



GUIDELINES FOR DISTRICT-PAID RETIREES

This document provides the provisions of eligibility and enrollment for district-paid retirees whose district has entered into a Participation Agreement to provide health and welfare benefits through California's Valued Trust (CVT).

WHO QUALIFIES AS A CVT DISTRICT-PAID RETIREE?

Retired employees of a newly participating group or subscribers who retire from a CVT participating group may enroll with the Trust as a district-paid retiree when so determined by the school district. You may select from the same health plans as the active employees in your bargaining unit. **However, final plan selection is determined by your "retirement contract" through the school district.**

Individual Contracted Employees (Superintendent, Assistant Superintendent, Deputy Superintendent, etc.): Must be enrolled in CVT as an active employee for a minimum of one year (12 consecutive months) at the time of retirement in order to receive benefits through CVT's retiree program.

ENROLLMENT

Notify your District Office of your status change from active to retiree. The District will then send in a change remittance form, changing your active status to district-paid retiree status. An enrollment form is only required when the retiree needs to add or terminate a dependent's coverage.

ELIGIBILITY

Who Is Eligible For Coverage?

Spouse of Retiree – A spouse of an enrolled retiree is eligible for coverage.

Surviving Spouse of Retiree – A surviving spouse of an enrolled retiree is eligible for coverage; however, the surviving spouse will need to contact the school district office first for any special contract limitations. Surviving spouse will be offered self-paid retiree benefits through CVT if there are no special contractual items. A surviving spouse is not permitted to add a new partner.

Domestic Partner: A domestic partner of the same or opposite sex of an enrolled employee may be eligible for coverage, if the eligible employee and his or her domestic partner satisfy the following:

State registered domestic partners (same sex or over 62 opposite sex) – A domestic partner is eligible for coverage. **(State Registration Certificate is required for enrollment)**

Unregistered domestic partners – Must satisfy all of the following as evidenced by a signed Declaration of Domestic Partnership in the form approved by CVT (**Declaration of Domestic Partnership is required for enrollment**):

- ◆ Each is over 18 years of age, and is otherwise capable of entering into a binding contract.
- ◆ They consider each other to be, and hold themselves out as, engaged in a relationship of mutual caring and commitment.
- ◆ They have resided together for at least the past six (6) consecutive months, currently reside together, and intend to continue residing together.
- ◆ They are financially interdependent, responsible for each other's basic living expenses, so that anyone who is owed such expenses can collect from either.
- ◆ Neither has any other domestic partner, and neither has had a spouse or other domestic partner in the previous six months.
- ◆ They are not blood relatives such that a marriage between them would be illegal under California law.

Child

Child of an enrolled employee or domestic partner under 26 years of age:

- ◆ Natural child – **(Birth Certificate is required for enrollment)**
- ◆ Adopted child – **(Final Adoption Papers are required for enrollment)**
- ◆ Step child – **(Birth Certificate is required for enrollment)**
- ◆ Child of an eligible, covered domestic partner – **(Birth Certificate is required for enrollment)**
- ◆ Unmarried child under legal guardianship - A dependent child under a court ordered legal guardianship of the employee is eligible for coverage, provided they meet all other eligibility requirements. Please note: eligibility ends on the date of expiration of the court awarded guardianship or upon the 18th birthday of the child, whichever comes first. **(Legal Guardianship Papers are required for enrollment)**

Permanently disabled child:

- ◆ A permanently disabled child who is presently covered with CVT as a dependent may continue as a dependent regardless of age provided the disabling condition existed before the child attained the age of 26 and the disability renders the child incapable of self-sustaining employment.
- ◆ Permanently disabled dependents over the age of 26 are eligible for coverage when a new group enrolls or an existing group enrolls a new employee with a permanently disabled child, if the employee provides proof that the dependent was an accepted and covered disabled dependent on a medical plan immediately prior to requesting enrollment in CVT.
- ◆ A permanently disabled dependent who is married will lose their coverage at age 26; and a permanently disabled dependent who is single will continue to be covered past age 26 until he or she marries or is no longer certified as permanently disabled.

ANNUAL OPEN ENROLLMENT PERIOD

CVT's annual open enrollment is the month of September. Any changes made during the annual open enrollment will be effective October 1. During the month of September:

- ◆ A retiree may elect to change his or her medical plan selection and participate in a different plan offered by the group
- ◆ A retiree may terminate or add eligible dependents to medical, vision, or dental coverage
- ◆ Plan Selection or Coverage Changes

Plan selection changes by a full time or part time employee or adding or terminating coverage of a part time employee or the eligible dependent(s) of a full time or part time employee, **will not be allowed at any other time than the annual open enrollment period unless:** 1) an open enrollment period is requested by the district due to the completion of negotiations, or 2) an employee experiences a qualifying event listed below:

- ◆ a marriage
- ◆ a divorce
- ◆ the birth of a child
- ◆ the adoption of a child
- ◆ court ordered guardianship of a minor child
- ◆ the requirements of domestic partnership are met
- ◆ the effective date of a 25% increase in the employer/employee portion of contribution to the benefit package.
- ◆ the effective date of an increase in the number of hours worked by the employee
- ◆ the termination of employment of the person through whom the employee's dependent was previously covered
- ◆ a change in the employee's employment status or a change in the employment status of the individual through whom the employee's dependent was previously covered
- ◆ the **involuntary** termination of the other plan under which the employee's dependent was covered
- ◆ the cessation of an employer's contribution toward an employee's or dependent's coverage
- ◆ the death of a person through whom an employee's dependent was previously covered as a dependent
- ◆ acquiring coverage
- ◆ gaining Medicare
- ◆ death of subscriber or covered spouse

Written application for additions, terminations, and coverage changes must be made within 31 days of the qualifying event. If application is not made within 31 days, an employee will have to wait until the next annual open enrollment period or another qualifying event is experienced to make any changes. Additions, terminations, or coverage changes will be effective on the first day of the month following the receipt of a timely request for the change. **Documentation is required for any of the above.**

PLAN OPTIONS

Upon retirement if your school district and/or bargaining unit is covered through CVT and you are enrolled as an active employee on a medical, dental, or vision plan, you may continue your coverage as a district-paid retiree. **Please remember that participation must be continuous with no break in coverage. Should any of the coverages be terminated you may not re-enroll at any time.**

Preferred Provider Option (PPO) Plans - The attached comparison sheet details the PPO Plans for your consideration for the current plan year which is in effect from **October 1st through September 30th**. Please note that these are full benefit plans (not supplements), and are designed to coordinate with your Medicare benefits. As of October 1, 2006 CVT has also provided you with two Medicare Supplement plans to choose from.

If you enroll under a CVT PPO plan, prescription benefits are provided by the CVS Caremark network. All CVT plans have a co-payment on prescriptions. CVT / CVS Caremark prescription benefits are specifically designed to encourage maximum cost containment through the use of generics. CVS Caremark pharmacies use electronic billing and are available nationwide.

All of the PPO plans include a generic drug co-payment and a brand name drug co-payment for a 30-day supply. The mail-order service for these plans will allow you to order a 90-day supply of medication for a cost savings. Please refer to the attached plan matrix for co-payment amounts.

Subscribers and/or their spouses, who have reached age 65, and enroll in a CVT PPO plan, will receive their prescription benefits from SilverScript (a division of CVS Caremark providing Medicare D prescription coverage). If you are currently enrolled in a another Medicare D program you will **not** be able to participate in CVT's health/prescription coverage.

Kaiser Plans - Subscribers from a CVT participating school district and/or bargaining group are allowed by Kaiser to enroll as district-paid retirees. Subscribers and/or their spouses who have reached age 65 are required by Kaiser to enroll in their Senior Advantage Program. If you enroll under the CVT Kaiser option, prescription benefits are provided and regulated by Kaiser Permanente.

You may not enroll in a Kaiser plan if you reside outside of the Kaiser service area or in another state.

Dental / Vision - If you decide to continue your dental and/or vision coverage, please check "DELTA DENTAL" and/or "VSP" on the enclosed CVT Enrollment Form.

Please note that participation in any CVT program is always determined by your "retirement contract" with your school district.

EAP - The same guidelines in the above paragraph also apply to coverage under Employee Assistance Program (EAP). EAP is offered to retirees whether you had this benefit previously or not.

Life insurance is not available to retirees.

WHAT ARE THE CVT MEDICARE REQUIREMENTS?

For retiree coverage under all the PPO health plans, Medicare requirements are as follows: If the retiree is age 65 or over, he or she **must** be enrolled in both Medicare "Part A" and Medicare "Part B." Spouses of retired employees must also enroll in Medicare Parts A and B upon turning 65 unless still working and covered under a group employer health plan.

CVT REQUIRES A PHOTOCOPY OF THE MEDICARE CARDS FOR BOTH SUBSCRIBER AND/OR SPOUSE.

For retiree coverage under Kaiser Medicare requirements are as follows: If you and/or your spouse is AGE 65 OR OLDER, Kaiser, "**REQUIRES**" the completion of a Senior Advantage Enrollment Form. (This form will be forwarded to you when applicable). Kaiser requires Medicare Part A and Part B to enroll in Senior Advantage. You may not enroll in Senior Advantage if you reside outside of the Kaiser service area or in another state.

Failure to obtain both Medicare Parts A and B will result in the disqualification from eligibility to participate in the Trust plans. A lapse in coverage may result in a retiree or spouse being unable to purchase health coverage elsewhere and will prohibit re-entry into CVT health plans.

A NOTE ABOUT MEDICARE D PRESCRIPTION DRUG COVERAGE

Starting January 1, 2006, prescription drug coverage became available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans will provide at least a standard level of coverage set by CMS (Center for Medicare & Medicaid Services - US federal agency which administers Medicare & Medicaid Health Insurance Programs.) Some plans might also offer more coverage for a higher monthly premium.

CVT has partnered with the SilverScript (a division of CVS Caremark) pharmacy program to provide retirees with Medicare Part D prescription coverage effective October 1, 2008. You can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.

IF YOU DECIDE TO ENROLL IN A DIFFERENT MEDICARE PRESCRIPTION DRUG PLAN YOU WILL LOSE YOUR CVT MEDICAL AND PRESCRIPTION DRUG COVERAGE. BE AWARE THAT YOU WILL NOT BE ABLE TO RE-ENROLL IN CVT COVERAGE IF YOU LOSE IT.

WHEN WILL I RECEIVE MY IDENTIFICATION CARDS?

Under 65 retirees will receive two CVT PPO/CVS Caremark combined cards within a few weeks (cards will be in subscriber's name only).

Over 65 retirees will receive two separate cards once your information has been submitted to CMS and CVT receives CMS approval. One card will be for your PPO medical plan only (in subscriber's name only) and one card for your SilverScript pharmacy services (one card with each individual's name).

Kaiser Identification Cards are produced within six to eight weeks by Kaiser.

WHEN WILL I BE NOTIFIED OF POSSIBLE PLAN CHANGES?

District-paid retirees will be notified of any plan changes by your school district. The "**window**" for plan changes occurs during the month of September for an effective date of October 1st. At that time, you will be allowed to choose from the various CVT plans selected by your school district or bargaining unit.

MAY I CONTINUE MY HEALTH BENEFITS WHEN MY DISTRICT-PAID COVERAGE ENDS?

Self-paid retiree benefits are available to you directly through CVT when your district-paid benefits end. You may continue your health, dental, and/or vision plans for as long as your school district or bargaining unit participates in the Trust. Coverage must be continuous. Please call the Trust office for a self-paid retiree information packet 30 to 60 days in advance of your district-paid retiree coverage termination date whenever possible.

AS A FINAL NOTE:

Please remember that we are only a phone call away. Questions regarding these Guidelines, the completion of your enrollment forms or CVT Medicare requirements may be directed to:

CVT MEMBER SERVICES DEPARTMENT

(800) 288-9870

OR

(559) 437-2960

We hope our Retiree Guidelines have helped you with your coverage questions. CVT wishes to provide our retirees the best benefits at the most reasonable cost possible. Your comments, suggestions and input are always welcome.

**Thank you for your continuing participation
in our joint union-management trust**