance after your 65th but before your 70th birthday is 65 percent of the amount that would be applicable if you were under age 65. The amount of your Optional Life Insurance after

your 70th but before your 75th birthday is 50 percent of the amount that would be applicable if you were under age 65. The amount of your Optional Life Insurance after your 75th birthday is 35 percent of the amount that would be applicable if you were under age 65.

You cannot convert accidental death and dismemberment insurance, or short or long term disability coverage.

You may convert your PEBB long-term care insurance coverage through Unum. Benefits and rates will stay the same, but you pay the premium directly to Unum. You must convert this plan within 60 days of the date your group participation would otherwise end. For conversion information, contact Unum at (800) 227-4165.

If both you and your spouse or domestic partner are state employees, when you retire you can roll over your long-term care premium to payroll deduction while your spouse or domestic partner continues state employment. The coverage must be continuous. You may not make any plan or benefit changes as part of the roll over.

If you have other agency or union sponsored insurance policies when you retire, contact the agency, the union or the individual company for information on conversion rights.

<b>Retiree Resources</b>		
<b>Subject</b>	<b>Contact</b>	<b>Phone</b>
PEBB retiree medical & dental insurance plans	BestChoice Administrators (BCA)	(503) 765-3581 (Portland) (800) 556-3137 (Statewide)
PERS medical & dental insurance plans	PERS Health Insurance Program	(503) 224-7377 (Portland) (800) 768-7377 (Statewide) (800) 433-6313 (TTY)
Life insurance plans	The Standard Insurance Company	(800) 242-1888 (Hotline) (800) 628-8600 (Statewide) (503) 321-7944 (Portland)
Long-term care insurance plans	UnumProvident Life Insurance Company of America	(800) 227-4165 (Statewide)

### **Public Employees' Benefit Board (PEBB)**

775 Court Street NE  
 Salem, OR 97301-3802  
 Phone: (503) 373-1102, (800) 788-0520  
 Fax: (503) 373-1654  
 E-mail: [inquiries.pebb@state.or.us](mailto:inquiries.pebb@state.or.us)  
 Web: <http://pebb.das.state.or.us>

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Contact person \_\_\_\_\_Mary Gorton\_\_\_\_ Phone #(503) 378-3397x235

Fax #\_\_**(503) 373-7789**\_\_

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