

**Policy:        Opting Out of and Into the Medical Care Benefits – Disability, Service and Survivor Pensioners**

**Statement:** All pensioners may opt out of Metro's medical care benefits (medical and/or dental) provided they have proof of other non-Medicare coverage, which may include other individual or group health plan coverage, TriCare, etc., but may not include Medicare Advantage plans, Medicare sponsored supplemental plans, or stand-alone Medicare Parts A and B. However, proof of other non-Medicare coverage may include individual or group health plans which coordinate with Medicare Parts A and B or Medicare's prescription drug benefits under Part D (eg. PPO plan coordinates with Medicare Parts A and B).

Service and survivor pensioners may opt out and retain their right to opt back into Metro's benefits as noted below. Disability pensioners are required by the Metro Code to maintain Metro's coverage and their rules for opting out and back into Metro's plans differ slightly from service and survivor pensioners.

**Service and Survivor Pensioners:** Effective January 1, 2013, service and survivor pensioners may opt out of the medical care benefits with proof of other non-Medicare insurance coverage and are only afforded a one-time opportunity to opt back into the benefits under the provisions described in this policy.

A service or survivor pensioner who opts out but wishes to preserve his or her right, and the right of each eligible dependent, to opt back into the medical and/or dental benefits in the future must show proof of other continuous non-Medicare insurance coverage for him or herself and each eligible dependent at the time he or she opts out of Metro retiree medical and/or dental benefits.

If the service and survivor pensioner and related dependents provided proof of other non-Medicare coverage and preserved their reentry right as described above, the pensioner and his or her eligible dependents can reenter the medical and/or dental plans within 60 days of an eligible change in status. At the time of re-entry, pensioner and, unless otherwise required by law, each related dependent must present proof that the other non-Medicare coverage has been lost, showing the effective date of the loss of such coverage. If the service or survivor pensioner or eligible dependent loses the other non-Medicare coverage and does not reenter the plan within 60 days of the date of the eligible change in status, they may never reenter the medical and/or dental plan (as applicable), not even at a future eligible change in status or annual enrollment. Service and surviving pensioners cannot enroll or add dependents at annual enrollment and their only opportunity to add dependents is within 60 days of an eligible change in status event

A service or surviving pensioner may opt out of Metro's medical and/or dental plans even if they do not have other non-Medicare coverage; however they will never be allowed to reenroll even if they have an eligible change in status.

Service and survivor pensioners who dropped their medical and/or dental coverage prior to January 1, 2013, may never re-enroll in Metro's coverage and do not have opt in rights under any policy.

**Surviving Spouse Coverage:** In the event the surviving spouse of a service pensioner becomes eligible for a survivor pension but the pensioner previously had opted out of Metro retiree medical or dental coverage, the surviving spouse shall not be eligible to opt back into Metro retiree medical or dental coverage unless at the time the pensioner opted out of Metro retiree medical coverage, the pensioner and spouse showed proof that they had other non-Medicare coverage and preserved their opt in rights. If the pensioner and spouse provided such proof at the time they opted out, the surviving spouse may opt back into Metro retiree medical or dental coverage in accordance with the Opt In Process below.

**Disability Pensioners:** Disability pensioners are required to maintain Metro's medical care benefits unless they have proof of other non-Medicare coverage. Disability pensioners may reenroll in Metro's medical care benefits during annual enrollment (unlike service and survivor pensioners) or an eligible change in status event, which includes returning to active employment with Metro, converting to a service pension or at the time a disability pensioner's survivor pension is processed.

#### **Opt Out Process:**

1. Service and survivor pensioners and their dependents wishing to preserve their right to opt back in to the medical and/or dental plans, upon submitting proof of other non-Medicare insurance coverage, may opt out of pensioner medical care benefits as follows:
  - a. At any time during the year (this is not part of the Annual Enrollment process and disability pensioners are not allowed to opt out at any time during the year unlike service and survivor pensioners)
  - b. Within 60 calendar days of an eligible change in status, as defined by the Health Insurance Portability and Accountability Act (HIPAA), which include:
    - i. Change in employee's legal marital status – including marriage, divorce, death of a spouse, legal separation or annulment
    - ii. Change in the number of eligible dependents – including birth, adoption, or placement for adoption, death, or gaining legal custody
    - iii. Termination or commencement of employment by the pensioner, spouse or dependent (includes disability pensioner returning to work with Metro)
    - iv. Change in work schedule – including reduction or increase in hours by the pensioner, spouse or dependent, or commencement or return from unpaid leave
    - v. Dependent satisfies or ceases to satisfy eligibility requirements
    - vi. Change in residence or worksite of pensioner's spouse or dependent
2. Documentation of other non-Medicare coverage may be substantiated by one of the following methods which clearly documents the opt out coverage criteria:

- a. A copy of pensioner's insurance card showing the other non-Medicare coverage in the pensioner's own name
- b. Company letterhead from the spouse's employer noting the pensioner is a covered dependent
- c. Company letterhead from the other insurance carrier noting the pensioner is covered
- d. If the insurance is gained as a result of an eligible change in status, the documentation supplied must contain an effective date of coverage
- e. If dependents are covered and the pensioner wishes to preserve their right to opt back in, proof of dependent's other non-Medicare coverage must also be provided.
- f. Such other written proof as may reasonably demonstrate non-Medicare coverage.
- g. Pensioners must confirm their proof of other non-Medicare coverage medical and/or pharmacy is not provided through a Medicare advantage plan, Medicare supplemental plan or Medicare A, B and/or D plan itself.

**Opt In Process:**

1. Service and survivor pensioners and their dependents may re-enroll into the medical care benefits with proof that they have been covered for other non-Medicare coverage since the time they opted out and that such coverage has been lost as follows:
  - a. Within 60 calendar days of the loss of such coverage due an eligible change in status, as defined by the Health Insurance Portability and Accountability Act (HIPAA), which include:
    - i. Change in employee's legal marital status – including marriage, divorce, death of a spouse, legal separation or annulment
    - ii. Change in the number of eligible dependents – including birth, adoption, or placement for adoption, death, or gaining legal custody
    - iii. Termination or commencement of employment by the pensioner, spouse or dependent (includes disability pensioner returning to work with Metro)
    - iv. Change in work schedule – including reduction or increase in hours by the pensioner, spouse or dependent, or commencement or return from unpaid leave
    - v. Dependent satisfies or ceases to satisfy eligibility requirements
    - vi. Change in residence or worksite of pensioner's spouse or dependent
  - b. At the time a survivor's (or dependent child's) pension benefit is processed upon the pensioner's death.
2. Disability pensioners and their dependents may reenroll into the medical care benefits at the time of an eligible change (as noted in a.i. through a.vi.) or during Annual Enrollment.
3. Documentation of loss of coverage and the insurance termination date may be substantiated by one of the following methods:
  - a. Company letterhead from the pensioner's or spouse's employer noting the pensioner's or spouse's other coverage is being terminated and the date of termination.

- b. Company letterhead from the other insurance carrier noting the pensioner or spouse's coverage is terminating
- c. Other documentation as allowed under HIPAA.
- d. Such proof as Metro may reasonably require to demonstrate that the service or survivor pensioner and any dependents have been continuously covered for Non-Medicare coverage from the time they opted out of Metro retiree medical or dental coverage (this provision does not apply to disability pensioners).

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Source: Metro Code 3.24.010

HR Staff Note: Pensioner and Spouse must opt out together, one cannot opt out without the other.