

Midwest Retiree Medical â€™ Legacy SBC Definitions

Category : Benefits

Published by Dave Skotarczyk [[Dave Skotarczyk](#)] on 2011/9/9

General - Retiree Definitions:

Effective 1/1/2011

Depending on when retired/different levels of Benefits usually apply.

Pre-1983 Retirees = Medical Expense Plan/MEP and are not DDB Capped*. This plan is generally a Deductible + 80/20% plan depending on the Service rendered.

1983-1986 = Medical Plan Plus/MPP and also not DDB Capped*. Very similar to PPO plan.

1987-1993 = PPO/Non and are not DDB Capped.*

1993 forward = Current Plan, but are DDB Capped.*

New Hire Retirees = hired in or were reclassified to RFT on or after 8/8/09 = Generally have same plan designs, pre-medicare, but pay 50% of total, actual cost. Medicare eligible new hire retirees are not eligible for medical, dental, part B reimbursement or HRAs.

DDB Cap* = Defined Dollar Benefit Cap = \$12,500/yr plan cost limit = if average cost goes over \$12,500.yr, retiree pays more premium to keep the medical plan.

Those Retired Pre-1993 keep their basic medical plan, And are not subject to the DDB Cap.

General Enrollment:

The Insurance company for the traditional, Company Sponsored plan is BC/BS of Illinois except for MEP retirees who will have United Health Care.

Some retirees have flexible enrollment = allowing enrollment anytime, unless they have an HMO. Defining Flexible retirees is difficult - the only way we know to define them is; these retirees will normally not get enrollment kits and Retired prior to April 4, 2009. All other retirees will get enrollment kits and need to enroll during the specified fall time frame. If unsure; Call Hewitt to determine.

For the year you become Medicare eligible; decide which medical plan makes the most sense for you down the road. For example: If in the PPO or HCN plan you may have to pay your out of pocket amounts twice in the same year when you move over to Medicare status midyear; whereas when in the Alternative plan you do not.

When deciding to retire you may also want to consider in advance; whether an HMO is the right

choice as once Retired (midyear) HMO rates, coverage and benefit levels can vary greatly.

Pre-Medicare Retirees will usually have various HMO choices during open enrollment (by geographical area) . HMOs are not discussed here, but Retirees must carefully Compare Prices/Out of Pocket, Eligibility, Levels of benefit, Coverage - before choosing an HMO. Once signed up, you Must stay with the HMO for a full year.

The Rx Plan only applies to the traditional, Company sponsored medical plans (not HMO)s. The Rx plan is the same plan for both the PPO and HCN plans. The Alternative plan has a different Rx plan with different out of pocket costs.