

Booklet I

RETIREE MEDICAL INSURANCE

CHANGE: Contact Information

The Benefits Office is now the HR Business Center.
For questions and assistance with your benefits
and information in this booklet, contact us at:

www.HR4Uonline.org
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RETIREE MEDICAL INSURANCE

Eligible employees who leave SHC/LPCH on or after age 55 may continue their medical insurance under one of the SHC/LPCH retiree medical plans.

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WHO IS ELIGIBLE FOR RETIREE MEDICAL INSURANCE?

When you leave SHC/LPCH at or after age 55, you may be eligible for retiree medical benefits if:

- You are at least age 55 when your active employment status with SHC/LPCH ends, and
- You have 10 years of Continuous Service after age 45 (Retiree Groups A and B) or 15 years after age 40 (Retiree Groups C and D).

If you are not eligible for retiree medical coverage, you may continue your medical coverage under the provisions of COBRA.

Your dental and vision coverage end the last day of the month in which your employment terminates. You may continue your dental coverage under the provisions of COBRA. You pay the full cost for COBRA coverage. The Vision Service Plan is not available through COBRA.

In some cases you may be eligible for retiree medical coverage but you may not be able to cover your dependents. In that case, your dependents may be eligible to continue their health coverage under COBRA.

NOTE

If you or your dependents are not eligible for retiree medical coverage:

See Booklet B of the Benefits Handbook for active employees for information about COBRA rights after coverage as an active employee ends.

RETIREE GROUPS

Your “Retiree Group” determines which retiree medical plan you are eligible for and your share of the cost for your retiree medical coverage. Use the chart on the following page to determine your Retiree Group.

CONTINUOUS SERVICE

Years of continuous service are all the consecutive years you worked as a regular, benefit-eligible employee and includes the time you work with a Predecessor Employer (Stanford University, Stanford Health Services, Lucile Packard Children’s Hospital, UCSF Stanford Health Care and UCSF), as long as you transfer directly (i.e., on the next business day) from the Predecessor Employer to SHC/LPCH. You do not receive credit for time you work as a:

- Relief employee (however, time worked as a relief or temporary employee will not cause a break in service to occur), or
- Temporary agency or contract employee.

PREDECESSOR EMPLOYER

A Predecessor Employer is UCSF Stanford Health Care, UCSF, Stanford University, Stanford Health Services (SHS) and Lucile Packard Children’s Hospital (LPCH)

BREAKS IN SERVICE

Voluntary Terminations

A break in continuous service occurs when you leave SHC/LPCH. If you return to work with SHC/LPCH within one year, you will get credit for your prior eligible service. If you return to work with SHC/LPCH after one year, you will not receive credit for your prior eligible service. Here are several examples:

- If you work for SHC/LPCH and you leave your employment and are rehired by SHC/LPCH within a year, you will receive credit for your years of service before the break.
- If you work for SHC/LPCH and you leave your employment and are rehired by SHC/LPCH after a year, you will not receive credit for your years of service before the break.
- If you are a Stanford University employee and you are directly hired by SHC/LPCH (i.e., on the next business day), you will receive credit for your continuous service with Stanford University.
- If you are a Stanford University employee and you leave your employment with the University; and are later hired by SHC/LPCH, but not directly, your years of Stanford University service before the break in service and your hire at SHC/LPCH will not count.

Layoffs

Your service prior to a lay-off is restored if you are rehired within one year. Your time away is not restored. Nor is time restored for any period you work and also received severance pay benefits unless you repay the severance pay benefits for the overlapping period.

Leave of Absence

You do not incur a break in service during an approved leave of absence. However, leave of absence time in excess of 6 months (7 months for a combination pregnancy and family leave) does not count toward your continuous service requirement for retiree medical eligibility.

If You Become Disabled 6 Months Prior to Age 55

Your service will be bridged for up to 6 months if your disability is approved by Social Security.

To be eligible for retiree medical benefits you must:

1. Be age 55 or older when your active employment status with SHC/LPCH ends, **AND**
2. Have 10 years of Continuous Service after age 45 (Retiree Groups A and B) or 15 years of Continuous Service after age 40 (Retiree Groups C and D).

HOW TO DETERMINE YOUR RETIREE GROUP

If You Meet This Criteria:		Your Retiree Group is:
SHS employees who were retired on December 31, 1992		Group A
SHS employees who, on December 31, 1992, met one of the following 3 criteria (based solely on SHS service, without regard to any service with UCSF, UCSF Stanford Health Care, Stanford University and Lucile Packard Children's Hospital):		Group A
Age 65 or over 55 or over Any age	Years of Continuous Service 5 10 25	
Individuals who on October 31, 1997, were employees of a Predecessor Employer and on November 1, 1997 (a) became UCSF Stanford Health Care employees* and (b) met one of the following 3 criteria:		
Age 50 or over 40 or over Any Age	Years of Continuous Service with LPCH, SHS or UCSF 5 10 15	Group B
Individuals who on October 31, 1997, were employees of a Predecessor Employer and on November 1, 1997 (a) became UCSF Stanford Health Care employees* and (b) did not meet the criteria for Groups A and B.		Group C
All other individuals hired by UCSF Stanford Health Care or SHC/LPCH on or after November 1, 1997		Group D
<p><i>*Including former UCSF and Stanford University employees whose jobs were transferred to UCSF Stanford Health Care after November 1, 1997 but prior to October 31, 1998. They determine their retiree category based on their age and service on November 1, 1997.</i></p>		

Acquisitions

Employees of the clinics acquired by UCSF Stanford Health Care in 1998 were assigned to Retiree Groups B, C or D based on their age and Continuous Service at the time of the acquisition. Employees of clinics or hospitals acquired in the future will be assigned to Retiree Groups B, C or D based on the terms of the acquisition.

WHICH PLANS ARE YOU ELIGIBLE FOR?

Group A		
If your active medical plan is ...	Your Retiree Medical Options are ...	
	For individuals over age 65 or disabled	For individuals under age 65*
Blue Cross HMO with all eligible individuals under age 65	N/A	Blue Cross HMO
Blue Cross HMO with some eligible individuals under age 65 and some over age 65	Blue Cross Medicare Coordination Plan	Blue Cross PPO
Blue Cross PPO		Blue Cross PPO
Kaiser Permanente HMO	Kaiser Permanente Senior Advantage	Kaiser Permanente HMO
Group B		
If your active medical plan is ...	Your Retiree Medical Options are...	
	For individuals over age 65 or disabled	For individuals under age 65*
Blue Cross HMO with all eligible individuals under age 65	N/A	Blue Cross HMO
Blue Cross HMO with some eligible individuals under age 65 and some over age 65	Blue Cross Medicare Coordination Plan or AARP Medicare Supplement Insurance	Blue Cross PPO
Blue Cross PPO		Blue Cross PPO
Kaiser Permanente HMO	Kaiser Permanente Senior Advantage	Kaiser Permanente HMO
Groups C & D		
If your active medical plan is ...	Your Retiree Medical Options are ...	
	For individuals over age 65 or disabled	For individuals under age 65*
Blue Cross HMO or PPO	AARP Medicare Supplement Insurance	Blue Cross PPO
Kaiser Permanente HMO	Kaiser Permanente Senior Advantage	Kaiser Permanente HMO

*See page I-10 for information about what happens when you or a family member turn age 65.

To receive retiree medical benefits from SHC/LPCH, covered individuals who become eligible for Medicare (generally at age 65) must enroll in and obtain Medicare Parts A and B. If you enroll in Medicare Part D at any time, your SHC/LPCH Blue Cross Medicare Coordination Plan coverage will be cancelled.

COST SHARING

	Group A	Group B	Group C		Group D
SHC/LPCH's share of cost for retirees under age 65	100%	80% not to exceed two times 1994/95 cost	Age when you leave SHC/LPCH	The amount SHC/LPCH pays is determined as a percentage of the lowest cost plan (in which SHC/LPCH is a provider) – not to exceed 2 times 1997/98 cost	0
			55	50%	
			56	56%	
			57	62%	
			58	68%	
			59	74%	
			60 and over	80%	
SC/LPCH's share of cost for retirees over age 65	100%	80% not to exceed two times 1994/95 cost	100% of lowest cost plan in which SHC/LPCH is a provider – not to exceed 2 times 1997/98 cost		0
Your share of cost	0	Amount over SHC/LPCH's share of cost	Amount over SHC/LPCH's share of cost		100%

The rate of medical inflation over the next several years will determine when SHC/LPCH's contribution percentage falls below the levels shown for retiree groups B and C.

For all retiree groups, the amount, if any, SHC/LPCH pays to cover your eligible domestic partner or his/her children is a taxable benefit. This amount will be reported to the IRS and will be treated as income for tax purposes.

INITIAL ENROLLMENT

When you leave SHC/LPCH at or after age 55 you may be eligible for retiree medical benefits. Retirees who are eligible for retiree medical benefits are required to sign an enrollment form 31 days prior to leaving SHC/LPCH.

By signing the form, you agree to pay your share of the premium, if any, and to obtain Medicare Parts A and B coverage as soon as you are eligible. The form also allows you to waive SHC/LPCH coverage.

If you elect SHC/LPCH retiree medical coverage, you and the eligible dependents you enroll remain in the same plan you had as an active employee. Covered individuals who are eligible for Medicare are enrolled in one of the post-65 benefit plan options described on page I-4

If you waive coverage, you must provide proof of continuous coverage if you want to re-enroll at the next open enrollment. Please review your enrollment materials carefully to be sure you understand the applicable rules.

ASSESS YOUR RETIREE MEDICAL NEEDS EARLY

As you approach retirement and each year thereafter, consider these points:

- If you and your spouse/eligible domestic partner both work at SHC/LPCH and are eligible under different categories, consult with a Retirement Specialist to determine the appropriate classification prior to five years before retirement.
- Where will you live? To be covered under the Kaiser or Blue Cross HMO plans, you must live in their service area.
- Will you continue to have medical coverage elsewhere as an active employee or as the dependent of an active employee? Review the coordination of benefit rules in Booklet B of the Benefits Handbook for active employees and consider whether you need SHC/LPCH retiree medical coverage while you have "active" plan coverage.

- Does your spouse/eligible domestic partner have retiree medical with his/her employer? Review the coordination of benefit rules in Booklet B of the Benefits Handbook for active employees and consider whether your spouse/eligible domestic partner needs SHC/LPCH retiree medical coverage.

WHEN RETIREE MEDICAL COVERAGE BEGINS

Your SHC/LPCH retiree medical coverage begins the first day of the month after your active employment status ends. You must submit the enrollment form 31 days prior to leaving SHC/LPCH.

ELIGIBLE DEPENDENTS

You may enroll the spouse/domestic partner and children who were continuously covered under your medical plan for the 5* years **immediately** prior to leaving SHC/LPCH. See Booklet A of the Benefits Handbook for active employees for a complete definition of eligible dependents.

Generally, eligible dependents are your:

- Legally married spouse or eligible domestic partner
- Unmarried children under age 19 (age 23 if they are full-time students)
- Unmarried children of any age who are incapable of self-support as a result of a physical or mental disability which began before age 19 and who are principally dependent on you or your spouse/domestic partner
- Children for whom you are required to provide health coverage under a Qualified Medical Child Support Order (QMCSO).

Eligible dependents who have not been covered for 5* years, may purchase COBRA coverage or convert to an individual plan immediately after you retire. See Booklet B of the Benefits Handbook for active employees for more information about when they must make their COBRA or conversion election.

**One year for Category "A" retirees.*

IF YOU HAVE OTHER COVERAGE

When you leave SHC/LPCH, you may plan to work for another employer who offers medical benefits or you may have coverage under your spouse's (or eligible domestic partner's) employer plan.

Plans that cover you as an active employee or the dependent of an active employee pay before the SHC/LPCH retiree medical plan pays. You may prefer to waive SHC/LPCH retiree medical coverage until you need it. You may enroll in a SHC/LPCH retiree medical plan within 31 days of losing your other employer sponsored coverage or during any annual enrollment period.

REMEMBER

If you waive coverage and are not *continuously* covered elsewhere, you forfeit future rights to SHC/LPCH retiree medical benefits.

IF BOTH YOU AND YOUR SPOUSE/ELIGIBLE DOMESTIC PARTNER WORKED FOR SHC/LPCH

If your spouse (or eligible domestic partner) is eligible for SHC/LPCH medical benefits as an active employee or retiree, you can:

- Each select coverage on your own as either a retiree/employee and one of you cover the children*, or
- Choose no coverage for one, and enroll that person and any children as dependents of the other retiree/employee*.

* *Only a spouse/eligible domestic partner and children who meet the definition of dependent outlined in Booklet A of the Benefits Handbook for active employees may be enrolled for medical coverage.*

EFFECTIVE JANUARY 1, 2008

If you and your spouse/eligible domestic partner both work for SHC/LPCH and are in different Retiree Groups, the employee with better coverage may

enroll their spouse/eligible domestic partner. The spouse/eligible domestic partner must have been continuously covered (as either an employee or a dependent) under an active plan for the 5 years immediately prior to the retirement of the employee with better coverage.

WHEN YOU BECOME ELIGIBLE FOR MEDICARE

When you or your spouse/eligible domestic partner reach age 65, your retiree medical benefits change because, generally, that is when Medicare eligibility begins. Before your 65th birthday, the Benefits Office will send you or your spouse (or eligible domestic partner) a reminder that:

- You must obtain Medicare Parts A and B coverage,
- Your benefits are changing, and
- Your premium contribution, if any, is changing.

Separately, you will receive material from Kaiser and AARP. Kaiser sends its members enrollment material about their Senior Advantage Plan. AARP sends Blue Cross HMO and PPO members information about the AARP Medicare Supplement Insurance plan. (Blue Cross Group A retirees do not receive AARP material.)

Everyone must return the SHC/LPCH enrollment form to the Benefits Office 31 days before you (or your spouse/eligible domestic partner) reach age 65. You must also follow the enrollment instructions you receive from Kaiser and AARP.

Covered family members not yet eligible for Medicare remain in or will be transferred to the corresponding plan option for individuals under age 65. See the chart on the following page.

TIP

If you are eligible for Medicare prior to age 65, for example if you have been receiving Social Security disability income benefits for 24 months, you must enroll in Medicare Parts A and B and notify the Benefits Office. Failure to obtain Medicare Parts A and B when you first become eligible could result in the loss of SHC/LPCH retiree medical coverage.

WHEN FAMILY MEMBERS BECOME ELIGIBLE FOR MEDICARE

Group A		
Current Plan	New Plan for Family Members ...	
	Covered by Medicare	Not Covered by Medicare
Blue Cross HMO with all eligible individuals covered by Medicare	Blue Cross Medicare Coordination Plan	N/A
Blue Cross HMO with some eligible individuals covered by Medicare and some not	Blue Cross Medicare Coordination Plan	Blue Cross PPO
Blue Cross PPO	Blue Cross Medicare Coordination Plan	Blue Cross PPO
Kaiser Permanente HMO	Kaiser Permanente Senior Advantage	Kaiser Permanente HMO

Group B		
Current Plan	New Plan for Family Members ...	
	Covered by Medicare	Not Covered by Medicare
Blue Cross HMO with all eligible individuals covered by Medicare	Blue Cross Medicare Coordination Plan or AARP Medicare Supplement Insurance	N/A
Blue Cross HMO with some eligible individuals covered by Medicare and some not	Blue Cross Medicare Coordination Plan or AARP Medicare Supplement Insurance	Blue Cross PPO
Blue Cross PPO	Blue Cross Medicare Coordination Plan or AARP Medicare Supplement Insurance	Blue Cross PPO
Kaiser Permanente HMO	Kaiser Permanente Senior Advantage	Kaiser Permanente HMO

Group C or D		
Current Plan	New Plan for Family Members ...	
	Covered by Medicare	Not Covered by Medicare
Blue Cross PPO	AARP Medicare Supplement Insurance	Blue Cross PPO
Kaiser Permanente HMO	Kaiser Permanente Senior Advantage	Kaiser Permanente HMO

ENROLLING IN MEDICARE

When you become eligible for Medicare (generally at age 65), you must enroll in and obtain Medicare Parts A and B to receive SHC/LPCH retiree medical benefits. Part A covers hospital expenses and is generally automatic if you are receiving a Social Security retirement pension check. Part B covers physician expenses and you must enroll in and pay for Part B coverage.

Groups A and B retirees are offered the Blue Cross Medicare Coordination Plan only if they do not have Medicare Part D coverage. Your SHC/LPCH Blue Cross Medicare Coordination Plan will be cancelled if you enroll in Medicare Part D.

Medicare considers you a late enrollee if you do not enroll in Medicare when you reach age 65 or when you cease to be covered by an active employee plan, whichever is later. Late enrollees are subject to a Part B premium surcharge and may only enroll in Medicare from January 1 to March 31 each year, with coverage effective July 1.

You may delay enrolling in Medicare, without a premium surcharge, if you are covered under an employer's plan as an active employee or the dependent of an active employee. In that case, consider waiving SHC/LPCH retiree medical coverage until you lose your active coverage and have enrolled in Medicare.

Contact your local Social Security office for information about enrolling in Medicare.

SHC/LPCH'S ANNUAL ENROLLMENT VERSUS MEDICARE'S ENROLLMENT PERIOD

Once each year, SHC/LPCH offers its eligible retirees an opportunity to:

- change plans, or
- add or cancel coverage for dependents who were eligible when you retired, or
- enroll if you previously declined coverage*, or
- waive*coverage.

**If you waive coverage and are not continuously covered elsewhere, you forfeit future rights to SHC/LPCH retiree medical benefits.*

Once each year Medicare gives retirees an opportunity to join or leave a Medicare Advantage Plan (like an HMO/PPO). SHC/LPCH's annual enrollment period may not coincide with Medicare's enrollment period. For information regarding Medicare options and enrollment periods, call 800-MEDICARE (800-633-4227).

WHEN COVERAGE ENDS

As an eligible retiree, SHC/LPCH's retiree medical coverage is available to you for your lifetime unless you stop paying your share of the premium or coverage is terminated by SHC/LPCH.

Your eligible spouse (or domestic partner) and children may continue coverage for the remainder of their lifetime until:

- You or they stop making any required contribution, or
- They become covered under a SHC/LPCH medical plan as an employee, or
- They are no longer eligible. For your spouse (or domestic partner), this means you divorce, obtain a legal separation or end your domestic partnership. For children, this means they reach the maximum age or you fail to provide proof of their continued eligibility, or
- You request to end their coverage, or
- Coverage is terminated by SHC.

OPTIONS WHEN COVERAGE ENDS

COBRA

Your covered dependents may be able to continue their retiree medical benefits under COBRA. See Booklet B of the Benefits Handbook for active employees for information about COBRA coverage.

Conversion

Your covered dependents may be able to convert their retiree medical coverage to an individual medical insurance policy. Refer to your plan's Evidence of Coverage booklet for information about converting your SHC/LPCH retiree medical coverage to an individual insurance policy.

TO OBTAIN MORE INFORMATION ABOUT RETIREE MEDICAL BENEFITS...

Call:

- Your local Medicare office to learn how and when to enroll in Medicare Part B.
- Your medical plan to obtain information about their Medicare plan benefits.
- The Benefits Office to:
 - find out which retiree group you have been assigned in the event you are eligible for retiree medical insurance when you leave SHC/LPCH.
 - obtain the Summary Plan Description for the current retiree medical plan. (SHC/LPCH reserves the right to change benefits for both active and retired employees.)

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Retiree Medical Insurance

