



## ADMINISTRATIVE PROCEDURE

**SUBJECT: RETIREE GROUP HEALTH PLAN PARTICIPATION No.: HR 8.0 AP 3**

**EFFECTIVE: 08/01/07**

**AMENDED: 07/16/19**

**APPROVED:** \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Steven Viera", is written over a horizontal line.

**Steven Viera, Director of Human Resources**

**DATE: 7/25/19**

### **I. PURPOSE**

This procedure defines the process by which retirees may enroll in and pay for health plan premiums.

### **II. SCOPE**

This procedure applies to all retired employees who elect health care (medical) coverage at retirement.

Notwithstanding anything in this procedure to the contrary, the terms of the applicable benefit plan document shall control.

### **III. PROCEDURE**

#### **Eligibility**

In accordance with the Corpus Christi, Texas Code of Ordinances Sec. 39-312, City employees will be eligible to participate as retirees in the City's group health insurance program at retiree group rates when any of the following conditions exist: (1) when eligible for retirement under requirements of the Texas Municipal Retirement System (TMRS) or the Firefighters Retirement System (FRRS); or (2) due to disability retirement. Disability retirement refers to an award of Disability Retirement status through TMRS or FRRS. An employee who terminates employment and does not meet these conditions will be eligible for group health insurance program coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), provided that the employee meets the eligibility and other COBRA requirements under this federal law.

Upon retirement, employees may elect to continue the health plan in which they are currently enrolled, or they may elect a different health plan for which they are eligible based on their employee group membership at the time of retirement.

If the employee participates as a retiree in the City's group health insurance program, the employee may also choose to continue coverage for any eligible dependent covered under the City's health plan as of the retirement date. No additional dependents can be added to the retiree coverage who were not covered on a City health plan as of the retirement date. While the retiree remains in the City's health plan or fully insured plan offerings for Medicare eligible retirees, coverage shall remain in force for the spouse while paid and coverage shall remain in force for participating dependent children while paid until they become ineligible as defined in the plan. Spouse's rights shall continue after the employee's death but shall terminate upon divorce.

### **Continuous Enrollment**

In order to maintain eligibility in the City's group health insurance, the retiree and eligible dependents must maintain continuous enrollment in the plan and keep premium payments current.

If the retiree elects to cancel their coverage, dependents are no longer eligible to continue coverage, and at that point neither the retiree nor the dependents can ever re-enter the plan. If the retiree elects to cancel coverage for a dependent, that dependent will lose eligibility and may never re-enter the plan.

### **Payment method and termination for non-payment of premiums**

Any employee retiring from City service, on or after August 1, 2007, who elects to continue health care (medical) coverage, as a retiree, will be required to establish automatic deduction from their personal bank account for such health care premiums.

Retirees prior to August 1, 2007 who have been in the City's billing process for health care premiums may continue to make payments through the billing process; however, the City encourages the use of automatic deduction from the retiree's personal bank account to make premium payments. Once a retiree moves to the automatic deduction of premiums, the retiree will no longer be eligible for the billing process.

The Financial Services Department, Accounts Receivable Division, will administer the collection process, and will notify the benefits staff if payment goes delinquent 90 days.

The benefits staff will notify the carrier and/or the third party administrator of terminated coverage due to non-payment of premiums upon being 90 days delinquent, and will provide notification to the retiree of termination of coverage. The termination date of health insurance coverage will be backdated to the last day through which the retiree paid premiums.

### **Transition to the Medicare Advantage Retiree Group Health Plan**

Retirees and spouses covered under the City's Group Health Plan will be transitioned to the City's Medicare Advantage Plan when they turn 65 years of age or otherwise become eligible for Medicare. Members cannot continue to participate in the City's Group Health Plan after attaining age 65 or otherwise become Medicare eligible. It is imperative that the member verify their correct address and phone number with Benefits, because approximately 6 weeks before the member turns 65, Benefits will send the member a notice of the upcoming transition with an enrollment form that must be completed, signed and returned to complete your enrollment in the Medicare Advantage Plan. The form requires that the member also provide your Medicare Beneficiary Identifier (MBI). Without this number you cannot be enrolled.

*\*It is the member's responsibility to enroll in Medicare parts A and B in plenty of time to be able to provide the Medicare Beneficiary Identifier (MBI) to Human Resources – Benefits Department before the month in which they turn 65\**

If the member fails to return the enrollment form complete with the MBI to Benefits before the month in which the member turns 65, the member and dependents will be dropped from coverage and will not be reinstated because continuous coverage was not maintained.

As long as a retiree maintains continuous enrollment, eligible dependents may remain enrolled in the City's Group Health Plan for members under age 65.

## **V. QUESTIONS REGARDING THIS PROCEDURE**

Questions regarding this Procedure shall be directed to the Director of Human Resources, or designee, who may be contacted at 361-826-3315.