



Human Resources Department

Bradley Wirtz, Human Resources Director

City-County Building, Room 501
210 Martin Luther King, Jr. Boulevard
Madison, Wisconsin 53703
Phone: (608) 266-4615
Fax: (608) 267-1115
hr@cityofmadison.com
www.cityofmadison.com/hr

HEALTH, DENTAL INSURANCE IN RETIREMENT

Health Insurance Continuation of Coverage

Active employees who have health insurance coverage are eligible to continue the coverage in retirement by paying the premium. Health insurance plans available to retirees are the same as those held by active employees; there are no benefit changes for retirees. Eligibility continues as long as the City continues participation and the employee maintains coverage. Should the employee die, covered surviving dependents are eligible to continue the group health insurance coverage.

Retirees are notified of the annual Choice period by mail, and may make changes allowed in that interval (such as changing health plans or changing from family to single coverage).

Paying the Health Insurance Premium

Health insurance premiums are costly. For 2016, retirees under age 65 pay between \$17,272 and \$20,505 annually for continuation of family coverage with one of the five Dane County Service Area providers. Single coverage costs a minimum of \$6,951 per year. (See chart on the other side of this page.)

For many retiring employees, the value of a sick leave balance may be transferred to a *PRIME-Choice*® savings account administered by Precision Retirement Group. A health savings account may be set up, with money to be used for direct reimbursement of the monthly health insurance premium deducted from a retiree's monthly WRS annuity. Money in the health savings account is not taxed. The alternative administered by Precision, a 401(a) account to be set up when the retiree will not have health care expense, is taxed when money is withdrawn.

Medicare

A retiree who reaches age 65 must enroll in Medicare Parts A and B. The retiree's spouse who reaches age 65 is also required to enroll in Medicare. Failure to enroll will end eligibility for the continuation group health insurance coverage. At retirement, Medicare will be the primary provider. The combination of Medicare and the continuation coverage will provide the same level of coverage as that in effect before age 65/Medicare coverage.

From Employee Trust Funds:

"If you are not enrolled for all available portions of Medicare (A, B and D) upon retirement, you may be liable for the portion of your claims that Medicare would have paid beginning on the date Medicare coverage would have become effective."

"The prescription drug coverage under this [Navitus] program is Medicare Part D coverage. Your monthly health insurance premium includes a portion that applies to this program's coverage."

Canceling Group Health Insurance

If a retiree cancels the City of Madison group health insurance at retirement or during retirement, there will be no future opportunity to re-enroll.

Local Government Employees and Annuitants Health Insurance Rates
2016 Rates

2016 Monthly Local Employer Group Health Insurance Rates	Non-Medicare Rates <i>Rates apply only if no family member is eligible for Medicare</i>		Medicare Rates <i>Rates apply if at least one insured family member is eligible for Medicare</i>		
	SINGLE	FAMILY	SINGLE MEDICARE	FAMILY MEDICARE 1*	FAMILY MEDICARE 2**
DEAN HEALTH PLAN	\$ 687.00	\$ 1708.70	\$ 544.00	\$ 1225.10	\$ 1082.10
GHC OF SOUTH CENTRAL WIS	614.00	1526.20	514.40	1122.50	1022.90
PHYSICIANS PLUS	666.90	1,658.40	540.90	1201.90	1075.90
UNITY UW HEALTH	579.30	1439.40	473.60	1047.00	941.30
WEA TRUST SOUTH CENTRAL	582.30	1446.90	427.60	1004.00	849.30
IYC ACCESS HEALTH PLAN - DANE***	1,069.80	2,668.30	NA***	1524.30	NA***
STATE MAINTENANCE PLAN (SMP)***			NA	1220.70	NA
Also Available					
UNITY COMMUNITY	633.00	1573.70	497.80	1124.90	989.70
IYC ACCESS HEALTH PLAN - MILW***	1244.30	3104.50	NA***	1698.80	NA***
IYC MEDICARE PLUS****			454.50	NA***	904.50

Medicare premium rates apply only to subscribers who have terminated employment.

* Medicare Family 1 – One family member enrolled in Medicare Parts A, B, & D.

** Medicare Family 2 – All family members enrolled in Medicare Parts A, B & D.

*** Members with IYC Access Health Plan or SMP coverage who become enrolled in Medicare Parts A and B will automatically be moved to the IYC Medicare Plus plan (a Medicare supplement plan). All other non-Medicare family members will remain covered under the IYC Access Health Plan or SMP.

Dental Insurance Continuation of Coverage

An employee who has maintained dental coverage is eligible to continue the coverage in retirement. Bills are mailed to the retiree's home or monthly deduction is set up. If coverage is dropped or premiums not paid there is no opportunity for re-enrollment. There is an annual "choice" period for retirees enrolled in the plan (this is an opportunity to add or drop eligible dependents outside of a qualifying event period – information will be sent by the City's third party dental plan administrator to retired plan participants).