



Frequently Asked Questions Local Government Health Insurance Plan Retiree Coverage

The following frequently asked questions about retiree coverage are not meant to be exhaustive. Refer to your health benefits handbook or contact the Local Government Health Insurance Board (LGHIB) for more information.

Q: When I retire, may I continue my coverage under the LGHIP?

A: The answer depends on whether your local government unit has opted to offer retiree coverage to its eligible retirees. At the time of the initial enrollment in the LGHIP, an enrolling unit chooses whether or not it will offer retiree coverage to its retiring employees and, if it chooses to offer coverage, whether this coverage will be extended to those retirees on Medicare. This decision rests solely with the enrolling unit, not the LGHIB.

Prior to retiring, employees should check with their employer to determine if LGHIP coverage is available for retirees. Your employer will have made one of the following elections regarding retiree coverage:

- No coverage for retirees;
- Coverage only for eligible retirees prior to Medicare entitlement; or
- Coverage for eligible retirees before and after Medicare entitlement.

Q: Can a unit change its election regarding retiree coverage?

A: Yes. The enrolling unit's decision regarding retiree coverage will remain in effect unless it opts to change it during any subsequent open enrollment period. If a unit changes its election, the change will go into effect the following January 1st. For units electing to add retiree coverage, it will only apply to employees retiring from that point forward. If a unit elects to drop retiree coverage, coverage for all current retirees will be canceled and will not be offered to any future retirees.

Q: If my local government unit does not offer retiree coverage, am I eligible for COBRA continuation coverage?

A: Yes. An active employee who retires from a local government unit that does not offer retiree coverage will be offered COBRA continuation coverage upon written notification by the local government unit to the LGHIB.

Q: If my local government unit offers retiree coverage, may I elect COBRA continuation coverage instead?

A: Yes. An active employee who retires from a local government unit that offers retiree coverage has the option of electing retiree coverage or COBRA. However, if COBRA coverage is elected, the retiree will forfeit his or her right to elect retiree coverage in the LGHIP at a later date.

Q: If my local government unit offers retiree coverage, what are the eligibility requirements?

A: The following rules apply to retiring employees:

Employees may elect to continue their LGHIP coverage as a retiree if, at the time of retirement, the employee has at least 10 years of coverage in the LGHIP (coverage not required to be continuous) and:

- a) the employee has a combination of 25 years, or more, of service with a participating local government unit, or other service as approved by the LGHIB, regardless of age, or
- b) the employee is 60 years old, or older, or is determined to be disabled by the Social Security Administration.

Any retired employee who does not meet the above requirements will be considered a termination.

Note: If you are retiring from a participating unit that has been a member unit less than 10 years, the employee must have been enrolled in the LGHIP continuously from the date the unit joined the LGHIP.

Note: you must provide at least 30 days' notice to the LGHIB of your retirement date in order for the LGHIB to send a Medicare retiree the required 21-day Medicare Advantage Opt-Out form. If 30 days' notice is not provided, a Medicare retiree may have a gap in coverage until the Medicare Advantage Opt-Out form can be sent and the 21 days has expired.

Note: A former employee allowed to continue LGHIP coverage as a retiree due to disability will have 24 months from the date of the disability determination to provide the LGHIB with proof of Medicare Parts A and B coverage. Failure to provide proof of Medicare coverage after 24 months will result in termination of coverage.

Q: If my local government unit offers retiree coverage and I meet the retiree eligibility requirements, but opt not to take retiree coverage at retirement, may I enroll at a later date?

A: No. Eligible retirees must enroll on the date they first become eligible for retiree health benefits. If coverage is declined, enrollment will not be allowed after the retirement date. Retirees who do not elect coverage will not be allowed to enroll at a later date. Also, retirees who elect coverage and are cancelled for any reason will not be allowed to enroll at a later date.

Q: In the event of my death, will my spouse be able to continue coverage under the LGHIP?

A: Yes, the surviving spouse will be eligible for up to 36 months of COBRA continuation coverage.

Q: If my local government unit offers retiree coverage and I do not meet the retiree eligibility requirements, am I eligible for COBRA continuation coverage?

A: Yes. Any retired employee who does not meet the LGHIP's retiree eligibility requirements will be considered a termination and will be offered COBRA continuation coverage.

Q: If my local government unit offers coverage for elected officials and retirees, are elected officials eligible for retiree coverage?

A: Yes, provided they meet the LGHIP's eligibility requirements.

Q: If my local government unit offers retiree coverage for retirees entitled to Medicare and I enroll for retiree coverage prior to my Medicare entitlement, will my coverage change once I become entitled to Medicare?

A: Yes. The LGHIP remains primary for retirees until the retiree is entitled to Medicare. Upon Medicare entitlement, you will be enrolled in the LGHIP Medicare Advantage plan, which is a Medicare Advantage Health and Part D plan. To be enrolled in the LGHIP Medicare Advantage plan, you must enroll in both Medicare Parts A and B.

Q: If my local government unit offers retiree coverage for retirees entitled to Medicare and I enroll for retiree coverage prior to my Medicare entitlement, do I need to notify the LGHIB if I become entitled to Medicare before age 65?

A: Yes. If you or your dependent(s) become entitled to Medicare because of a disability before age 65, you must notify the LGHIB in order to be eligible for the reduced premiums and to ensure that claims are paid properly. A copy of your Medicare card (and/or your dependent's Medicare card) must be submitted to the LGHIB.

Q: If my local government unit offers retiree coverage for retirees entitled to Medicare and I am entitled to Medicare, what type of prescription drug benefits will I have if I elect retiree coverage?

A: Medicare retirees and dependents of Medicare retirees are automatically enrolled in the LGHIP Medicare Advantage plan, a Medicare Advantage Health and Part D plan. To be enrolled in the LGHIP Medicare Advantage plan, you must enroll in both Medicare Parts A and B.