

## **Changes in Pre-Medicare Health Insurance and Retiree Insurance Credit provide options and portability for retired employees**

NDPERS participating members who are planning to retire before the age of 65 and/or before they are entitled to Medicare coverage should be aware that some changes occurred through state legislation. The changes made through House Bill 1058 provide additional options for pre-Medicare health insurance and allows employees portability in using the Retiree Health Insurance Credit (RHIC) for other health and prescription drug coverage. These changes will go into effect in July 1, 2015.

### **Pre-Medicare Health Insurance change provides options**

In the past, if an employee retired before the age of 65, he or she had the option to obtain pre-Medicare health insurance through the NDPERS program. Now with the national Affordable Care Act (ACA), there are provisions that mandate access to insurance coverage without imposing pre-existing condition limitations or having to be medically underwritten. This eliminates the primary reason why the pre-Medicare coverage was originally made available to our members. The state legislation passed closes the pre-Medicare health insurance plan previously offered to retiring employees who are not yet entitled to Medicare.

This change allows retirees the ability to choose from insurance plan options that are available through the National Health Care Exchange program provided by the Affordable Care Act.

### **Retiree Health Insurance Credit (RHIC) will be portable**

Another change that occurred is the ability to allow members more flexibility for application of the Retiree Health Insurance Credit. At this time, the credit may only be used to offset the expense of the premium for NDPERS health insurance coverage. The provisions of this bill will allow the RHIC to be used for not only NDPERS health premiums, but also for premiums of health and prescription drug coverage through other carriers as well as for the NDPERS dental, vision, and Long Term Care premiums.

### **Pre-Medicare Coverage available through NDPERS**

Members will have the opportunity to select the health plan that best aligns with their coverage needs and provides the best value for their money. At this time the premiums for pre-Medicare coverage are:

Single	\$ 709.10
Family	\$1,418.20
Family (3+)	\$1,772.74

These premiums will continue to increase with each renewal.

### **Changes go into effect in July 2015**

The changes will be effective July 1, 2015 and will affect members as follows:

- All retiring pre-Medicare members will remain eligible to apply for 18 months of COBRA continuation.
- Members must terminate employment by the end of April 2015 and begin drawing a benefit beginning May, paid June 2015 in order to remain eligible for coverage through NDPERS as a pre-Medicare retiree after the end of the COBRA period.
- Pre-Medicare members who were enrolled in the pre-Medicare plan prior to July 1, 2015 will be grandfathered and coverage will remain in effect until they become entitled to Medicare, at which time they can apply for NDPERS coverage under the Dakota Retiree Plan.
- Pre-Medicare members whose retirement benefit begins on or after the effective date can obtain their own coverage from the insurance market place at the conclusion of their COBRA continuation period. When a retiree becomes entitled to Medicare, they can then apply for NDPERS coverage under the Dakota Retiree Plan.
- The RHIC can be used not only for the NDPERS health premiums, but also allows members to use it for health and prescription drug premiums of plans through other insurance carriers and for the NDPERS dental, vision and Long Term Care plans.

If you have any questions, please contact the NDPERS office at 701.328.3900 or 800.803.7377.