



CITY OF STOCKTON

HUMAN RESOURCES DEPARTMENT

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Dear City of Stockton Retiree receiving Retiree Medical benefits,

We understand that the recent significant changes to retiree health benefits have been difficult and at times confusing. Enclosed you will find a list of resources which may assist if you are interested in exploring other options for health coverage instead of staying on the City's medical plan.

Additionally, below are some questions and answers that we hope you will find helpful and clear up confusion you may have about the recent changes.

1. I have pre-existing health conditions. Will I be able to purchase health coverage from another provider if I decide to leave the City plan?

Under the Federal Health Insurance Portability and Accountability Act (HIPPA) and California law, you cannot be denied insurance because of your medical history, ***even if you have pre-existing health conditions***, if you have been covered under a group health plan continuously for the previous 18 months. You have 63 days from the date your group coverage ends to file an application for alternative individual or group plans. You will need a Certificate of Creditable Coverage from the City's health plan in order to apply for coverage with another provider. Please note that if you are a retiree that resides outside of California, you need to check the provisions for guaranteed issue coverage for individual plans in the state (26 other states have similar requirements to California) within which you reside.

Individuals or groups that are telling you that you will not be able to get coverage because of your pre-existing medical conditions are misinformed.

It is important that you notify us if you decide to terminate coverage with the City's plan. A provider may refuse to issue coverage if your prior coverage has been cancelled for failure to pay the premium.

2. What is a Certificate of Creditable Coverage?

A Certificate of Creditable Coverage proves to another provider that you have had continuous health coverage for at least 18 months. As explained above, you will be

required to provide this to another provider should you wish to apply for coverage and do not want the provider to consider pre-existing health conditions. If you need a Certificate of Creditable Coverage, please contact Human Resources at (209) 937-8233. We will be happy to request the certificate for you, which are issued by our plan administrator, Delta Health Systems.

3. What if I am age 65 or older?

If you are 65 or older, you qualify for Medicare. The amount you may pay for Medicare will depend upon the quarters of Medicare qualifying employment you have with the City or other employer, and whether you qualify for Medicare through your spouse. All Medicare Advantage plans must enroll Medicare eligible subscribers regardless of pre-existing health conditions. That is the Federal Medicare law.

4. Is my coverage terminated since I do not have 10 or more years of service with the City?

No. If you are a retiree with less than 10 years of service time worked for the City, you may stay on the plan, but you will not receive a stipend towards the monthly premium.

5. Will my coverage on the City's plan be automatically terminated June 30, 2013?

No. The City stipend provided to those employees with 10 or more years of service will end effective June 30, 2013. However, you may stay on the plan after that date and pay the full monthly premium. The City does reserve the right to set benefit levels in medical plans for retirees and terminate the retiree medical plan at any time.

6. Is the City going to offer other retiree medical plans besides the self-insured plans?

The City is investigating other options with Kaiser for both over and under 65 plans and will continue to communicate with retirees about other lower cost options when they become available.

7. Who can I call for assistance?

If you need help understanding the changes to your health benefits or need a Certificate of Creditable Coverage please contact Human Resources at (209) 937-8233.

If you are interested in exploring other non-City health plans for yourself or your family members, the enclosed reference sheet has telephone numbers and websites you may

wish to utilize in evaluating your options. Additionally, if your spouse has coverage through his/her employer you may wish to contact that employer about being added to your spouse's plan. While we cannot advise you regarding your healthcare decisions, we can assist with understanding these recent changes in your retiree medical benefits and identifying who you may contact for more information regarding non-City plans.

Enclosure

| Company or Agency | Telephone Number | Link to Website | Who May Be Interested | Type of Resource or Services/Products Offered |
|---|---|---|---|---|
| AARP – American Association of Retired Persons | 1 (888) 687-2277 | http://www.aarp.org/ For membership information http://www.aarphealthcare.com/home.html For health plan “Product Tool Finder” | Retirees who are AARP members (Low cost annual membership fee) | AARP sponsored group health plans, for individuals age 50 – 64, Medicare Supplement Plans. |
| E-HealthInsurance | 1 (800) 977-8860 | http://www.ehealthinsurance.com/ | Retirees & Young Adults | Search Tool for Individual Health Insurance plans, including Medicare Supplements |
| Extend Health | 1 (866) 322-2824 | https://www.extendhealth.com/ | Retirees & Young Adults | Search Tool for Individual Health Insurance plans |
| Health Net | 1 (800) 909-3447 (Retirees age 50-64 and young adults) 1 (800) 944-7287 Medicare Eligibles | https://www.healthnet.com/portal/home.do | Retirees & Young Adults(Limited) | Individual plans for persons up to age 64. Medicare Supplemental Plans. |
| HealthCare.gov | N/A | http://finder.healthcare.gov/ | Retirees & Young Adults | Search Tool for finding affordable health insurance options. Information on Healthcare Reform. |

| Company or Agency | Telephone Number | Link to Website | Who May Be Interested | Type of Resource or Services/Products Offered |
|------------------------------------|--|---|--|---|
| Kaiser | 1 (800) 337-6182 | www.kp.org | Retirees & Young Adults | Individual plans for persons up to age 64. Medicare Supplemental Plans. |
| MediCal | (209) 468-1000 | For San Joaquin County residents: http://www.co.san-joaquin.ca.us/hsa/Medi-Cal/index.htm | Retirees & Young Adults | Programs for children, seniors, families and the disabled. Eligibility for these programs is based on, and is primarily for low income individuals and families. |
| Medicare | 1 (800) 633-4227 (1-800-MEDICARE) | http://www.medicare.gov/default.aspx | Retirees 65 or older, individuals who are disabled | Information on Medicare eligibility requirements, coverage, cost and supplemental plans |
| Universities & Colleges | | If you have student dependents, they may qualify for coverage through the school they are attending. Please contact the student resource center on campus for more information. | Young Adults attending college or university | Many colleges and universities offer some type of health benefits to students at reasonable rates. |

This is not intended to be an all-inclusive list. In addition to other companies offering health insurance, there are companies and individual brokers who specialize in researching plans specific to your set of circumstances. Please consult your local telephone directory and or online services for names of firms or individuals. Retirees living in other states may have other considerations, we advise you contact your local providers and/or resources.