

Health Insurance Policy - Existing Retirees

The Authority provides a health insurance program to its existing retirees which is very similar to that plan offered to its active employees. The Authority's current policy has a \$100 deductible per person which is reimbursed to the employee or retiree as applied by the insurance carrier.

In addition, the Authority reimburses the retiree the cost of Medicare, Part B, which is currently \$42.50 per month per person. If the retiree has a spouse also enrolled in Medicare, the Authority also reimburses the spouse cost of Part B.

In order to provide continued benefits equal to current benefits, the Authority needs to control the spiraling cost of this benefit. Therefore, staff is recommending Board approval to establish a policy for existing retirees which would cap these benefits. The policy would indicate that health insurance benefits would be provided to eligible retirees and a maximum of \$100 per person per year or an aggregate of \$200 per family deductible would be reimbursed by the Authority as applied by the insurance carrier.

In addition, the Authority will continue to reimburse existing retirees and spouses the cost of Medicare, Part B, up to a maximum of \$42.50 per person per month. Please note that this reimbursement applies to only retirees who retired prior to May 9, 1996.

DATED: December 1996

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