



RETIREE BENEFITS BULLETIN

State of Michigan
Civil Service Commission

DATE: September 2014

NUMBER: GIS 01-2014R

CONTACT:

MI HR Service Center

TELEPHONE NUMBERS:

(517) 335-0529 Lansing Area

(877) 766-6447 Toll-Free

711 Michigan Relay (Individuals with hearing loss)

SUBJECT:

IMPORTANT INSURANCE CHANGES ARE COMING
FOR RETIREES



October 2014

Retiree Insurance Rates & Benefit Changes

Insurance Rates: Premiums will remain the same for the State Health Plan PPO administered by Blue Cross Blue Shield of Michigan (BCBSM) for the 2014-2015 fiscal year (premium rate chart attached).

If you are currently enrolled in an HMO, please review the rates as most of the HMO premiums have changed. When reviewing an HMO plan, be sure to also review the HMO Postal Code list available at <http://www.mi.gov/employeebenefits> then select HMO eligibility from the menu on the left of the page.

Dental and vision rates will remain the same for the 2014-2015 fiscal year.

Premiums shown on the attached charts will be reflected in your October pension checks.

Benefit Changes: Consistent with benefit changes approved by the Michigan Civil Service Commission (MCSC) for active State employees, plan changes will be made to the State Health Plan PPO, and Health Maintenance Organizations (HMOs) available to retirees and their eligible dependents. Detailed information for each plan and applicable effective dates are listed within this bulletin.

Please note: Benefit changes identified within this bulletin do not apply to persons retiring from the State Police enlisted unit on or after October 1, 1987.



State Health Plan PPO Benefit Changes

Effective **October 1, 2014**, unless otherwise noted, the following changes will be made to the State Health Plan (SHP) PPO administered by Blue Cross Blue Shield of Michigan (BCBSM):

- **Annual In-network Deductible (Effective January 1, 2015)**
 - Individual changes from \$300 to \$400
 - Family changes from \$600 to \$800
- **In-Network Office Visit Co-pay:**
 - Currently is \$15 and will change to \$20
- **Emergency Room (ER) Co-pay:**
 - **Non-Medicare eligible retirees** – currently is \$50 and will change to \$200 if not admitted to the hospital
 - **Medicare eligible retirees** - ER co-pay to remain at \$50
- **Prescription Drug Co-pays for those who retired on or after January 1, 1987.**
 - Retail: Currently at \$10/\$20/\$40 for generic, preferred brand, non-preferred brand name drugs, will change to \$10/\$30/\$60, respectively
 - 90-day supply at mail order (or retail for Medicare eligible retirees), currently at \$20/\$40/\$80 for generic, preferred brand, and non-preferred brand name drugs, will change to \$20/\$30/\$120, respectively
 - Non-Medicare Eligible Retirees' changes are effective October 1, 2014
 - Medicare Eligible Retirees' changes are effective January 1, 2015
- **Autism benefits:** Covered by the SHP PPO administered by Magellan, and subject to the plan deductible and coinsurance
- **Coinsurance:** Plan covers 90% after deductible for in-network services subject to coinsurance
- **Private Duty Nursing:** Plan covers 80% after deductible
- **Acupuncture:** Plan covers 80% after deductible
- **In-Network Out of Pocket Maximum (OOPM):**
 - Individual changes from \$1,000 to \$2,000
 - Family changes from \$2,000 to \$4,000



Effective **October 1, 2014**, unless otherwise noted, the following changes will be made to the Health Maintenance Organizations (HMOs):

- **Annual Deductibles:**
 - Individual \$125
 - Family \$250
 - **Medicare Advantage (MA) HMOs**
 - Individual \$125
 - Family deductible does not apply
- **Office Visit Copay:**
 - Currently is \$10 and will change to \$20
- **Emergency Room (ER) Copay:**
 - Currently is \$50 and will change to \$200 if not admitted to the hospital
 - **Medicare Advantage (MA)** currently is \$50 and will change to \$65 if not admitted
- **Prescription Drug Copays:**
 - Retail is currently \$5 for a generic and \$10 for a brand name drug and will change to \$10/\$30/\$50 for generic, preferred brand, and non-preferred brand name drugs, respectively
 - 90-day supply at mail order (or at retail for Medicare eligible retirees), to be \$20/\$60/\$120 for generic, preferred brand, and non-preferred brand name drugs, respectively
- **Annual Out of Pocket Maximum (OOPM):**
 - \$2,000 for an individual
 - \$4,000 for a family
 - **Medicare Advantage (MA)**
 - Individual \$2,000
 - Family OOPM does not apply

Please note: These changes will apply to MA HMO plans effective **January 1, 2015**



Retired Prior to January 1, 1987 & Enrolled in the Medicare Supplemental Plan

Prescription drug copays for retirees enrolled in the Medicare Supplemental Plan who retired prior to January 1, 1987 and for their dependents *will not* change.

- Retail drug copays will remain at \$7/\$15/\$30 for generic, preferred and non-preferred drugs, respectively.
- 90-day supply at mail order (or at retail for Medicare eligible retirees), will remain at \$14/\$30/\$60 generic, preferred brand, and non-preferred brand name drugs, respectively.



Dental

Effective **October 1, 2014**, dental implants will be added to the dental plan coverage under prosthetics and will be covered as follows:

- 70% if utilizing a dental care provider who is a member of the Point of Service PPO
- 50% if utilizing a Delta Dental Premier dentist
- 50% if utilizing a Non-Participating dentist

There is no change to the annual maximum benefit of \$1,500 for each eligible person.



Vision

There are no changes to the State Vision Plan administered by Blue Cross Blue Shield of Michigan (BCBSM) in partnership with Vision Service Plan® for the 2014-2015 fiscal year.



Reminders & Updates

State Health Plan PPO Members - Effective October 1, 2014, the SUPPORT Program will no longer administer benefits for durable medical equipment, prosthetic and orthotics, and medical supplies. As a State of Michigan retiree, services for you and your dependents will be administered through Blue Cross Blue Shield beginning October 1, 2014. To receive services without any out-of-pocket costs for non-Medicare retirees, you must use a participating BCBSM provider. If services are received from a non-participating provider, you will be responsible for 20% of the approved amount plus the difference between the charge and the BCBSM approved amount. To receive services without any out-of-pocket costs for Medicare retirees, you must seek services from a provider that participates with Medicare.

Blue Health Connection (800) 775-2583 - This disease management program provides health educational materials, online health resources, a smoking cessation program, and a 24-hour Nurse Help Line.



Medicare Eligibility And State Retiree Health Coverage

Once you become Medicare-eligible, your State retiree health care coverage becomes your secondary insurance. Generally, you are automatically enrolled in Medicare Part A and Part B once eligible. If you initially declined Part B at the time you became eligible, you can sign up at your local Social Security office or by calling (800) 772-1213.

If you DO NOT ENROLL in Medicare Part B upon becoming eligible, your State Health Plan coverage will be treated as if Medicare coverage was in place. The State Health Plan will not reimburse that portion of an expense normally covered by Medicare Part B. If you become eligible for Medicare prior to age 65, be sure to enroll in Medicare Part A and Part B and enter the Medicare information online by logging into miAccount at www.mi.gov/orsmiaccount or send the Insurance Enrollment/Change Request to the Office of Retirement Services (ORS) to enroll.

Enrolling and Making Changes

Medicare Eligible at Age 65 - If you are already enrolled in state-sponsored retiree health and prescription drug insurance and you, your spouse, or your dependent(s) become eligible for Medicare at age 65:

- Be sure to enroll in both Medicare Parts A and B two to three months before turning age 65. Your coverage will automatically change to a Medicare compatible plan when you turn 65. You will be contacted if your provider needs additional information.

Medicare Eligible Before Age 65 - If you are already enrolled in state-sponsored retiree health and prescription drug insurance and you, your spouse, or your dependent(s) become eligible for Medicare before age 65:

- Be sure to enroll in both Medicare Parts A and B.
- Enter the Medicare information at www.michigan.gov/orsmiaccount or send the *Insurance Enrollment/Change Request* to the Office of Retirement Services (ORS) to ensure you are enrolled in the correct Medicare plan.

If you are enrolling in state-sponsored retiree health and prescription drug insurance and you, your spouse, or your dependent(s) become eligible for Medicare before age 65:

- Be sure to enroll in both Medicare Parts A and B.
- Submit your completed online insurance enrollment at www.michigan.gov/orsmiaccount (or *Insurance Enrollment/Change Request*) and proofs to ORS by the 15th of the month for your coverage to begin the following month.

Note: If your completed insurance enrollment request and proofs are received after the 15th but before the end of the month, your coverage will begin a month later. For example, if you submit your completed insurance enrollment request and proofs on July 25, and intend for insurance coverage to begin August 1, your coverage will begin September 1.

HMO Members - Medicare Advantage - If you have an HMO, regardless of when you, your spouse, or dependent(s) become eligible for Medicare, contact your provider to obtain a Medicare Advantage plan application and submit it to ORS if you wish to remain enrolled in your HMO. If your HMO does not offer a Medicare Advantage plan or if another HMO's Medicare Advantage plan is not available in your area, you must select the State Health Plan PPO.



Insurance Enrollments & Change Requests

Enrolling and Making Changes

If you wish to enroll in or make changes to your State health, prescription drug, dental, or vision insurance plans, log in to miAccount at www.michigan.gov/orsmiaccount or use the *Insurance Enrollment/Change Request* available on the ORS website at www.michigan.gov/ors. Simply select your retirement system, go to the Forms and Publications page, and print the form. Send your completed form and required proofs to: ORS, P.O. Box 30171, Lansing, MI 48909.

To enroll in or switch to an HMO, refer to the contact information included with this mailing and request the enrollment form directly from the HMO. Send your completed form to ORS along with the *Insurance Enrollment/Change Request* and all required proofs.

Enrollment Waiting Period

As a pension recipient, you are not restricted to an open enrollment window to enroll in or make changes to your insurance plans. New enrollments or changes are normally subject to a **six-month waiting period** from the date ORS receives your enrollment form(s) and all required proofs.

The normal six-month waiting period is **not applied** when you or a dependent has an involuntary loss of other group coverage or a change in your family status (e.g., marriage, death, divorce). If ORS receives your completed insurance enrollment online in miAccount or *Insurance Enrollment/Change Request* 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.

If you are currently enrolled in an HMO, you must remain in that HMO for six months before switching to the State Health Plan PPO unless the coverage is no longer available. If coverage is no longer available, you must submit an online insurance enrollment in miAccount or complete and submit the *Insurance Enrollment/Change Request* form and required proofs to ORS.

To switch from one HMO to another HMO, or to change from the State Health Plan PPO to an HMO, there is no six month waiting period. To process the change, 1) request an application from the HMO and 2) return it to ORS, along with 3) an online insurance enrollment in miAccount or *Insurance Enrollment/Change Request*, and 4) all necessary proofs.

For questions contact:

MI HR Service Center

Toll-free at (877) 766-6447

Lansing Area (517) 335-0529

Michigan Relay 711 (Individuals with hearing loss)

Monday through Friday 8:00 a.m. to 5:00 p.m.



Retiree Provider Information

State-Sponsored Group Insurance Plan Benefit Administrators	<p>STATE HEALTH PLAN PPO BCBSM State of Michigan Service Center (800) 843-4876 www.bcbsm.com/som</p>	<p>PRESCRIPTION DRUG PROGRAM Non-Medicare Retirees, MedImpact (877) 403-6034 www.mp.medimpact.com/som</p> <p>Medicare Eligible Retirees, Medicare Generation Rx (877) 633-7943 www.medicaregenerationrx.com/som</p>
	<p>MENTAL HEALTH/ SUBSTANCE ABUSE SERVICES Magellan Behavioral of Michigan (866) 503-3158 www.magellanassist.com</p>	
	<p>STATE DENTAL PLAN and PREVENTIVE DENTAL PLAN Delta Dental Plan of Michigan (800) 524-0150 www.deltadentalmi.com</p>	<p>STATE VISION PLAN BCBSM State of Michigan Service Center (800) 843-4876 www.bcbsm.com/som</p>
	Provider Information	
Health Maintenance Organizations (HMOs)	<p>Blue Care Network (800) 662-6667 www.bcbsm.com/som</p>	<p>Physicians Health Plan (PHP) (517) 664-8500 or (517) 832-9186 www.phpmichigan.com</p>
	<p>Health Alliance Plan (HAP) (800) 422-4641 www.hap.org</p>	
	<p>HealthPlus of Michigan (Flint) (800) 332-9161 (Saginaw) (800) 942-8816 www.healthplus.com</p>	<p>Priority Health (800) 446-5674 www.priority-health.com</p>

**CIVIL SERVICE COMMISSION
 EMPLOYEE BENEFITS DIVISION
 FY 2014-2015 GROUP INSURANCE PREMIUM RATES
 RETIREMENT - MONTHLY RATES
 EFFECTIVE OCTOBER 1, 2014**

Rates apply to retirees under the State's Defined Benefit Retirement Plan and to those who converted from the Defined Benefit Plan to the Defined Contribution plan.

Please note: Retirees or dependents enrolled in Medicare who wish to enroll in an HMO Medicare Advantage (MA) plan, please review the corresponding HMO coverage maps to determine eligibility by visiting www.mi.gov/employeebenefits then select "Retiree Information" from the right hand menu.

Retirees' State Health Plan - Blue Cross Blue Shield PPO				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Without Medicare				
Self	\$ 146.88	\$ 587.50	\$ 734.38	\$ 749.07
Self and Spouse	\$ 293.75	\$ 1,175.00	\$ 1,468.75	\$ 1,498.13
Self and Child(ren)	\$ 185.01	\$ 740.04	\$ 925.05	\$ 943.55
Self, Spouse and Child(ren)	\$ 340.05	\$ 1,360.20	\$ 1,700.25	\$ 1,734.26
With Medicare (Plans A & B)				
Self	\$ -	\$ 385.05	\$ 385.05	\$ 392.75
Self and Spouse	\$ -	\$ 770.12	\$ 770.12	\$ 785.52
Self and Child(ren)	\$ -	\$ 575.74	\$ 575.74	\$ 587.25
Self, Spouse and Child(ren)	\$ -	\$ 1,001.65	\$ 1,001.65	\$ 1,021.68
One With Medicare and One Without Medicare				
Self W/O Medicare & Spouse W/ Medicare or Self W/ Medicare & Spouse W/O Medicare	\$ -	\$ 1,119.43	\$ 1,119.43	\$ 1,141.82
Self W/O Medicare & Spouse W/ Medicare & Child(ren) or Self W/ Medicare & Spouse W/O Medicare & Child(ren)	\$ -	\$ 1,350.95	\$ 1,350.95	\$ 1,377.97

Retirees' State Dental Plan				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Self	\$ 44.37	\$ 39.28	\$ 83.65	\$ 86.52
Self and Spouse	\$ 7.95	\$ 71.59	\$ 79.54	\$ 81.13
Self and Child(ren)	\$ 9.72	\$ 87.44	\$ 97.16	\$ 99.10
Self, Spouse and Child(ren)	\$ 13.31	\$ 119.75	\$ 133.06	\$ 135.72

Retirees' State Vision Plan				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Self	\$ 0.64	\$ 5.86	\$ 6.50	\$ 6.50
Self and Spouse	\$ 1.04	\$ 9.52	\$ 10.56	\$ 10.57
Self and Child(ren)	\$ 1.45	\$ 13.04	\$ 14.49	\$ 14.78
Self, Spouse and Child(ren)	\$ 1.85	\$ 16.63	\$ 18.48	\$ 18.85

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Blue Care Network				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Without Medicare				
Self	\$ 367.44	\$ 587.50	\$ 954.94	\$ 974.04
Self and Spouse	\$ 734.88	\$ 1,175.00	\$ 1,909.88	\$ 1,948.08
Self and Child(ren)	\$ 463.18	\$ 740.04	\$ 1,203.22	\$ 1,227.28
Self, Spouse and Child(ren)	\$ 855.26	\$ 1,360.20	\$ 2,215.46	\$ 2,259.77
With Medicare (Parts A & B)				
Self	\$ 40.21	\$ 227.87	\$ 268.08	\$ 273.44
Self and Spouse	\$ 80.42	\$ 455.74	\$ 536.16	\$ 546.88
Self and Child(ren)	\$ 77.45	\$ 438.91	\$ 516.36	\$ 526.69
Self, Spouse and Child(ren)	\$ 117.67	\$ 666.77	\$ 784.44	\$ 800.13
One With Medicare and One Without Medicare				
Self W/O Medicare & Spouse W/Medicare or Self W/ Medicare & Spouse W/O Medicare & Child(ren)	\$ 183.45	\$ 1,039.57	\$ 1,223.02	\$ 1,247.48
Self W/O Medicare & Spouse W/Medicare & Child(ren) or Self W/ Medicare & Spouse W/O Medicare & Child(ren)	\$ 220.70	\$ 1,250.61	\$ 1,471.30	\$ 1,500.73

Health Alliance Plan				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Without Medicare				
Self	\$ 421.90	\$ 587.50	\$ 1,009.40	\$ 1,029.59
Self and Spouse	\$ 843.80	\$ 1,175.00	\$ 2,018.80	\$ 2,059.18
Self and Child(ren)	\$ 531.83	\$ 740.04	\$ 1,271.87	\$ 1,297.31
Self, Spouse and Child(ren)	\$ 981.46	\$ 1,360.20	\$ 2,341.81	\$ 2,388.65
With Medicare (Parts A & B)				
Self	\$ 56.15	\$ 320.00	\$ 374.35	\$ 381.84
Self and Spouse	\$ 112.31	\$ 636.00	\$ 748.70	\$ 763.67
Self and Child(ren)	\$ 95.52	\$ 541.30	\$ 636.82	\$ 649.56
Self, Spouse and Child(ren)	\$ 151.68	\$ 859.49	\$ 1,011.17	\$ 1,031.39
One With Medicare and One Without Medicare				
Self W/O Medicare & Spouse W/Medicare or Self W/ Medicare & Spouse W/O Medicare	\$ 264.32	\$ 1,119.43	\$ 1,383.75	\$ 1,411.43
Self W/O Medicare & Spouse W/Medicare & Child(ren) or Self W/ Medicare & Spouse W/O Medicare & Child(ren)	\$ 295.27	\$ 1,350.95	\$ 1,646.22	\$ 1,679.14

Attention: this mailed version of the bulletin did not include the insurance rate for Health Alliance Plan; Self W/Medicare & Spouse W/O Medicare. Please see the updated version [here](#).

HealthPlus				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Without Medicare				
Self	\$ 393.28	\$ 587.50	\$ 980.78	\$ 1,000.40
Self and Spouse	\$ 786.56	\$ 1,175.00	\$ 1,961.56	\$ 2,000.79
Self and Child(ren)	\$ 495.74	\$ 740.04	\$ 1,235.78	\$ 1,260.50
Self, Spouse and Child(ren)	\$ 915.21	\$ 1,360.20	\$ 2,275.41	\$ 2,320.92
With Medicare (Parts A & B)				
Self	\$ 40.35	\$ 228.65	\$ 269.00	\$ 274.38
Self and Spouse	\$ 80.70	\$ 457.30	\$ 538.00	\$ 548.76
Self and Child(ren)	\$ 88.77	\$ 503.03	\$ 591.80	\$ 603.64
Self, Spouse and Child(ren)	\$ 129.12	\$ 731.68	\$ 860.80	\$ 878.02
One With Medicare and One Without Medicare				
Self W/O Medicare & Spouse W/Medicare or Self W/ Medicare & Spouse W/O Medicare	\$ 187.47	\$ 1,062.31	\$ 1,249.78	\$ 1,274.78
Self W/O Medicare & Spouse W/Medicare & Child(ren) or Self W/ Medicare & Spouse W/O Medicare & Child(ren)	\$ 234.54	\$ 1,329.09	\$ 1,563.63	\$ 1,594.90

**CIVIL SERVICE COMMISSION
EMPLOYEE BENEFITS DIVISION
FY 2014-2015 GROUP INSURANCE PREMIUM RATES
RETIREMENT - MONTHLY RATES
EFFECTIVE OCTOBER 1, 2014**

Rates apply to retirees under the State's Defined Benefit Retirement Plan and to those who converted from the Defined Benefit Plan to the Defined Contribution plan.

Please note: Retirees or dependents enrolled in Medicare who wish to enroll in an HMO Medicare Advantage (MA) plan, please review the corresponding HMO coverage maps to determine eligibility by visiting www.mi.gov/employeebenefits then select "Retiree Information" from the right hand menu.

PHP				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Without Medicare (This HMO is not available to retirees who are Medicare eligible or to retirees with Medicare eligible dependents.)				
Self	\$ 545.56	\$ 587.50	\$ 1,133.06	\$ 1,155.72
Self and Spouse	\$ 1,091.11	\$ 1,175.00	\$ 2,266.11	\$ 2,311.43
Self and Child(ren)	\$ 687.17	\$ 740.04	\$ 1,427.21	\$ 1,455.75
Self, Spouse and Child(ren)	\$ 1,263.17	\$ 1,360.20	\$ 2,623.37	\$ 2,675.84

Priority Health Plan				
	Retiree Share	State Share	MONTHLY TOTAL	Retiree Monthly COBRA
Without Medicare				
Self	\$ 475.25	\$ 587.50	\$ 1,062.75	\$ 1,084.01
Self and Spouse	\$ 948.37	\$ 1,175.00	\$ 2,123.37	\$ 2,165.84
Self and Child(ren)	\$ 597.64	\$ 740.04	\$ 1,337.68	\$ 1,364.43
Self, Spouse and Child(ren)	\$ 1,028.83	\$ 1,360.20	\$ 2,463.03	\$ 2,512.29
With Medicare (Parts A & B)				
Self	\$ 185.00	\$ 385.05	\$ 570.05	\$ 581.45
Self and Spouse	\$ 369.91	\$ 770.12	\$ 1,140.10	\$ 1,162.90
Self and Child(ren)	\$ 400.00	\$ 575.74	\$ 1,038.89	\$ 1,059.67
Self, Spouse and Child(ren)	\$ 777.29	\$ 1,001.65	\$ 1,608.94	\$ 1,641.12
One With Medicare and One Without Medicare				
Self W/O Medicare & Spouse W/Medicare or Self W/ Medicare & Spouse W/O Medicare	\$ 189.91	\$ 1,076.13	\$ 1,266.04	\$ 1,291.36
Self W/O Medicare & Spouse W/Medicare & Child(ren) or Self W/ Medicare & Spouse W/O Medicare & Child(ren)	\$ 369.93	\$ 1,364.85	\$ 1,734.88	\$ 1,769.58

The State of Michigan is required under the Consolidated Omnibus Budget Reconciliation Act (COBRA) to provide notice to all retirees, their spouses, and their dependent children regarding each dependent's rights to continue state-sponsored group insurances when coverage would otherwise end.

Retain for Future Reference

This notice has important information about your right to continue your health care coverage in the State of Michigan State Health group health, dental, and vision plans (Plans), as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace at www.HealthCare.gov or call 1-800-318-2596. This notice informs you of the qualifying events and notification requirements for continuation of benefits available to retirees' spouses and dependent children (qualified beneficiaries) under COBRA.

When is COBRA continuation coverage available?

The state will offer COBRA continuation coverage to qualified beneficiaries only after the Office of Retirement Services (ORS) has been notified that a **qualifying event** has occurred. The **spouse** of a retiree will lose coverage under the state-sponsored group insurances due to the death of the retiree if survivor coverage was not chosen or divorce or legal separation. A **dependent child** will lose state-sponsored group insurance coverage:

- upon the retiree's death if survivor coverage was not chosen,
- on their 19th birthday, unless enrolled at least half-time in an accredited educational institution,
- when they graduate, stop attending school, or are no longer dependent on the retiree for support,
- when they marry or,
- at the end of the month the child turns 26 years old.

The retiree or affected qualifying beneficiary must inform the State of Michigan, Office of Retirement Services (ORS), within 30 days of a qualifying event. If an event occurs, call (800) 381-5111 or (517) 322-5103. ORS staff will send the affected individual an application to continue group insurance coverages (Form CS-1820).

If the retiree or affected family member does not notify ORS within 60 days of the date of one of the above-listed events, any rights to continuation of insurances may be forfeited. If ORS is not notified within 60 days of a qualifying event and any claims incurred after the date of the event are paid erroneously, the ineligible individual will be required to reimburse the state for any such paid claims, plus premiums paid by the state.

Individuals entitled to COBRA continuation coverage will be eligible to continue only the Plans under which they were covered the day before the qualifying event. These coverages may continue for 36 months under the provisions of the Federal COBRA law if the affected individual timely pays the full premium plus a 2% administrative fee directly to the state.

Type of Coverage; Premium Payments

A spouse or dependent child who is not covered under state-sponsored insurances on the day before the qualifying event is generally not entitled to COBRA coverage except where there is no coverage because it was eliminated in anticipation of a qualifying event like divorce. If the ex-spouse notifies the Office of Retirement Services within 60 days of the divorce and can establish that the coverage was dropped earlier in anticipation of divorce, then COBRA coverage may be available for the period after the divorce.

If you are covered by Health, Dental, and Vision insurance, you may elect COBRA coverage under one, two, or all three Plans. If the coverage for similarly situated employees or their family members is modified, COBRA coverage will be modified the same way.

The premium payments for the “initial premium months” must be paid for any qualifying family member by the 45th day after electing continuation of coverage. The initial premium months are the months that end on or before the 45th day after the date of the COBRA election. All other premiums are due on the first of the month for which the premium is paid, subject to a 30-day grace period.

Are there other coverage options besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse’s plan or directly from your prior health insurance carrier) through what is called a “special enrollment period.” Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

How can COBRA Continuation Coverage end before the end of the maximum coverage period?

Continuation coverage of qualified beneficiaries will automatically terminate before the end of the maximum coverage period when any of the following events occurs:

1. The premium for the qualified beneficiary’s COBRA coverage is not timely paid.
2. After electing COBRA, you become covered under another group health plan that has no exclusion or limitation with respect to any pre-existing condition you might have.
3. After electing COBRA, you become enrolled to Medicare benefits.
4. Occurrence of any event (e.g. submission of fraudulent benefit claims) that permits termination of coverage for cause with respect to covered retirees or their spouses or dependent children who have coverage under the Plan for a reason other than the COBRA coverage requirements of federal law.

Other Information

If your marital status changes or a dependent ceases to be a dependent eligible for coverage under the terms of the Plan, or your address changes, you must immediately notify the Office of Retirement Services.

Contact Information

Office of Retirement Services
P.O. Box 30171
Lansing, MI 48909-7671
Telephone: (800) 381-5111 or (517) 322-5103