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Department of Administrative Services

RISK MANAGEMENT UNIT

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Frequently Asked Questions Regarding Medical and Prescription Drug Coverage for Retired State Employees

Please note: State retiree health benefits are governed by RSA 21-I:30 and RSA 21-I:30-a, and administered by the Risk Management Unit. These laws are subject to change. In the event of any conflict between this publication and the laws, rules, and regulations which govern the administration of the retiree health benefit program the applicable laws, rules, and regulations shall prevail. This document is intended to provide general information only and is based on the laws, rules, and regulations in effect as of July 1, 2012.

Q1: How will I know if I am eligible for retiree medical and prescription drug coverage and when will I receive notification?

You will complete the Retirement Medical Coverage Pre-Application form when you file for retirement with New Hampshire Retirement System (NHRS). NHRS will document your years of State of New Hampshire creditable service and send the Retirement Medical Coverage Pre-Application form to the Risk Management Unit, where a determination will be made that you are one of the following: immediately eligible, eligible upon attainment of a particular age, or ineligible.

- If you are immediately eligible for medical and prescription drug coverage, an enrollment packet will be mailed to your home address by the Risk Management Unit (RMU).
- If you are eligible upon attainment of a particular age, you should contact RMU at least three months before attainment of the age applicable to your eligibility in order to complete the paperwork necessary to enroll for retiree health benefits. Retirees who have opted to receive an Early Service Retirement through NHRS are not eligible to enroll for retiree health benefits until attainment of the minimum age requirements noted below:
 - Group I
 - Age 60 if state service commenced **prior to** 7/1/2011
 - Age 65 if state service commenced **on or after** 7/1/2011
 - Group II
 - Age 52.5 if state service commenced **on or after** 7/1/2011
- If you do not meet the eligibility criteria, a copy of the completed Retirement Medical Coverage Pre-Application form will be mailed to your home with an explanation as to why you are not eligible.

Q2: How do I transition from the active employee medical and prescription drug plan to the retiree medical and prescription drug plan?

If you are **immediately** eligible, you will be enrolled in the retiree plan once all of the necessary paperwork is completed. To prevent a gap in coverage, you will stay on your agency's medical and prescription drug plan for active employees for the first month of your retirement. If you are not immediately eligible, your coverage will end at the end of the month in which you left state employment and you will have the option to continue your coverage under COBRA. The required paperwork to enroll in COBRA will be sent directly to your home after you leave state employment.

Q3: What is the coverage offered under the retiree medical and prescription drug plan?

Anthem Blue Cross and Blue Shield currently administers the State's retiree medical plans. The plan administrator is subject to change each time the State conducts a competitive bidding process for administrator services. The plan design is subject to change upon approval of the Fiscal Committee of the General Court. The current benefit options are as follows:

Retirees NOT eligible for Medicare (Most retirees under age 65 are NOT Medicare eligible): The Anthem Blue Cross and Blue Shield retiree medical plans provide coverage for retirees who are not Medicare eligible who reside in or out of the New England area. A Point of Service (POS) plan is available to retirees living in New England and a Preferred Provider Organization (PPO) plan is available to retirees living outside New England. Care is coordinated through participating network providers. Under this plan you have the freedom to choose the providers you prefer, but costs are lowest when you see participating providers. Any time you move you must change your mailing address with the Risk Management Unit. Based on your residence, the Risk Management Unit will change your enrollment to reflect the appropriate plan. Please call (603) 271-1432 to change your mailing address to ensure continuation of coverage. **NOTE: When a retiree becomes eligible for Medicare Part A and Part B because of a disability or End Stage Renal Disease (ESRD), the retiree must contact the Risk Management Unit to change the enrollment to reflect the appropriate plan.**

Retirees eligible for Medicare: Retirees must apply for Medicare when they turn 65 or become Medicare eligible as the result of disability or ESRD. After age 65, or earlier if applicable, the retiree's plan converts to a policy that supplements Medicare coverage. This coverage is currently administered for the State through the Anthem Blue Cross and Blue Shield Supplemental Plan. Retirees should contact Medicare several months before turning 65 to enroll in both Part A and Part B. Retirees are cautioned that Medicare Part B is a requirement for continued coverage under the Anthem BCBS Medicare supplement policy. **NOTE: When a retiree becomes eligible for Medicare Part A and Part B because of a disability or End Stage Renal Disease, the retiree must contact the Risk Management Unit to change the enrollment to reflect the appropriate plan.**

Prescription Drug Coverage:

Express Scripts, Inc. (ESI) currently administers the retiree prescription drug program. The mail order program provides a 90-day supply of "maintenance" drugs per co-pay. The plan also offers services at the retail pharmacy level at higher co-pay amounts.

Dental: The State **does not pay** for retiree dental coverage and active employee dental coverage will terminate at the end of the month in which you leave state service. Under COBRA, retirees can pay to maintain their current coverage with Delta Dental for a period of 18 months. After 18 months, you can contact Delta Dental to join a retiree plan at your own expense.

Q4: What is the cost of the retiree medical and prescription drug coverage?

The State currently pays a portion of the premium for the retiree and the retiree's spouse. Effective 7/1/2009, legislation was enacted requiring State of New Hampshire retirees and spouses who are ineligible for Medicare Parts A and B to make a monthly contribution toward the cost of health coverage. The law directs the NH Retirement System (NHRS) to deduct 17.5% of the State's total monthly premium for the retiree health coverage from the retiree's pension. Effective 01/01/2017, 17.5% of the State's premium equates to a total monthly premium contribution for single coverage of \$176.74, and for a retiree and spouse, \$353.49. The Department of Administrative services coordinates the actuarial development of premiums on a calendar year basis; therefore, the amount of the retiree and/or spouse 17.5% contribution is subject to change. If the legislature does not appropriate the necessary funds, retirees may be responsible for all or a portion of the premium. Retiree medical and prescription drug coverage is *not* a guaranteed benefit for current state employees or retired state employees.

Most state employees think of their pension and their medical and prescription drug coverage as a package, but they are not linked. While your eligibility for coverage may be dependent upon your years of NHRS creditable service and/or the type of NHRS benefit you receive, the pension and medical and prescription drug coverage are separate and distinct benefits funded by different sources and governed by two different state statutes. State employee pensions are in the NHRS Trust Fund and administered by NHRS, which is governed by RSA 100-A. Retiree medical and prescription drug coverage is governed by RSA 21-I:30, "within the limit of the funds appropriated at each legislative session," and is administered by the Risk Management Unit. Statements in this document related to retirement benefits administered by NHRS are for illustrative purposes only and should not be relied upon as guidance. All questions related to retirement eligibility and/or requirements must be directed to NHRS.

Q5: How does the Risk Management Unit determine eligibility for retiree medical and prescription drug coverage?

The Risk Management Unit will apply the information submitted on your Retirement Medical Coverage Pre-Application form to the eligibility criteria required by statute to determine your eligibility. This determination includes a review of your years of State of New Hampshire creditable service and your age at the time of retirement. "Creditable Service" is administered through and documented by NHRS. See RSA 100-A. The phrase "state creditable service" used throughout this document is intended to mean creditable service that is certified by NHRS to have been earned while an employee of the State of New Hampshire. Questions about creditable service should be directed to NHRS. *Note: You may become eligible to receive a pension under Early Service Retirement before you are eligible for medical and prescription drug coverage.*

Q6: Am I still eligible for retiree medical and prescription drug coverage if I opt to withdraw my accumulated contributions from NHRS in a lump sum instead of retiring from state service and collecting a monthly pension from NHRS?

No. You will not be eligible for retiree medical and prescription drug coverage if you elect to withdraw your accumulated contributions from NHRS in a lump sum at the time you leave state service. By withdrawing your accumulated contributions you cease to be an NHRS member, forfeit prior creditable service earned, and are not considered a *retired* state employee.

Q7: I am a member of Group I and am filing for Service Retirement. What eligibility criteria must I meet to be eligible for retiree medical and prescription drug coverage?

- Retirees whose service began **prior to 7/1/2003**, with at least 10 years of state creditable service, are eligible for retiree medical and prescription drug benefits at age 60.
- Retirees whose service began **on or after 7/1/2003 but before 7/1/2011**, with at least 20 years of state creditable service, are eligible for retiree medical and prescription drug benefits at age 60.
- Retirees whose service began **on or after 7/1/2011**, with at least 20 years of state creditable service and are age 60 at the time of retirement, are eligible for retiree medical and prescription drug benefits at age 65.
- Retirees whose service began **prior to 7/1/2011** are eligible for retiree medical and prescription drug benefits at any age with at least 30 years of state creditable service.

Q8: I am a member of Group I and am filing for Vested Deferred Retirement. What eligibility criteria must I meet to be eligible for retiree medical and prescription drug coverage?

Note: "Vested Deferred Retirement" and "Vested Status" are terms that relate to RSA 100-A as administered by NHRS. Questions about your eligibility to receive a vested deferred retirement pension OR whether or not you have attained vested status for pension purposes must be directed to NHRS.

- Retirees whose service **began prior to 7/1/2003**, with at least 10 years of state creditable service, are eligible for medical and prescription drug coverage upon reaching age 60.
- Retirees whose service began **on or after 7/1/2003 but before 7/1/2011**, with at least 20 years of state creditable service, are eligible for medical and prescription drug coverage upon reaching age 60.
- Retirees whose service began **on or after 7/1/2011**, with at least 20 years of state creditable service, are eligible for medical and prescription drug coverage upon reaching age 65.

Q9: I am a member of Group II and am filing for Service Retirement. What eligibility criteria must I meet to be eligible for retiree medical and prescription drug coverage?

- Retirees whose service began prior to 7/1/2010, and are eligible for Service Retirement are eligible for medical and prescription drug coverage. Criteria for retirement:
 - If **vested before** 1/1/2012, age 45 with at least 20 years of service, or at age 60 with no minimum service required.
 - If **not vested before** 1/1/2012, then at the age and service requirements detailed in the chart below:

Years of Creditable Service As of January 1, 2012	Minimum age	Minimum Service
At least 8 but less than 10 years	46	21
At least 6 but less than 8 years	47	22
At least 4 but less than 6 years	48	23
Less than 4 years	49	24

- Retirees whose service began on or after 7/1/2010 but before 7/1/2011, with at least 20 years of **STATE** creditable service, are eligible upon Service Retirement. Criteria for retirement:
 - If **vested before** 1/1/2012, age 45 with at least 20 years of service, or at age 60 with no minimum service required.
 - If **not vested before** 1/1/2012, then at the age and service requirements detailed in the chart below:

Years of Creditable Service As of January 1, 2012	Minimum age	Minimum Service
At least 8 but less than 10 years	46	21
At least 6 but less than 8 years	47	22
At least 4 but less than 6 years	48	23
Less than 4 years	49	24

- Retirees whose service began **on or after** 7/1/2011, with at least 20 years of **STATE** creditable service, are eligible at age 52.5.

Q10: I am a member of Group II and am filing for Vested Deferred Retirement. What eligibility criteria must I meet to be eligible for retiree medical and prescription drug coverage?

Note: “Vested Deferred Retirement” and “Vested Status” are terms that relate to RSA 100-A as administered by NHRS. Questions about your eligibility to receive a vested deferred retirement pension OR whether or not you have attained vested status for pension purposes should be directed to NHRS.

- Retirees whose service began **prior to 7/1/2010**, are eligible for medical and prescription drug coverage when 20 years would have been completed and they are at least age 45.
- Retirees whose service began **on or after 7/1/2010**, but before 7/1/2011, who have attained vested status prior to 1/1/2012, with at least 20 years of **STATE** creditable service, are eligible for medical and prescription drug coverage 20 years from the date of becoming a Group II member but shall be at least 45 years of age.
- Retirees whose service began **on or after 7/1/2010, but before 7/1/2011**, who have **NOT** attained vested status prior to 1/1/2012, with at least 20 years of **STATE** creditable coverage, are eligible for medical and prescription drug coverage upon attainment of the age and service requirements as detailed in the chart below:

Years of Creditable Service As of January 1, 2012	Minimum age	Minimum Service
At least 8 but less than 10 years	46	21
At least 6 but less than 8 years	47	22
At least 4 but less than 6 years	48	23
Less than 4 years	49	24

- Retirees whose service began **on or after 7/1/2011**, with at least 20 years of **STATE** creditable service, are eligible for medical and prescription drug coverage 25 years from the date of becoming a Group II member but shall be at least 50 years of age; however, such employee shall not be eligible to receive such benefit until attaining age 52.5.

Q11: What is the “Rule of 70”?

The “Rule of “70” is a provision that allows Group I state employees hired before 7/1/2011 to retire and draw a reduced pension before age 50. No medical and prescription drug coverage is provided until the retiree reaches age 60, unless the retiree has 30 years of service. Retirees with at least 20 years of service can draw permanently reduced pensions before the age of 50, if their age plus their years of service equal 70. The “Rule of 70” is inapplicable to Group I employees retiring at age 50 or older **and to all Group II employees**.

Q12: How am I covered if I have “Split Benefits”?

For employees with creditable service in both Group I and Group II, medical and prescription drug coverage eligibility is based on the criteria of the Group *from which* they are retiring.

Q13: If I am eligible for retiree medical and prescription drug benefits, are my dependents also eligible for coverage under my plan?

Yes, **at the expense of the retiree**, fully dependent minor children, children who are between the ages of 19 and 25 if full-time students, and any certifiably dependent child with a disability who is institutionalized or living in the household and being cared for by the qualified retired member, the member's spouse, or the qualified surviving spouse, are eligible to enroll in the retiree medical and prescription drug plan benefit. Dependents may voluntarily cease participation in plan benefits at any time.

Q14: What is the cost to add my dependent child(ren) to my plan?

The Department of Administrative Services coordinates the actuarial development of the cost to enroll dependent(s) on a calendar year basis; therefore, the cost is subject to change. Effective 01/01/2017, the monthly cost to enroll non-Medicare eligible dependent(s) is \$713.41 and the monthly cost to enroll Medicare eligible dependent(s) is \$361.79 *per dependent*. Please contact the Risk Management Unit at (603) 271-1432 for additional information.

Q15: If I marry after retirement, is my new spouse eligible for the retiree benefit plan?

Yes, if an unmarried retiree marries after retirement, the benefit plan is extended to the new spouse. You should contact the Risk Management Unit at (603) 271-1432 and request enrollment materials for your new spouse.

Q16: If I divorce after retirement, is my former spouse eligible for the retiree benefit plan?

No, if a retiree divorces after retirement, the divorced spouse is no longer eligible to participate in the benefit plan. Upon termination from the plan the divorced spouse will be provided with the opportunity to elect continuation of coverage under COBRA.

Q17: What happens if I fail to notify the State of a change in eligibility? e.g., a divorce or dependent loss of full-time student status.

The failure to file changes in eligibility within 60 days of occurrence may result in the permanent cessation of plan benefits. Also, failure to notify the Risk Management Unit in a timely manner could result in retroactive termination and recovery of claims which the member may be responsible for paying.

Q18: What happens if I voluntarily withdraw from the benefit plan?

Retired employees who are eligible for the retiree medical and prescription drug benefit plans may voluntarily cease participation in plan benefits at any time. However, NH law prohibits retirees who are not Medicare eligible from reenrolling in the plan within a year of withdrawal.

Q19: What happens to my coverage in the case of death or disability before retirement?

- **Accidental Disability (Job-Related):** If the employee is eligible for Accidental Disability Retirement, medical and prescription drug coverage comes with the pension, at any age. Employees who become disabled prior to retirement should contact a NHRS Benefits Specialist.
- **Ordinary Disability (Non-Job Related):** If the employee is eligible for Ordinary Disability Retirement, medical and prescription drug coverage comes with the pension, at any age. Employees who become disabled prior to retirement should contact a NHRS Benefits Specialist.
- **Accidental Death (Job-Related):** If the employee dies and is eligible for Accidental Death Retirement benefits, the surviving spouse and dependent children are eligible for medical and prescription drug coverage.
- **Ordinary Death (Non-Job Related)**
 - **Group I** - Ordinary Death (Non-Job Related): If the employee was hired **prior to 7/1/2003** and attained 10 years state creditable service, or was hired **on or after 7/1/2003** and attained 20 years of state creditable service, and is eligible for ordinary death retirement benefits then the surviving spouse is immediately eligible regardless of employee's age at time of death.
 - **Group II** - Ordinary Death (Non-Job Related): If the employee was hired **prior to 7/1/2010** and is eligible for ordinary death retirement benefits, or was hired **on or after 7/1/2010** and attained 20 years of state creditable service, and is eligible for ordinary death retirement benefits then the surviving spouse is immediately eligible regardless of employee's age at time of death.
- **Post-Retirement Death of Retiree:** RSA 21-I:30, II and III currently provide medical and prescription drug coverage to the surviving spouse of an eligible retired state employee for the lifetime of the surviving spouse.

Q20: Who can I contact if I have additional questions about retiree medical and prescription drug coverage?

If you have questions regarding retiree medical and prescription drug coverage, please contact **Judy Shevlin at the Risk Management Unit; 603-271-1432 or via e-mail at judy.shevlin@nh.gov.**

Information about the retiree medical and prescription drug coverage can also be found on the state website at http://admin.state.nh.us/hr/retirement_benefits.html.

Questions regarding New Hampshire Retirement System benefit issues only should be directed to a NHRS member benefits representative by calling (603) 410-3500 or toll free (877) 600-0158 or via email at info@nhrs.org.