

DCP Retiree Medical Plan Eligibility Requirements

BACKGROUND

New eligibility requirements for coverage under the University's retiree medical plan have been adopted as of January 1, 2010. These were developed jointly by Human Resources and the University Benefits Committee to better align our post-retiree medical benefits with those prevailing within our peer group of institutions. Data developed by our benefits consultant demonstrated that providing post-retirement medical benefits to certain retirees was important, as some retirees under age 65 have limited choices for continuing medical insurance. On the other hand, those 65 and older qualify for Medicare and the many available Medicare supplement plans which provide protection beyond that of Medicare and thus no longer need to rely on their institutions for continuing coverage. Certainly, our experience since the inception of the DCP in 1993 is consistent with that data.

Further, our consultant advised us that allowing retirees to enroll or re-enroll in the retiree medical plan at any time after retirement; or permitting new retirees (not previously covered by one of the University's medical plans) to enroll, were classic "adverse selection" circumstances that could result in serious financial jeopardy for the self-funded retiree plan, and also the self-funded active employee plan. As a result, the pre-retirement and continuous coverage provisions of the new eligibility requirements were developed to address those concerns and to ensure the continued financial viability of the retiree and active plans.

The eligibility requirements, detailed below, received support from the Faculty Council Executive Committee, the Administrative Professional Council, and was approved by the President of Colorado State University. Please review this information carefully as one or more of these could affect your current or future options. The new requirements have no effect on the University's support toward the cost of a DCP retiree's post-retiree medical plan costs (the DCP Retiree Medical Premium Refund).

ELIGIBILITY REQUIREMENTS

- Active employees must be enrolled in one of the University's medical plan options for at least one full plan year immediately prior to the date of retirement in order to be eligible to enroll in the University's retiree medical plan immediately after retirement;
- Retirees must be continuously enrolled in the University's retiree medical plan to remain eligible to continue such coverage for themselves and their spouses/domestic partners and dependents. Once retirees leave the plan, the retirees and their spouses/domestic partners and dependents will not be permitted to re-enroll again at a later date;
- Retirees' coverage under the University's retiree medical plan will terminate upon reaching age 65 or becoming eligible for Medicare, whichever is earlier. Covered spouses or domestic partners will be terminated from the plan upon the earlier of reaching age 65 or becoming eligible for Medicare, regardless of whether or not the retirees' coverage has been terminated due to Medicare eligibility. Covered dependent children remain eligible for coverage subject to normal eligibility criteria-generally age 18 or 23 if a full-time student-or until they become eligible for Medicare, whichever occurs first. Spouses/domestic partners and dependent children may continue coverage as long as they were covered at the time the retirees' coverage terminated due to Medicare eligibility and as long as they remain continuously covered under the plan.