

PSERS Health Options Program



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PSERS HEALTH OPTIONS PROGRAM

The Public School Employees' Retirement System (PSERS) sponsors the Health Options Program (HOP) for PSERS retirees, their spouse or surviving spouse, and dependents. This program is also available to survivor annuitants, their spouse or surviving spouse, and dependents. Those individuals participating in HOP pay the premium cost for coverage. PSERS does provide a Premium Assistance benefit to eligible retirees (please see the back of this page for additional information regarding the Premium Assistance Program).

TYPES OF COVERAGE AVAILABLE THROUGH HOP

The Health Options Program provides coverage for individuals eligible for Medicare through the 65-Special Program. For individuals not eligible for Medicare, coverage is provided through the Traditional Program. Both the 65-Special and Traditional Programs offer optional coverage that best suits your health care needs and financial resources. High and Standard Options provide fee-for-service hospital, medical/surgical, and Major Medical coverage and are available regardless of where you live. Health Maintenance Organization (HMO), Point-of-Service (POS), and Preferred Provider Organization (PPO) Options provide managed care coverage and are available if you live in various service areas throughout Pennsylvania and other states.

Comprehensive descriptive material is available upon request to explain the details of each Option and monthly premium cost. You can obtain this information by calling 1-800-773-7725.

ENROLLING IN THE HEALTH OPTIONS PROGRAM

If a PSERS retiree (including a survivor annuitant), their spouse or surviving spouse, and dependents need health care coverage, they may enroll in the Health Options Program within 90 days of one of the following qualifying events:

- ◆ You retire or lose health care coverage under your school employer's health plan. (Coverage under your school employer's health plan includes any COBRA continuation of coverage you may elect under that school employer plan.)
- ◆ You involuntarily lose health coverage under a non-school employer's health plan. (Coverage under a non-school employer's health plan includes any COBRA continuation of coverage you may elect under that non-school employer's health plan.)
- ◆ You or your spouse reach age 65 or become eligible for Medicare.
- ◆ You experience a change in family status (including divorce, your death or death of a spouse, addition of a dependent through birth, adoption, or marriage, or loss of a dependent through loss of eligibility).
- ◆ You become eligible for Premium Assistance due to a change in legislation.
- ◆ A plan approved for Premium Assistance terminates, or you move out of a plan's service area.

Individuals will be able to enroll in HOP only at the time of a qualifying event. During annual option selection periods (conducted in the fall), individuals participating in HOP will be able to change their coverage option for the following calendar year, regardless of their health.

PAYMENT OF PREMIUMS

When a PSERS retiree or survivor annuitant enrolls in the Health Options Program, PSERS deducts the premiums for coverage from the monthly retirement benefit. If the monthly retirement benefit does not cover the premium cost, premiums must be paid directly to the PSERS HOP Administration Unit. The premium rates for each HOP option are set each calendar year. The premium rates are provided to all current HOP members during the option selection period, and both a summary of benefits and complete enrollment information are available throughout the year upon request.



PREMIUM ASSISTANCE PROGRAM

Premium Assistance of up to \$100 per month is available to eligible PSERS retirees. This benefit helps retirees pay for their basic health insurance. The eligibility requirements for premium assistance are:

1. One of the following service/disability requirements:
 - A. At least 24-1/2 years of service
 - B. At least 15 years of service with termination of public school employment and retirement on or after age 62
 - C. Receiving a disability benefit from PSERS
- AND**
2. Out-of-pocket premium expense for basic health insurance coverage from one of the following:
 - A. PSERS Health Options Program
 - B. A Commonwealth school employer's (PSERS reporting unit) group health insurance plan providing hospital, medical and major medical coverage

Premium Assistance is not payable for separate dental, vision, or prescription drug plans. It is not payable for out-of-pocket premium expenses for the retiree's spouse or other dependents.

Premium Assistance is a reimbursement of out-of-pocket expenses. Your 1099-R from PSERS will not show Premium Assistance as taxable income.

If you enroll in the PSERS Health Options Program and are eligible for Premium Assistance, you will receive this payment added to your monthly retirement benefit. Individuals who pay premiums directly to the PSERS HOP Administration Unit will also receive their Premium Assistance in their monthly benefit. Premium Assistance also covers premiums paid to continue your coverage under the school's group plan if you meet the eligibility criteria. If you pay part of the premium cost, you may receive Premium Assistance added to your monthly benefit.

The application for Premium Assistance is automatically sent by PSERS to new retirees who meet the eligibility requirements. If you have questions about Premium Assistance or need an application, please call 1-888-773-7748, ext. 4001.

*** * * IMPORTANT INFORMATION * * ***

VERIFICATION OF PREMIUM ASSISTANCE PAYMENTS FOR SCHOOL PLANS

The Internal Revenue Service requires the Public School Employees' Retirement System (PSERS) to conduct an annual verification process for the Premium Assistance Program. Premium Assistance is a non-taxable reimbursement of out-of-pocket premium expenses from an approved health insurance plan. PSERS must verify that this reimbursement is for actual out-of-pocket premium expenses paid to an approved plan. Accordingly, PSERS must contact the school district/reporting unit who handles your health insurance plan to verify your contribution towards your basic health insurance coverage. If through the verification process, it is determined that Premium Assistance has been paid to you incorrectly, you will be required to repay any amount which you were not entitled to receive.

PLEASE NOTE:

Without an out-of-pocket expense from an approved plan you cannot get Premium Assistance. If you receive reimbursement for your premium expenses from another source, Premium Assistance is not payable. If the amount of your out-of-pocket expense changes or you terminate your coverage with your school plan, you must contact PSERS immediately.

