



Insurance Information

For Public School Retirees

Your Insurance Benefits

The retirement system makes available health, dental, and vision coverage to all pension recipients and their eligible dependents. Blue Cross Blue Shield of Michigan (BCBSM) is the primary administrator for health coverage (Group #59000); Delta Dental administers dental coverage (DD Group #3250); and EyeMed administers vision coverage (Group #9727637).

As an alternative health care option, there are Health Maintenance Organizations (HMOs) available in select areas throughout the state of Michigan. Refer to the *HMO Pilot Program Option* sheet (R0379C) in your packet for further details on this option. To enroll in any of the available HMOs, you must contact the appropriate HMO directly for an application. Complete it and return to the Office of Retirement Services (ORS) with your retirement application.

You can download vendor brochures from our website, www.michigan.gov/ORSschools, by clicking on Your Insurance Benefits under the Ready to Retire section. For further benefit information offered by vendors, refer to the *HMO Pilot Program Option* (R0379C) form.

Effective Date of Coverage at the Time of Retirement

Insurance coverage always begins on the first day of a calendar month. You can elect to have your coverage begin on your retirement effective date if you submit your complete retirement application before your retirement effective date, or you can have your coverage begin up to 90 days later. If you're a new retiree requesting a retroactive retirement effective date, your coverage can begin no earlier than the first day of the month after the required applications and proofs are received.

You should check with your school employer to determine when your present insurance(s) will terminate to be certain of continued coverage and prevent duplication of coverage. **Determining the correct effective date is very important and is your responsibility. Premium refunds cannot be made.**

Insurance Premium Subsidy Eligibility. The date you become eligible for the insurance premium subsidy will be your retirement effective date unless you purchase service credit July 1, 2008, or later. If the purchase results in you qualifying for your pension earlier, your premium subsidy will not begin until the month you would have qualified without the purchase.

If a delayed subsidy applies, you can still enroll in the health, dental, and vision insurances; you will have to pay the full premium until the premium subsidy begins. The subsidy will begin when the number of years equal to your purchased time used to qualify for your retirement has passed, or at age 60, whichever occurs first.

Note: If you began working for a Michigan public school system on or after July 1, 2008, refer to the insurance section of the ORS website for more information.

Health, Dental & Vision Insurance Identification Cards

In most cases you should receive your insurance identification (ID) card(s) and materials within two weeks of your insurance effective date.

If you incur expenses for services prior to receiving your ID card, obtain itemized statements from the provider to submit to the insurance carrier after your ID card arrives.

Enrolling In or Changing Your Insurances After Retirement

Enrolling for the first time. If you are enrolling in the retirement system's insurance *after* retirement, your coverage will begin on the first day of the sixth month after ORS receives all required forms and proofs. For



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(800) 381-5111

example, if we receive your *Insurance Enrollment/Change Request* form and/or HMO enrollment form with the necessary proofs of eligibility on February 10, your coverage would begin August 1.

We can waive the waiting period if you or a dependent has an involuntary loss of other group coverage or a change in your family status. If we receive your *Insurance Enrollment/Change Request* form or HMO enrollment form, along with proof of your loss of coverage, within 30 days of the event, there will be no gap in your coverage.

Changing plans. If you are currently enrolled in an HMO, you must remain in the HMO for at least six months, unless the coverage is no longer available because of a move. To change from an HMO to BCBSM, complete this form and return it to ORS along with all required proofs.

To switch from one HMO to another HMO or change from BCBSM to an HMO, request an application from the HMO and return it to ORS along with the *Insurance Enrollment/Change Request* form and all necessary proofs. DO NOT return your application to the HMO.

Coverage in the new plan will begin the first day of the second month after ORS receives your materials.

Survivor Coverage

Your beneficiary may continue medical, dental and vision coverage after your death only if you choose a survivor option (100% Survivor, 100% Equated, 75% Survivor, 75% Equated, 50% Survivor or 50% Equated) that provides a survivor pension. Please refer to *Retirement Readiness, The Survivor Options* section for more detailed information.

If you elect either Straight Life or Straight Life Equated, which do not provide a monthly pension to a beneficiary, your enrolled dependents will **not** be able to continue subsidized group coverage after your death. However, your enrolled dependents may be eligible for continuation of unsubsidized insurance coverage for a maximum period of 36 months. Refer to *Retirement Readiness, The Straight Life Calculation and The Equated Plan* section.

Eligible Dependents

Eligible dependents for health, dental, and vision insurance plans include the following:

- Your spouse. If he or she is an eligible public school retiree, you will be covered under one contract.
- Your unmarried child by birth, legal adoption, or legal guardianship through December 31 of the year in which he or she turns age 19.
- Your unmarried child by birth, legal adoption, or legal guardianship from age 19 through December 31 of the year in which he or she reaches age 25 if a full-time student and dependent on you for support.
- Your unmarried child by birth, legal adoption, or legal guardianship age 19 or older who is physically or mentally disabled, dependent on you for support, and incapable of self-sustaining employment.
- Your parent or parent-in-law residing in your household.

Coverage for your eligible dependents will be the same as yours.

Proofs

You must provide proof of eligibility for your enrolled dependents. *To prove age*, provide a copy of the birth certificate. *To prove dependency*, provide your most recent 1040 tax form listing the dependent. *To prove legal guardianship*, provide legal guardianship papers issued by a court. *To prove school attendance*, provide a current student transcript or tuition receipt showing he or she meets the school's standards for full-time attendance. *To prove disability*, provide a statement from the attending physician that the child is disabled and incapable of self-sustaining employment. The signed certification must be on the physician's letterhead and dated within the last six months.

Insurance Information

For Public School Retirees (Continued)

You are responsible for immediately notifying ORS of any change in your status or that of your dependents. If ORS pays claims for an ineligible person, we will adjust your pension accordingly.

Coordination of Benefits

The health, dental, and vision plans contain a coordination of benefits (COB) provision, which says you can't be reimbursed for more than the allowed cost of your care or service. If you or your dependents are covered under another group plan, the plans coordinate their reimbursement so that their combined payments don't exceed the allowed costs. Be sure to keep ORS informed if anyone on your insurance is covered under another insurance plan.

If you and your spouse are Michigan public school retirees, you will be covered together under one contract. This allows you to take advantage of family coverage and ensures your health care premiums are the lowest available.

Medicare

At age 65 or sooner, if eligible, you must enroll in Medicare health insurance (both hospital – Part A, and medical – Part B) through the Social Security Administration. The health coverage provided through your retirement plan adjusts automatically to coordinate with Medicare coverage at age 65. From that point on, ORS no longer covers expenses Medicare normally covers.

Persons under age 65 receiving a social security disability pension become eligible for Medicare after receiving 24 months of disability benefits. If you become eligible before age 65, send ORS a copy of the Medicare card. Your health care coverage through ORS will coordinate with Medicare – both hospital (Part A), and medical (Part B), or accommodate a Medicare Advantage Plan.

In order to be eligible for prescription drug coverage through the Michigan Public School Employees Retirement System's health plan we must be able to enroll you in Medicare Part D. Be sure your insurance carrier (Blue Cross/Blue Shield or your HMO) knows your Medicare number. The carrier will automatically enroll you in Medicare Part D.

Deferred Applicants ONLY

You are a deferred member if you:

1. Terminated public school employment with at least ten years of credited service,
2. Left personal retirement contributions on deposit, and
3. **Did not meet the minimum age requirement for a regular retirement at the time of termination.** With timely application, you can begin receiving retirement benefits upon fulfillment of the age requirement.

If you are a deferred member, you may be eligible for a premium subsidy. The amount depends on when you terminated your public school employment and how many years of credited service you have.

If you terminated public school employment **on or before October 31, 1980**, and are eligible to receive a deferred pension, you are eligible for the full premium subsidy.

If you terminated public school employment **after October 31, 1980, with at least 21 years of service**, your subsidy will be 10 percent for each year of credited service you have over 20 years. With 21 years of service, you get 10 percent of the full subsidy. With 25 years the subsidy increases to 50 percent. A retiree with 30 years of service is entitled to the full subsidy.

If you terminated **after October 31, 1980, with less than 21 years of service**, you can enroll for the health, dental, and vision insurance but you must pay the full premium.

NOTE: If your pension is effective the month immediately following your termination of regular employment, you ARE NOT a deferred member and will be entitled to the full subsidy.

Disability Applicants ONLY

Applicants for a disability pension are not ensured of pension or insurance coverage until the application has been presented to and approved by the Retirement System Board. Upon the Board's approval of your retirement application, your health and/or dental/vision coverage can begin the first day of the following month only if you have an *Application for Disability Retirement (R83X)* form on file with ORS. Continue your present insurance to ensure continued coverage during the approval process. Indicate in the Insurance Options section of your application that you would like coverage through the Retirement System to begin the first day of the month following the Retirement System's Board approval of your retirement application.

Hearing Aid Claims for Individuals Not Enrolled in the Health Plan

The Retirement System processes hearing aid claims for pension recipients (excluding deferred retirees) and eligible dependents **not** enrolled in the health care plan. *Coverage is for one claim every 36 months, regardless of whether one or two hearing aids were purchased.* Reimbursement will be **90% of the lesser** of the provider charges or the approved amount as determined by Blue Cross/Blue Shield, except for deferred retirees (see page 3).

NOTE: Exams and tests are not covered.

Use the following procedure to process your hearing aid claim:

Purchase the hearing aid(s) from a provider who accepts Blue Cross/Blue Shield level of payment to ensure that your out-of-pocket cost will not exceed the 10% co-pay.*

*If you purchase a hearing aid(s) from a non-approved provider, the Retirement System pays 90% of the usual, customary, reasonable cost. You will be responsible for any additional cost.

Call Blue Cross/Blue Shield at (800) 422-9146 for information on approved providers in Michigan and other states.

Ask your provider to submit the claim on a Blue Cross/Blue Shield Hearing Aid Claim form containing the following information:

- a. Name and address of the provider
- b. Dealer federal tax identification number
- c. Total charge
- d. Dealer acquisition cost
- e. Description of hearing aid(s)
- f. Date of service (dispensing date)
- g. Name of person for whom the hearing aid(s) was prescribed
- h. His/her date of birth
- i. Relationship of the person to the pension recipient
- j. Social security number of the pension recipient

Mail your claim/bill to:

**Office of Retirement Services (ORS)
ATTN: Hearing Aid Department
PO Box 30171
Lansing MI 48909-7671**

If you are enrolled in the health plan, BCBSM or your Health Maintenance Organization will process your hearing aid claims. Please contact them directly.