



Department of Technology,
Management and Budget

Insurance Information

For Public School Retirees

Your Insurance Benefits

The retirement system makes available health, prescription drug, dental, and vision coverage to all pension recipients and eligible dependents. You can select from the Master Health Care Plan (MHCP) or several health maintenance organizations (HMOs). Blue Cross Blue Shield of Michigan (BCBSM) administers hospital and medical coverage (Group #59000) for MHCP and Catalyst Rx administers prescription coverage; Delta Dental administers dental coverage (DD Group #3250); and EyeMed administers vision coverage (Group #9727637).

As an alternative health care option, there are Health Maintenance Organizations (HMOs) available in select

areas throughout the state of Michigan. Refer to the *Insurance Options Summary* (R0379C) for further details on this option. To enroll in any of the available HMOs, you must contact the appropriate HMO directly for an application. Complete it and return to the Office of Retirement Services (ORS) with your retirement application.

You can download vendor brochures from our website, www.michigan.gov/ORSschools, by clicking on **Ready to Retire, Your Insurance Benefits, Health and Dental/Vision Insurance**. For further benefit information offered by health care vendors, refer to the *Insurance Options Summary* (R0379C).

Effective Date of Coverage at the Time of Retirement

Insurance coverage always begins on the first day of a calendar month. You can elect to have your coverage begin on your retirement effective date if you submit your complete retirement application before your retirement effective date, or you can have your coverage begin up to 90 days later. If you're a new retiree requesting a retroactive retirement effective date, your coverage can begin no earlier than the first day of the month after the required applications and proofs are received.

You should check with your school employer to determine when your present insurance(s) will terminate to be certain of continued coverage and prevent duplication of coverage. Determining the correct effective date is very important and is your responsibility. Premium refunds cannot be made.

Insurance Premium Subsidy Eligibility. The date you become eligible for the insurance premium subsidy will

be your retirement effective date unless you purchase service credit July 1, 2008, or later. If the purchase results in you qualifying for your pension earlier, your premium subsidy will not begin until the month you would have qualified without the purchase. (*Note:* Those who retired under 2010 PA 75 have no delayed subsidies.)

If a delayed subsidy applies, you can still enroll in the health, dental, and vision insurances; you will have to pay the full premium until the premium subsidy begins. The subsidy will begin when the number of years equal to your purchased time used to qualify for your retirement has passed, or at age 60, whichever occurs first.

Note: If you began working for a Michigan public school system on or after July 1, 2008, refer to the insurance section of the ORS website for more information.

Health, Dental & Vision Insurance Identification Cards

In most cases you should receive your insurance identification (ID) card(s) and materials within two weeks of your insurance effective date.

If you incur expenses for services before you receive your ID card, obtain itemized statements from the provider to submit to the insurance carrier after your ID card arrives.

Enrolling In or Changing Your Insurances After Retirement

Enrolling for the first time. If you are enrolling in the retirement system's insurance *after* retirement, your coverage will begin on the first day of the sixth month

after ORS receives all required forms and proofs. For example, if we receive your *Insurance Enrollment/Change Request* (R0452C) and/or HMO enrollment form with



www.michigan.gov/ORSschools



P.O. Box 30171
Lansing, MI 48909-7671



(517) 322-5103 (Local)
(800) 381-5111

Insurance Information For Public School Retirees (Continued)

the necessary proofs of eligibility on February 10, your coverage would begin August 1.

We can waive the waiting period if you or a dependent has an involuntary loss of other group coverage or a change in your family status. If we receive your *Insurance Enrollment/Change Request* form and HMO enrollment form, if needed, along with proof of your loss of coverage, within 30 days of the event, there will be no gap in your coverage.

Changing plans. If you are currently enrolled in an HMO and wish to change to the Master Health Care Plan (MHCP), you must remain in the HMO for at least six months, unless the coverage is no longer available

Survivor Coverage

Your beneficiary may continue medical, dental and vision coverage after your death only if you choose a survivor pension option (100% Survivor, 100% Equated, 75% Survivor, 75% Equated, 50% Survivor or 50% Equated). Please refer to *Retirement Readiness, The Survivor Options* section for more detailed information. If you elect either Straight Life or Straight Life Equated, which do not provide a monthly pension to a

Eligible Dependents

Eligible dependents for health, drug, dental, and vision insurance plans include the following:

- Your spouse. If he or she is an eligible public school retiree, you will be covered under one contract.
- Your unmarried child by birth or legal adoption, through December 31 of the year in which he or she turns age 19.
- An unmarried minor for whom you have legal guardianship, until age 18.
- Your unmarried child by birth or legal adoption from age 19 through December 31 of the year in

Proofs

You must provide proof of eligibility for your enrolled dependents. *To prove age and relationship*, provide a copy of the birth certificate. *To prove dependency*, provide the first page of your most recent 1040 tax form listing the dependent. *To prove legal guardianship*, provide legal papers issued by a court. *To prove school attendance*, provide a current student transcript or tuition receipt documenting full-time attendance. *To prove disability*, provide a statement from the attending physician that the child is disabled and incapable of

because you have moved out of the coverage area. To change from an HMO to the MHCP, complete the *Insurance Enrollment/Change Request* and return it to ORS along with all required proofs.

To switch from one HMO to another HMO or change from the MHCP to an HMO, request an application from the HMO and return it to ORS along with the *Insurance Enrollment/Change Request* form and all necessary proofs. **DO NOT** return your application to the HMO.

Coverage in the new plan will begin the first day of the second month after ORS receives your materials.

beneficiary, your enrolled dependents will **not** be able to continue subsidized group coverage after your death. However, your enrolled dependents may be eligible for continuation of unsubsidized insurance coverage for a maximum period of 36 months. Refer to *Retirement Readiness, The Straight Life Calculation and The Equated Plan* section.

- which he or she reaches age 25, if a full-time student and dependent on you for support.
- Your unmarried child by birth or legal adoption age 19 or older who is totally and permanently disabled, dependent on you for support, and incapable of self-sustaining employment.
- Either your parent(s) or your parent(s)-in-law residing in your household – one set of parents or the other, but not both.

Coverage for your eligible dependents is the same as yours.

self-sustaining employment. The signed certification must be on the physician's letterhead and dated within the last six months. *For parental coverage*, provide a 1099 or 1098, a voter's registration card, driver's license, or state-issued ID showing the parent lives with you.

You are responsible for immediately notifying ORS of any change in your status or that of your dependents. If ORS pays claims for an ineligible person, we will adjust your pension accordingly.

Insurance Information For Public School Retirees (Continued)

Coordination of Benefits

The health, prescription drug, dental, and vision plans contain a coordination of benefits (COB) provision, which says you can't be reimbursed for more than the allowed cost of your care or service. If you or your dependents are covered under another group plan, the plans coordinate their reimbursement so that their combined payments don't exceed the allowed costs.

Be sure to keep ORS informed if anyone on your insurance is covered under another insurance plan. If you and your spouse are Michigan public school retirees, you will be covered together under one contract. This allows you to take advantage of family coverage and ensures your health care premiums are the lowest available.

Medicare

As soon as you or any of your covered dependents become eligible for Medicare, you must enroll in both Part A and Part B. For most, Medicare begins at age 65 or after 24 months of social security disability eligibility. If eligibility occurs before age 65, or if your Medicare number is not based on your Social Security number, enter the Medicare information online through miAccount or send us a completed *Insurance Enrollment/Change Request (R0452C)* form. When you become eligible for Medicare, be sure your insurance carrier knows your Medicare number.

Your health coverage coordinates with Medicare Part A (Hospital) and Part B (Medical), through a Medicare

Advantage plan. If you don't enroll in Medicare Part B, you will be responsible for any medical expenses that would be covered by Medicare. Your retirement system health plan will continue to pay for any of the plan's covered benefits that are not covered by Medicare.

Medicare part D is a prescription drug program introduced by the federal government in 2006. **Do not sign up for Medicare Part D.** Your health plan includes prescription coverage; your insurance carrier will automatically enroll you in Medicare Part D if appropriate. Be sure your insurance carrier knows your Medicare number.

Deferred Applicants ONLY

You are a deferred member if you:

1. Terminated public school employment with at least ten years of credited service,
2. Left personal retirement contributions on deposit, and
3. **Did not meet the minimum age requirement for a regular retirement at the time of termination.** With timely application, you can begin receiving retirement benefits upon fulfillment of the age requirement.

If you are a deferred member, you may be eligible for an insurance premium subsidy. The amount depends on when you terminated your public school employment and how many years of credited service you have.

If you terminated public school employment **on or before October 31, 1980**, and are eligible to receive a deferred pension, you are eligible for the full insurance premium subsidy.

If you terminated public school employment **after October 31, 1980, with at least 21 years of service**, your insurance premium subsidy will be 10 percent for each year of credited service you have over 20 years. With 21 years of service, you get 10 percent of the full insurance premium subsidy. With 25 years the subsidy increases to 50 percent. A retiree with 30 years of service is entitled to the full insurance premium subsidy.

If you terminated **after October 31, 1980, with less than 21 years of service**, you can enroll for the health, prescription drug, dental, and vision insurance but you must pay the full premium.

Insurance Information For Public School Retirees (Continued)

Disability Applicants ONLY

Applicants for a disability pension are not ensured of pension or insurance coverage until the application has been approved. Upon approval of your retirement application, your health and/or dental/vision coverage can begin the first day of the following month only if you have an *Application for Disability Retirement* (R0083X) form on file with ORS. Continue your present

insurance to ensure continued coverage during the approval process. Indicate in the Insurance Options section of your application that you would like coverage through the Retirement System to begin the first day of the month following approval of your retirement application.

Hearing Aid Claims for Individuals Not Enrolled in the Health Plan

The Retirement System processes hearing aid claims for pension recipients (excluding deferred retirees) and eligible dependents not enrolled in the health care plan. Coverage is for one claim every 36 months, regardless of whether one or two hearing aids were purchased. Reimbursement will be 90% of the lesser of the provider charges or the approved amount as determined by Blue Cross/Blue Shield, except for deferred retirees (see page 3). Exams and tests are not covered.

NOTE: If you ARE enrolled in the health plan, BCBSM or your Health Maintenance Organization will process your hearing aid claims. Please contact them directly.

Processing your hearing aid claim

Purchase the hearing aid(s) from a provider who accepts Blue Cross/Blue Shield level of payment to ensure that your out-of-pocket cost will not exceed the 10% co-pay.*

*If you purchase a hearing aid(s) from a non-approved provider, the Retirement System pays 90% of the usual, customary, reasonable cost. You will be responsible for any additional cost.

Call Blue Cross/Blue Shield at (800) 422-9146 for information on approved providers in Michigan and other states.

Ask your provider to submit the claim on a Blue Cross/Blue Shield Hearing Aid Claim form containing the following information:

- a. Name and address of the provider
- b. Dealer federal tax identification number
- c. Total charge
- d. Dealer acquisition cost
- e. Description of hearing aid(s)
- f. Date of service (dispensing date)
- g. Name of person for whom the hearing aid(s) was prescribed
- h. His/her date of birth
- i. Relationship of the person to the pension recipient
- j. Social security number of the pension recipient

Mail your claim/bill to:

**ORS, ATTN: Hearing Aid Department
PO Box 30171, Lansing MI 48909-7671**