



Retiree Health 2017-2018 Legislative Changes

Retired state employees and their spouses and dependents are eligible to participate in the State retiree health plan, administered by the Department of Administrative Services, if they meet certain age and service thresholds. Eligible retirees and their spouses may be required to contribute to the shared cost of the premium for health coverage as follows:

- Beginning October 1, 2017, those retirees who were non-Medicare-eligible (generally under age 65) will contribute 20%, of the assessed premium for health coverage (an increase from 17.5%).
- Medicare-eligible retirees age 65 and over paid no premium prior to January 1, 2018. Beginning January 1, 2018, those retirees age 65 and over, who were born on or after January 1, 1949, now contribute 10% of the assessed premium toward the cost of their health coverage. Of the 9,400 retirees age 65 and over, approximately 2,050 pay the 10% premium. The NH Retirement System deducts the premium contribution from the retiree’s pension.
- Anyone born on or before December 31, 1948 will continue to pay no premium.

Calendar Year 2019 Per Person Per Month Working Rates

<u>Medical and Pharmacy Monthly Premium</u>	<u>Total Premium</u>	<u>State-Paid Share</u>	<u>Retiree-Paid Share</u>
Non-Medicare-Eligible Retirees (under 65)	\$956.32	\$765.06 (80%)	\$191.26 (20%)
Medicare-Eligible Retirees (over 65) (Retirees born before January 1, 1949)	\$320.44	\$320.44 (100%)	\$0.00 (0%)
Medicare-Eligible Retirees (over 65) (Retirees born on or after January 1, 1949)	\$320.44	\$288.40 (90%)	\$32.04 (10%)

Fiscal Year 2020 Per Person Per Month Working Rates

<u>Medical and Pharmacy Monthly Premium</u>	<u>Total Premium</u>	<u>State-Paid Share</u>	<u>Retiree-Paid Share</u>
Non-Medicare-Eligible Retirees (under 65)	\$1,081.75	\$865.40 (80%)	\$216.35 (20%)
Medicare-Eligible Retirees (over 65) (Retirees born before January 1, 1949)	\$319.49	\$319.49 (100%)	\$0.00 (0%)
Medicare-Eligible Retirees (over 65) (Retirees born on or after January 1, 1949)	\$319.49	\$287.54 (90%)	\$31.95 (10%)

Fiscal Year 2021 Per Person Per Month Working Rates

<u>Medical and Pharmacy Monthly Premium</u>	<u>Total Premium</u>	<u>State-Paid Share</u>	<u>Retiree-Paid Share</u>
Non-Medicare-Eligible Retirees (under 65)	\$1,150.90	\$920.72 (80%)	\$230.18 (20%)
Medicare-Eligible Retirees (over 65) (Retirees born before January 1, 1949)	\$328.05	\$328.05 (100%)	\$0.00 (0%)
Medicare-Eligible Retirees (over 65) (Retirees born on or after January 1, 1949)	\$328.05	\$295.24 (90%)	\$32.81 (10%)

The State has contributed funds for retiree health benefit premiums since 1963 (\$3 per month per state employee and retired employee; Chapter 327:1) and since 1985, the State contribution has been made within the limits of the funds appropriated by the Legislature (RSA 21-I:30, Chapter 399:1). The table below shows State retiree health appropriations by funding source.

	FY 2018 Actual	FY 2019 Adjusted Authorized	FY 2020 UPDATED ESTIMATE 12/27/18	FY 2021 UPDATED ESTIMATE 12/27/18
State General Funds	\$35,580,096	\$42,778,200	\$33,921,500	\$36,507,200
State Other Agency Funds	\$20,133,871	\$24,544,300	\$19,738,700	\$21,412,800
Medical Subsidy	\$11,983,482	\$12,558,600	\$11,796,500	\$11,808,400
Retirees (Under 65 and self-payers, etc.)	\$7,539,821	\$9,148,600	\$7,951,800	\$8,431,900
Retirees (Over 65)	\$468,800	\$1,377,500	\$1,318,400	\$1,521,100
TOTAL	\$75,706,070	\$90,407,200	\$74,726,900	\$79,681,400

As of January 1, 2019, all current Medicare-eligible retirees will be covered under a Group Medicare Advantage Plan (Medicare Part C). The Governor and Executive Council approved this contractual change with Anthem Blue Cross and Blue Shield on June 20, 2018. The Medicare Advantage Plan is a fully-insured plan that maximizes federal Medicare funding and will replace the current self-funded third-party administrator model plan, known as Medicomp. The change is expected to save approximately \$11.8 million in premium expenses over the period January 1, 2019-December 31, 2020, when comparing projected self-insured rates to the fully-insured rates, while continuing to maintain the same level of health benefits for Medicare retirees. This savings is expected to mitigate the projected increase in the Retiree Health Benefit budget for FY20/21.

For additional information please visit the Department of Administrative Services Risk Management Unit website located here: https://das.nh.gov/hr/retirement_benefits.html