

Retiree health plans

Get Set for Retirement | Insurance
2022

Important information

- This presentation is not a comprehensive description of the insurance benefits offered by PEBA.
- For more information, and before you make enrollment decisions, review the [*Insurance Benefits Guide*](#).

State Health Plan

- Self-funded insurance plan:
 - Members' and employers' premiums are held in a trust fund, and these funds are used to pay claims.
 - BlueCross BlueShield of South Carolina processes health claims.
 - Express Scripts processes prescription claims.
- Cost of the State Health Plan compares favorably to other plans.
 - Learn more at peba.sc.gov/facts.
- Health management is key to maintaining a low cost for the Plan and premiums.

State Health Plan provider network

- Worldwide coverage.
- You pay copayments, deductible and coinsurance.
- Network provider files claims and accepts the Plan's allowed amount, even if its charges are higher.
 - If you use an out-of-network provider, you may have to file claims and can be balance billed. You pay a higher coinsurance, too.
- Use Find Care link under Resources at StateSC.SouthCarolinaBlues.com to find a network provider near you.

Non-Medicare-eligible health plan choices

- State Health Plan, which includes prescription benefits.
 - Standard Plan.
 - Savings Plan.
- TRICARE Supplement Plan, for eligible members of the military community.

Standard Plan for non-Medicare-eligible members

- Lower annual deductibles and higher monthly premiums.
- Pay copayments for office visits, outpatient facilities and emergency care.
- Pay copayments for prescription drugs.
- Coverage of adult well visits for primary members at specified age intervals subject to copayments, deductibles and coinsurance.

Savings Plan for non-Medicare-eligible members

- High-deductible plan with lower monthly premiums.
- No copayments.
- Pay the allowed amount for prescription drugs until you meet your annual deductible. Then, you pay your coinsurance.
- Coverage of adult well visits for primary members every year at no cost.
- Eligible to contribute to a Health Savings Account (HSA) on a post-tax basis.

If you're eligible for Medicare

- Medicare will become your primary coverage and will start paying your claims first.
- Your PEBA coverage will be your secondary coverage.

Enrolling in Medicare

- Once eligible, you should enroll in Medicare Part A (hospital coverage) and Part B (medical coverage).
- The Medicare enrollment period begins three months before your 65th birthday.
- If receiving Social Security benefits, the Social Security Administration will contact you and enroll you automatically. Otherwise, you must contact Social Security to enroll.

2022 Medicare benefits

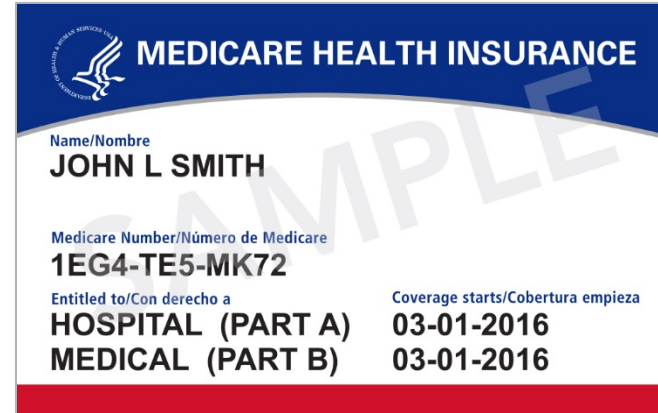
There is no Medicare or Medicare Supplemental Plan coverage outside the U.S. and U.S. territories.

| Part A (hospital benefits) | Part B (medical benefits) |
|---|--|
| <ul style="list-style-type: none">• \$1,556 deductible per benefit period.¹• No monthly premium if enough work credits established. | <ul style="list-style-type: none">• \$233 annual deductible.¹• \$148.50 (average monthly premium as determined by Medicare).• Plan pays 80 percent of approved charges. |

¹Medicare deductibles are subject to change.

Becoming Medicare-eligible before age 65

- You must notify PEBA and provide a copy of your Medicare card.
- You can change health plans within 31 days of Medicare Part A eligibility.



Medicare-eligible health plan choices in retirement

- State Health Plan, which includes prescription benefits.
 - Medicare Supplemental Plan.
 - Carve-out Plan.
- See [Insurance Coverage for the Medicare-eligible Member](#) handbook for detailed information.

2022 Medicare Supplemental Plan benefits

- Pays Medicare Part A deductible (\$1,556).¹
- Pays Medicare Part B deductible (\$233).¹
- Pays Medicare coinsurance, up to 100 percent of Medicare-approved charges.
- Offers no coverage outside the U.S.
- Includes prescription drug benefit.
- Claims for non-Medicare subscribers are processed under the Standard Plan.

¹Medicare deductibles are subject to change.

Automatic enrollment in the Medicare Supplemental Plan

- Automatic enrollment at age 65 for those who participate in the State Health Plan.
- PEBA sends you a notification three months before your 65th birthday.
- Can choose to opt out of the Medicare Supplemental Plan.
- Medicare will be primary whether you opt out as long as you are not working in an insurance-eligible position on active coverage.
 - If you enroll in the Carve-out Plan in retirement, Medicare will still pay first toward your expenses.

2022 Medicare Supplemental Plan benefits example

If covered by Medicare and the Medicare Supplemental Plan, your claim will be processed like this:

| | |
|--|-----------------|
| Medicare-approved amount | \$7,500 |
| 2022 Medicare Part A deductible ¹ | <u>-\$1,556</u> |
| Medicare payment | \$5,944 |
| Remaining bill | \$1,556 |

Next, the Medicare Supplemental Plan benefits are applied:

| | |
|--|-----------------|
| Remaining bill | \$1,556 |
| Medicare Supplemental Plan pays Medicare Part A deductible | <u>-\$1,556</u> |
| Your total payment | \$0 |

¹Medicare deductibles are subject to change.

Carve-out Plan with Medicare

- If your provider accepts the amount Medicare allows as payment in full, the Carve-out Plan will pay the lesser of:
 - The amount Medicare allows, minus what Medicare reported paying; or
 - The amount the State Health Plan would pay in the absence of Medicare, minus what Medicare reported paying.
- Pays primary if outside the U.S. and U.S. territories where Medicare is not accepted.
- Learn more in the [Insurance Coverage for the Medicare-eligible Member](#) handbook.

2022 Carve-out Plan benefits example

If covered by Medicare and the Carve-out Plan, your claim will be processed like this:

| | |
|--|------------------|
| Medicare-approved amount | \$7,500 |
| 2022 Medicare Part A deductible ¹ | <u>- \$1,556</u> |
| Medicare payment | \$5,994 |
| Remaining bill | \$1,556 |

Next, the Carve-out Plan benefits are applied:

| | |
|--|------------------|
| State Health Plan allowed amount | \$7,500 |
| 2022 Carve-out Plan deductible | <u>- \$490</u> |
| Carve-out Plan allowance | \$7,010 |
| Carve-out Plan coinsurance | <u>× 80%</u> |
| Carve-out Plan payment in absence of Medicare | \$5,608 |
| Medicare payment is “carved out” of Carve-out Plan payment | <u>- \$5,994</u> |
| Carve-out Plan payment | \$0 |
| Your total payment | \$1,556 |

¹Medicare deductibles are subject to change.

Medicare and the TRICARE Supplement Plan

- If enrolled in the TRICARE Supplement Plan, you can cancel or switch health coverage once reaching Medicare Part A eligibility.
- TRICARE becomes TRICARE for Life, a Medicare supplement.

2022 Health plan premiums

- Premium is determined by your coverage level:
 - Retiree;
 - Retiree/spouse;
 - Retiree/children; and
 - Full family.
- Visit peba.sc.gov/monthly-premiums for details.
- Rates may vary for optional employers. Contact your benefits administrator for your premiums.

Tobacco-use premium

- Applies to State Health Plan subscribers only.
- \$40 per month for subscriber-only coverage.
- \$60 per month for other levels of coverage.
- Automatically charged unless subscriber:
 - Certifies as non-tobacco or e-cigarette user with [Certification Regarding Tobacco or E-cigarette Use](#) form; or
 - Certifies that all covered tobacco or e-cigarette users have completed the tobacco cessation program, [Quit For Life](#).[®]

Financial disclaimer

Personal finance, as the name implies, is a highly individualized and personal matter. The information provided in these presentations is general educational information provided to illustrate certain financial ideas and concepts. This information does not take into account your personal situation and should not be considered personal financial or investment advice. In reviewing this video, you should consider whether the information presented is appropriate for your particular needs and, where appropriate, you may wish to seek advice from a financial professional to determine what is best for your individual financial circumstances. PEBA does not make any guarantee or other promise as to any results that may be obtained from using the content of this presentation.

Disclaimer

This presentation does not constitute a comprehensive or binding representation of the employee benefit programs PEBA administers. The terms and conditions of the employee benefit programs PEBA administers are set out in the applicable statutes and plan documents and are subject to change. Benefits administrators and others chosen by your employer to assist you with your participation in these employee benefit programs are not agents or employees of PEBA and are not authorized to bind PEBA or make representations on behalf of PEBA. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.