Indiana University
Early Retirement Incentive Plan (ERIP-2013)

Health Plan Decision
Information Booklet
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IU-Sponsored Medical Plans after Retirement

General Timeline Regarding Plan Enrollments

- Receive Health Care / COBRA offer packets by mail to home address on file during the month following the separation date.
- Elect IU-sponsored health care as soon as possible to avoid disruption in coverage. The deadline is 60 days from the date of separation or the date of the health care / COBRA offer letter, whichever is later.
- Pay the first premium payment within 45 days of the election of health care / COBRA coverage. This will initiate reinstatement of coverage.
- Elect health care option(s) for the following year during Open Enrollment (in November, effective January 1).
- Elect further IU-sponsored health care coverage (PPO $900 or Blue Retiree Plan) within 60 days after COBRA eligibility ends.

**Special Note**

If an employee and/or their family member decline IU-Sponsored Health plans after separation, they will not be able to enroll in an IU-Sponsored plan at a later time.

Eligibility for IU-sponsored Health Care Plans

- Employees, who are not covered under an IU-sponsored medical plan at the time of separation, are not eligible for IU-sponsored health care coverage as an ERIP-2013 participant.
- Employees and their family members, who are covered under an IU-sponsored medical plan at the time of separation, are eligible to continue IU-sponsored health care coverage.
- ERIP-2013 Participants must be enrolled in IU-sponsored medical coverage in order for family members to be eligible except in the case of a surviving spouse and/or children who may continue coverage after the death of the Participant if the Participant has IU Retiree Status.
- The Participant and family members do not have to be enrolled in the same medical plan, and often are not since coverage is based on age. As long as coverage is continuous, the Participant and family members may move from one IU-sponsored plan to another at the time of certain milestones such as cessation of COBRA eligibility or attaining Medicare eligibility (age 65).
- Participants who decline Indiana University coverage at separation or drop IU-sponsored coverage later are not eligible to enroll at a later time.
- Dependent child eligibility ends at the end of the month in which the child reaches age 26.
- For Participants without IU Retiree Status, eligibility ends at age 65.
Options for Continuing IU-sponsored Health Care Plans

Employees separating under the Early Retirement Incentive Plan 2013 and their family members covered under IU-sponsored medical and dental plans have the following options to continue IU-coverage when leaving university employment.

Medical Plan:
Those with IU Retiree Status: may continue coverage in the medical plans Indiana University offers to Retirees. These include:

- COBRA continuation of current coverage (up to 18 months or age 65 whichever comes first),
- The Retiree PPO $900 Deductible plan for those under age 65, and
- The Blue Retiree Medicare Complement for those ages 65 or older.

Those without IU Retiree Status: may continue in an IU-sponsored medical plan only until age 65. These plans include:

- COBRA continuation of current coverage (up to 18 months or age 65 whichever comes first), or
- The PPO $900 Deductible plan until age 65.

Dental Plan:
Employees and their family members covered under the IU Dental Plan may continue dental coverage through COBRA for 18 months. Dental coverage is not a Retiree benefit option after COBRA ends.

Join a spouse’s IU-Sponsored Plan:
If the ERIP-2013 Participant has a spouse that is employed with Indiana University and is eligible for health plan coverage, s/he may enroll or join their spouse on IU-Sponsored health plans. When the spouse’s eligibility ends, the following options will be available to them.

- One or both have IU Retiree Status: options listed above apply
- Both do not have IU Retiree Status: only COBRA is available

Special Note
If the ERIP-2013 participant enrolls in a spouse's IU-sponsored health plan, they will no longer be eligible to receive future HRA contributions.
Medical / Dental Expenses Incurred After Separation

If medical/dental expenses occur between the separation date and the date when coverage is reinstated (once the first premium payment is received), services or prescriptions may be paid out of pocket, then claims can be filed with the insurance carrier for reimbursement of those expenses according to plan guidelines after paying the first health care premium.

Special Note

When using the HRA debit/Visa card for expenses during this transition period, be sure to NOT use the card for expenses that insurance should/will be covering.

Enrolling in Health Care when Participants and Family Members are in Different Age Groups

After separation from Indiana University, each family member will have the opportunity to elect COBRA coverage individually or as a family. COBRA is eligible to everyone who had coverage at the time of separation.

As long as the ERIP-2013 Participant remains in an IU-Sponsored Medical Plan, their spouse and covered dependents may also remain in an IU-Sponsored Medical Plan. Each covered person may be in the plan that is appropriate for their age group.

For example, if the ERIP-2013 participant is under age 65 and has IU Retiree status, they can elect COBRA or the PPO $900 Deductible plan while their spouse, who is over age 65, can elect to be in the Blue Retiree Plan. When the retiree reaches age 65, they can then join their spouse on the Blue Retiree Plan.
Overview of IU-sponsored Medical Plans

Indiana University does not contribute to medical premiums after employment ends; all coverage is fully paid by the Participant. Participants may use their ERIP-2013 HRA accounts to reimburse themselves for the cost of the then-premiums.

Continuation of medical and/or dental coverage requires timely action. In order to have health care coverage after separation, the Participant must be eligible and take the following three steps:

- Choose health care coverage.
- Enroll as soon as possible to avoid an interruption in coverage.
- Pay the premium to initiate coverage.

The Health Care / COBRA enrollment packets will be mailed out the month following the separation date. Election of IU-sponsored Health Care plans must be submitted within 60 days from the date of separation or the date of the Health Care / COBRA offer letter, whichever is later.

Premiums for IU-sponsored Health Care Plans

When electing IU-sponsored health care coverage, it is not necessary to send any payment with the election form. Once the election form is processed payment slips will be sent. Participants have 45 days to make the first payment. Once the first premium payment is received, coverage will be reactivated retroactively to the separation date.

Premiums are due at the first of every month and there is a 30-day grace period for payment of the regularly scheduled premium. Failure to make a payment before the end of the grace period for that coverage period, results in forfeiture of all rights to continuation coverage under the Plan.

Payment can be made by check or money order. The mailing address is included on each payment slip. Multiple premium payments (within a plan year) in advance are allowed.

Special Note

You CANNOT pay premiums directly from the HRA account. Premiums can only be paid with check or money order from a personal account, then you can be reimbursed from the HRA. Set aside some funds from your final paycheck or from your incentive pay to make your first insurance premium payment.

Reimbursements can only be made on or after the date for which the premium is actually incurred. For example, if insurance payments are made six months in advance, reimbursement can only be released each month for the current month.
COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose eligibility for health benefits the right to temporarily continue their coverage under certain circumstances including retirement.

In other words, individuals covered under an Indiana University employee plan can keep exactly the same coverage they have when employment ends. COBRA participants have Open Enrollment, just like employees, and can add dependents or change plans at that time.

Each employee and covered family member can elect to continue coverage, as a family or individually. This COBRA coverage eligibility ends after 18 months, or upon turning age 65.

Plans Eligible for COBRA coverage:

1. Medical Plan: High Deductible Health Plan with HSA
2. Medical Plan: PPO $900 Deductible plan
3. Medical Plan: PPO $500 Deductible plan
4. Medical Plan: IU Health Quality Partners
5. Dental Plan: CIGNA Dental PPO

When COBRA coverage eligibility ends:

Those with IU Retiree Status: may then transition to one of the medical plans that IU offers. No additional Dental coverage is available.

- The Retiree PPO $900 Deductible plan for those under age 65, and
- The Blue Retiree Medicare Supplement plan for those ages 65 or older.

Those without IU Retiree Status: may transition to the Retiree PPO $900 Deductible Plan until they reach age 65. No additional Dental coverage is available. After age 65, no IU-sponsored medical plans are available.

Enrolling in COBRA

In general, participants receive a COBRA offer two to three weeks after their separation date. Although COBRA promises continuous health plan coverage, it is not uninterrupted. It is important to enroll in COBRA and pay the first premium as soon as possible after the offer is received even though employees have 60 days in which to elect COBRA coverage from the date of the COBRA eligibility letter plus an additional 45 days to pay the first premium. A payment booklet will be sent to those who elect COBRA coverage. Once the first COBRA premium is paid, healthcare coverage is reinstated retroactively to the separation date.

COBRA has an open enrollment period each year that corresponds with the Active Employee’s open enrollment. During Open Enrollment Participants may choose to remain in the same plan or to transition to any of the other IU-sponsored medical plans for the remainder of the COBRA period. Participants may also elect to move to the Retiree PPO $900 Deductible Plan (under age 65) during Open Enrollment.
## 2014 COBRA Rates

### IU PPO $500 Deductible

<table>
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<tr>
<th>Monthly Premiums</th>
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<tr>
<td>One participant</td>
<td>$688.26</td>
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<td>One participant and child(ren)</td>
<td>$1,363.33</td>
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<td>Participant and spouse</td>
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<td>Participant and family</td>
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### IU PPO $900 Deductible

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<td>One participant and child(ren)</td>
<td>$1,186.62</td>
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<tr>
<td>Participant and spouse</td>
<td>$1,450.63</td>
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<tr>
<td>Participant and family</td>
<td>$1,647.41</td>
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### IU HDHP PPO*

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<td>$302.40</td>
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<td>One participant and child(ren)</td>
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<td>Participant and spouse</td>
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<td>Participant and family</td>
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### IU Health Quality Partners Exclusive Provider

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<th>Monthly Premiums</th>
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<tbody>
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<td>$599.48</td>
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<tr>
<td>One participant and child(ren)</td>
<td>$1,195.79</td>
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<td>Participant and spouse</td>
<td>$1,461.84</td>
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<tr>
<td>Participant and family</td>
<td>$1,660.16</td>
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Special HDHP/HSA Considerations

Those that are currently in the High Deductible Health Plan and Health Savings Account (HDHP & HSA) prior to separation may need to address some special considerations.

Consideration #1: Pro-Rated Annual Contribution Amount

If you are not considered an “eligible individual” (i.e. covered by an HDHP and also not enrolled in Medicare) on December 1st of the tax year then the IRS prorates the maximum contribution you can make to your HSA based on the number of months you were actually considered an “eligible individual”.

So for those retirees that will be moving directly to the Retiree $900 Deductible plan or will be moving to Medicare coverage at retirement (effective June 1, 2014) or then you will only be considered an “eligible individual” for 5 months of the year. The IRS will then limit the contribution amount that you are allowed to make on a tax-free basis to your HSA account equal to 5/12ths of the IRS annual maximum. For example:

- Employee Only coverage (over age 55) = $3,300 IRS annual maximum + $1,000 Catchup contribution = $4,300/year
- Pro-rated maximum would then be 5/12ths of $4,300 = $1,791.67.

Any amount in excess of that pro-rated amount would then be considered “Excess Contributions” and would be subject to income taxes and an additional tax penalty if not removed from your HSA account before you file your 2014 income taxes. Refer to Instructions for IRS Form 8889 for further instruction. Contact Chase member services at 866-566-7101 for excess contribution form and additional information.

Consideration #2: Continuing Contributions to an HSA

If you will be continuing your HDHP coverage via COBRA for the remainder of 2014 (or through the end of the COBRA 18 month period), then you are eligible to continue to make contributions to your HSA. Any contributions made to your account with after-tax dollars would lower your taxable income when you file your annual income taxes. After separation from IU, no further contributions will be made to your HSA by IU and your HSA account will automatically transition into an individual account. You would then be responsible for the monthly account maintenance fees (currently $2.50/per account per month).

However, if you choose to continue contributions to your HSA after retirement, while you have the Health Reimbursement Account (the ERIP-2013 Incentive), the IRS imposes restrictions on the use of the HRA account. The HRA account would need to be set up with Nyhart as a “Limited Benefit” account. Which means that the account could only be used for Medical Premiums (COBRA premiums, PPO $900 Deductible Retiree premiums, Medicare premiums, IU Blue Retiree plan premiums); Dental Premiums and Expenses; Vision Premiums and Expenses and POST-deductible medical and prescription expenses.

You could NOT use the HRA account for medical services or prescriptions until the HDHP deductible had been met for the year. Instead you would need to use your HSA funds for those expenses until the deductible is met.

Contact Nyhart with further questions at 800-284-8412 or flexplans@nyhart.com.

Special Note

The Health Savings Account (HSA) is a different and separate account from the Health Reimbursement Account (HRA) that is part of the ERIP-2013 incentive plan. The HSA is with Chase. The HRA is with Nyhart.
Retiree PPO $900 Deductible (under age 65)

The Retiree PPO $900 Deductible plan is available to all ERIP-2013 Participants under the age of 65, regardless of area of residence. When network providers are used, participants receive full benefits. Partial benefits are received from non-network providers, except in the case of an emergency. Network providers include Anthem Blue Access PPO providers in Indiana, Ohio, and Kentucky and BCBS Blue Card providers in other states.

All ERIP-2013 Participants may elect to move into this plan at the time of separation, during open enrollment, or at the end of the COBRA coverage period.

See additional information about the plan provisions and coverages for the Retiree PPO $900 Deductible plan for retirees at http://www.hr.iu.edu/benefits/retiree900.html.

Enrolling in Retire PPO $900 Deductible (under age 65)

As part of the COBRA offer, if eligible, Participants will be given the opportunity to enroll directly into this plan instead of COBRA as of their separation date. This plan must be elected within 60 days of the COBRA offer.

Participants may also elect to transition to this plan during Open Enrollment or after the COBRA coverage period has ended.

2014 Retiree PPO $900 Deductible Rates

<table>
<thead>
<tr>
<th>PPO $900 Deductible for Retirees</th>
<th>Monthly Retiree Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One participant</strong></td>
<td>$ 594.88</td>
</tr>
<tr>
<td><strong>One participant and child(ren)</strong></td>
<td>$1,186.62</td>
</tr>
<tr>
<td><strong>Retiree and spouse</strong></td>
<td>$1,450.63</td>
</tr>
<tr>
<td><strong>Retiree and Family</strong></td>
<td>$1,647.41</td>
</tr>
</tbody>
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Blue Retiree (age 65 or older) Plan

The Blue Retiree plan is available to ERIP-2013 Participants (with IU Retiree Status) and their spouses that are age 65 or older. The Blue Retiree plan is a Medicare supplement plan that coordinates with Medicare by paying medical costs that Medicare does not, notably copays and deductibles.

Basic Medical Benefits are based on paying what Medicare doesn't pay:

- Medicare A deductible
- Medicare B deductible and co-insurance
- Major medical benefits are subject to deductible and co-pays. This includes covered services that Medicare does not pay in full, for example:
  - skilled nursing facility charges beyond 100 days,
  - charges over the Medicare allowed amount (up to UCR allowances) for covered services rendered by unassigned providers,
  - hospital inpatient after day 150, and
  - skilled nursing services provided outside a hospital.

This plan has no prescription benefits. Participants must enroll in Medicare Part D to have prescription coverage. There is a wellness benefit to the plan that includes limited coverage for dental, vision, and preventive services not covered by Medicare.

Split Coverage: A Retiree and spouse may split coverage between plans in cases where one enrollee is eligible for the Anthem Blue Retiree Plan and the other is not eligible due to age (under 65). The spouse may follow the Retiree into the Blue Retiree Plan at age 65.

See additional information about the plan provisions and medical coverage for the Blue Retiree plan at [http://www.hr.iu.edu/benefits/retireeblue.html](http://www.hr.iu.edu/benefits/retireeblue.html).

Enrolling in the Blue Retiree Plan

Those age 65 or older at the time of separation with IU Retiree Status, will receive an offer to elect the Blue Retiree Plan. Enrollment must take place within 60 days of this offer.

2014 Blue Retiree Rates

<table>
<thead>
<tr>
<th>Anthem Blue Retiree Plan</th>
<th>Monthly Retiree Premiums</th>
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</thead>
<tbody>
<tr>
<td>One Participant</td>
<td>$186.61</td>
</tr>
<tr>
<td>(Retiree or surviving spouse)</td>
<td></td>
</tr>
<tr>
<td>Retiree and Spouse</td>
<td>$373.16</td>
</tr>
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Coverage while Out-of-State or Overseas

With the BlueCard program, Anthem members can access care outside their Plan area with no additional paperwork or out-of-pocket expenses.

There are no claim forms for members to file.

Members are charged only normal out-of-pocket expenses (copay, coinsurance, non-covered services or deductible).

Members can access benefits when living or traveling outside Anthem states by following these easy procedures:

**Find a provider:** Use the BlueCard Doctor & Hospital Finder at [www.bcbs.com](http://www.bcbs.com), or call the BlueCard access number on the member ID card (800)810-BLUE.

**Call Anthem Member Services to verify coverage:** call the number on the back of the ID card to obtain precertification for certain services.

**Visit a provider and present a Blue Cross and Blue Shield ID card:** The Anthem ID card contains a three-letter alpha prefix specifically for each account's members (Indiana University's prefix is YRP). The provider verifies benefits and eligibility with a call to the national Blue Cross and Blue Shield Association's BlueCard office.

**The provider electronically files the claim** with Anthem through the local Blue Cross and Blue Shield Plan.

**Anthem processes the claim.** The provider is reimbursed and the member recieves an Anthem EOB.
Medicare Options

Medicare

Medicare is health insurance for the following:

- Individuals age 65 or older
- Individuals under age 65 with certain disabilities
- Individuals of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

The different parts of Medicare help cover specific services:

- Part A (Hospital Insurance) – helps cover inpatient care in hospitals; helps cover skilled nursing facility, hospice, and home health care. Usually no monthly premium.
- Part B (Medical Insurance) – helps cover doctors’ services, hospital outpatient care, and home health care; helps cover some preventative services to help maintain health and to keep certain illnesses from getting worse. Part B is optional and is purchased from the Federal Government for a monthly premium.
- Part C (Medicare Advantage Plan) – is offered by private health care companies. Medicare Part C plans cover all services under Medicare Parts A and B, plus additional benefits such as hearing, vision and dental. These plans include prescription drug coverage (Medicare Part D) as well. Part C is optional and requires a monthly premium.
- Part D (Prescription Drug Coverage) – A prescription drug option run by Medicare-approved private insurance companies; helps cover the cost of prescription drugs; may help lower prescription drug costs and help protect against higher costs in the future.

Enrolling in Medicare

Initial Enrollment Period: You can sign up for Part A and/or Part B during the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65.

If you sign up for Part A and/or Part B during the first 3 months of your Initial Enrollment Period, in most cases, your coverage starts the first day of your birthday month. However, if your birthday is on the first day of the month, your coverage will start the first day of the prior month.

Special Enrollment Period: If you didn’t sign up for Part A and/or Part B when you were first eligible because you’re covered under a group health plan based on current employment (your own, a spouse’s, or a family member’s if you’re disabled), you can sign up for Part A and/or Part B:

- Anytime you’re still covered by the group health plan
- During the 8-month period that begins the month after the employment ends or the coverage ends, whichever happens first.

For questions about eligibility for Medicare Part A or Part B, or to apply for Medicare, call Social Security at 1-800-772-1213 or visit or call the local Social Security office. Also visit www.medicare.gov for more information or go to www.socialsecurity.gov and click on the ‘Medicare’ tab.
Premiums for Medicare

Medicare premium payments will come out of Social Security checks automatically after enrolling in Medicare. Enrollees are responsible for paying the premiums. To use the Health Reimbursement Account (HRA) to receive reimbursement for Medicare premiums, submit a monthly claim form and an annual substantiation of the Medicare premium costs.

To request a proof of income letter that verifies Social Security benefit information (including Medicare coverage information and SSI) to be used for substantiation of premium claims, go to www.socialsecurity.gov. Click on the “Benefits” tab at the top of the web page. Under “Learn,” click on “Retirement.” Scroll down and click on the “Online Services” link. Create your Social Security account and retrieve your “Benefit Verification Letter”.

Medicare Supplement Plans (non-IU)

Retirees are encouraged to thoroughly consider all their medical plan options. Options outside of Indiana University can include plans through AARP, RIPEA, private insurance companies and more. A good resource for finding supplemental plans available is www.medicare.gov.

Special Note

The IRS does NOT allow the use of HRA funds for the reimbursement of non-IU Medicare Supplement (“Medigap”) plans.
Health Care Resources

ERIP-2013 website:

http://www.hr.iu.edu/early_retire2013/index.html
This website will be active for all 5 years of your ERIP HRA plan incentive. Updates will be posted here and you can refer to this site at any time to review plan information.

Indiana University Human Resources
ATTN: ERIP-2013
400 East 7th Street, Poplars E165
Bloomington, IN 47405
General email: erip2013@iu.edu
General website: http://hr.iu.edu/benefits

COBRA Specialist:
Linda Ross
liross@iu.edu
(812) 855-7833

Retiree Benefit Specialist:
Karen Hill
kashill@iu.edu
(812) 856-4459

Social Security
www.socialsecurity.gov

Medicare
www.medicare.gov
Phone Number: 1-800-MEDICARE

State Health Insurance Assistance Program (SHIP)
www.medicare.in.gov
Phone Number: 1-800-452-4800