

# The State of Delaware

Summary of non-Medicare retiree medical plan options  
for surrounding states (MD, NJ and PA)

SEBC Retiree Healthcare Benefits Advisory Subcommittee

June 26, 2023

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# Non-Medicare retiree medical plan options for surrounding states

A subcommittee member requested additional information on the non-Medicare medical plan options offered by surrounding states (MD, PA and NJ) to state government and public education employees upon retirement. The below information is based on publicly available documentation on each state's retiree medical offerings.

STATE	PLAN OPTIONS (Med+Rx Coverage)	RETIREE PREMIUM CONTRIBUTIONS (Med+Rx Coverage)	AGE REQUIREMENTS FOR RETIREE MEDICAL ELIGIBILITY
Maryland	Retired State and school employees both have the same medical plan options as those offered to active employees: <ul style="list-style-type: none"> <li>• 2 PPO plans</li> <li>• 2 EPO* plans</li> <li>• 1 HMO plan</li> </ul>	Varies based on length of service (additional details not immediately available via the State's public benefits website), plan option and coverage tier. Range of 2023 monthly premium contributions for retirees eligible for the maximum State subsidy: <ul style="list-style-type: none"> <li>• PPO plans: \$115.58 – \$293.78 per month</li> <li>• EPO plans: \$78.42 – \$203.90 per month</li> <li>• HMO plan: \$78.38 – \$203.76 per month</li> </ul>	Non-Medicare retirees are eligible for medical benefits if they are receiving a monthly State retirement allowance and meet certain criteria for years of creditable service. This includes leaving state employment (deferring retirement allowance) with ≥10 years of creditable service and within 5 years of normal retirement age (defined as 65 years of age, except for some grandfathered groups of retirees for whom this may be less, i.e., 62 years of age).  Teachers qualify for normal retirement at age 65 with at least 10 years of service, or combined age and years of service equal to at least 90 (for example, 58 years old with 32 years of service).  For retirees of a Maryland State institution of higher education, medical benefits eligibility includes leaving employment with an attained age of at 57 years old and with >10 years of creditable service.
New Jersey	Same medical plan options as those offered to active employees:  <b>Retired State employees:</b> <ul style="list-style-type: none"> <li>• 6 PPO plans</li> <li>• 3 HMO plans</li> <li>• 1 EPO plan</li> <li>• 2 high deductible plans</li> </ul> <b>Retired school employees:</b> <ul style="list-style-type: none"> <li>• 2 PPO plans</li> </ul>	Varies by plan option and coverage tier; ranges provided below:  <b>Retired State employees:</b> 3% - 35% of the total premium cost Union negotiated PPO and EPO plans only: 1.5% - 7.5% of retiree's annual retirement allowance (max: \$9,122/year)  Some retirees meeting certain retirement date and years of service criteria may not pay any contributions toward their medical coverage.  <b>Retired school employees:</b> 1.7% - 7.2% of retiree's annual retirement allowance (max: \$9,000/year)	Non-Medicare retirees are eligible for medical benefits if they are eligible for a NJ State-administered retirement benefit; "normal retirement" age ranges from 60-65 years old, depending on date of enrollment in State-administered retirement system.

\*EPO = Exclusive Provider Organization. An EPO is a type of managed care medical plan. The EPO contracts with providers from a specific network from which members must choose. Benefits for EPO members are provided only if a member sees a network EPO provider (except for emergency care). Members usually do not need a referral to see a specialist.

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Pennsylvania	<p>Same medical plan options as those offered to active employees:</p> <p><b>Retired State employees:</b></p> <ul style="list-style-type: none"> <li>• 2 PPO plans</li> <li>• 1 HMO plan (requires residency in plan coverage area)</li> </ul> <p><b>Retired school employees:</b></p> <ul style="list-style-type: none"> <li>• 1 PPO plan</li> <li>• Several HMO plan options (requires residency in plan coverage area)</li> <li>• Other medical plan options may be available through former school employer</li> </ul>	<p>Varies by plan option and coverage tier; ranges provided below:</p> <p><b>Retired State employees:</b> Varies by retirement date and is based on a percentage of retiree's final average salary prior to retirement (range: 1% to 3% for non-Medicare eligible retirees).</p> <p>For non-Medicare retirees, the Basic PPO and HMO options are offered at no additional cost to the retiree. Retirees may purchase coverage under the Choice PPO (cost of retiree contributions for this plan were not readily available on the State's public benefits website).</p> <p><b>Retired school employees:</b></p> <p>Premiums for the PPO plan are as follows:</p> <ul style="list-style-type: none"> <li>• \$1,115/month for single coverage</li> <li>• \$2,230/month for 2-person coverage</li> </ul> <p>Premiums for HMO plan options vary by plan and by geography but appear to be generally higher than the PPO plan.</p>	<p>Retired State employees are eligible for non-Medicare medical benefits if they are retired and enrolled in the Pennsylvania State Employees' Retirement System or the Pennsylvania Public School Employees' Retirement System. Eligibility for retirement under the State Employees' Retirement System varies by date of enrollment into the retirement system and attained age (ranges from 50 – 65 years old, depending on an employee's class of service). Eligibility for retirement under the Public School Employees' Retirement System is consistent with the requirements noted below.</p> <p>Retired school employees are eligible for non-Medicare medical benefits if they are receiving a pension from the Pennsylvania Public School Employees' Retirement System, i.e., retirement at or after reaching age 62 with at least 15 years of credited service; school employees hired on or after 7/1/2011 must be at least age 65 with at least 15 years of credited service.</p>

# Non-Medicare retiree medical plan options for surrounding states

## References to source documents

STATE	PLAN OPTIONS (Med+Rx Coverage)	RETIREE PREMIUM CONTRIBUTIONS (Med+Rx Coverage)	AGE REQUIREMENTS FOR RETIREE MEDICAL ELIGIBILITY
Maryland	Retired State employees: <a href="https://dbm.maryland.gov/benefits/Documents/CY23%20Benefits%20Guide.pdf">https://dbm.maryland.gov/benefits/Documents/CY23%20Benefits%20Guide.pdf</a>	Retired State employees: <a href="https://dbm.maryland.gov/benefits/Documents/CY23%20Benefits%20Guide.pdf">https://dbm.maryland.gov/benefits/Documents/CY23%20Benefits%20Guide.pdf</a>  <a href="https://dbm.maryland.gov/benefits/Documents/CY23%20Employee%20Retiree%20Rate%20Sheets.pdf">https://dbm.maryland.gov/benefits/Documents/CY23%20Employee%20Retiree%20Rate%20Sheets.pdf</a>	Retiree medical eligibility: <a href="https://dbm.maryland.gov/benefits/Documents/CY23%20Benefits%20Guide.pdf">https://dbm.maryland.gov/benefits/Documents/CY23%20Benefits%20Guide.pdf</a>  Retirement system eligibility (see handbooks for Teachers' Pension Plan and Employees' Pension Plan for members enrolled on or after 7/1/11): <a href="https://sra.maryland.gov/member-benefit-handbooks">https://sra.maryland.gov/member-benefit-handbooks</a>
New Jersey	Retired State employees: <a href="https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hb-sbc-state-retired-23.shtml">https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hb-sbc-state-retired-23.shtml</a>  Retired school employees: <a href="https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hb-sbc-ed-retired-23.shtml">https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hb-sbc-ed-retired-23.shtml</a>	Retired State employees: <a href="https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hr1016.pdf">https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hr1016.pdf</a>  Union negotiated plans: <a href="https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hr1140.pdf">https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hr1140.pdf</a>  Retired school employees: <a href="https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hr1142.pdf">https://www.state.nj.us/treasury/pensions/documents/hb/oe2023/hr1142.pdf</a>	Retiree medical eligibility: <a href="https://www.state.nj.us/treasury/pensions/documents/factsheets/fact11.pdf">https://www.state.nj.us/treasury/pensions/documents/factsheets/fact11.pdf</a>  Retirement system eligibility: <a href="https://www.state.nj.us/treasury/pensions/documents/guidebooks/persbook.pdf">https://www.state.nj.us/treasury/pensions/documents/guidebooks/persbook.pdf</a>  <a href="https://www.state.nj.us/treasury/pensions/documents/guidebooks/tpafbook.pdf">https://www.state.nj.us/treasury/pensions/documents/guidebooks/tpafbook.pdf</a>
Pennsylvania	Retired State employees: <a href="https://www.pebtf.org/PDF/REHP_Handbook.pdf">https://www.pebtf.org/PDF/REHP_Handbook.pdf</a>  Retired school employees: <a href="https://www.hopbenefits.com/aboutHop/?fa=aboutHop">https://www.hopbenefits.com/aboutHop/?fa=aboutHop</a> <a href="https://www.hopbenefits.com/aboutHop/?fa=aboutHop">op</a>	Retired State employees: <a href="https://www.pebtf.org/PDF/REHP_Handbook.pdf">https://www.pebtf.org/PDF/REHP_Handbook.pdf</a>  Retired school employees: <a href="https://www.hopbenefits.com/medBenefitOptions/index.cfm?fa=coverage">https://www.hopbenefits.com/medBenefitOptions/index.cfm?fa=coverage</a>	Retired State employees: <a href="https://www.pebtf.org/PDF/REHP_Handbook.pdf">https://www.pebtf.org/PDF/REHP_Handbook.pdf</a> Retirement system eligibility for State employees: <a href="https://sers.pa.gov/pdf/SERS_Guide_For_Retiring_Members.pdf">https://sers.pa.gov/pdf/SERS_Guide_For_Retiring_Members.pdf</a>  Retired school employees: <a href="https://www.psers.pa.gov/Retired/Pages/HealthInsurance.aspx">https://www.psers.pa.gov/Retired/Pages/HealthInsurance.aspx</a>