



# HEALTH CARE PLAN

PM-42-01

## Section: 42-00, HEALTH BENEFITS

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### City of Memphis Healthcare Plans

The City of Memphis has established for its regular, full time and retired employees two self-funded health care plans known as The City of Memphis Basic and the City of Memphis Premier Health Plans. For its retirees, there is also a Medicare Advantage plan (Medicare Part C) which is a fully insured plan for those retirees who choose to have a more affordable plan for healthcare. In addition, all benefits outlined in this policy are available to employees in other categories of employment status as defined by the Director of Human Resources, City of Memphis Government.

The City of Memphis Healthcare Plans provides inpatient, outpatient and pharmacy benefits. The City pays 70% of the cost of the health care expenditures and the employee pays 30%. Premiums are payroll deducted each pay period. Premiums costs are calculated based on the following categories:

1. Active Status;
2. Retired Status with Medicare;
3. Retired Status without Medicare; and
4. Participation in the Medicare Advantage Plan.

\*Age of the employee/retiree and length of service with the City will also determine costs associated with the program.

Those employees hired after January 1, 2010, will be subject to the following requirements at the time of retirement:

- Mandatory Medicare enrollment and utilization of parts A and B; and
- Premium rates will be determined by years of service according to the following schedule:

### **Those under 65 years of Age:**

<b>Basic Plan</b>	<b>Employee percentage of contribution</b>
20+	33%
16-20	40%
11-15	43%
<11	46%



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<b>Premier Plan</b>	<b>Employee percentage of contribution</b>
20+	37%
16-20	44%
11-15	47%
<11	50%

### Those over 65 years of Age with Medicare Coverage:

<b>Basic Plan</b>	<b>Employee percentage of contribution</b>
20+	28%
16-20	33%
11-15	36%
<11	39%

<b>Premier Plan</b>	<b>Employee percentage of contribution</b>
20+	32%
16-20	37%
11-15	40%
<11	43%

This schedule is subject to change from time to time at the discretion of the City of Memphis Government.

Optional family coverage is available to eligible City of Memphis Government employees and their dependents. For family coverage, dependents are defined as spouse, children, stepchildren, and legally adopted children.

The City of Memphis Summary Plan Description (SPD) defines the plan and the administration of this program. All questions relating to health care coverage should be directed to the Benefits Service Center at 125 North Main Street, Room 438 or at the Satellite office located at 4225 Riverdale Road.

City of Memphis health coverage is extended to employees who retire pursuant to the provisions of the City of Memphis Retirement System as long as the coverage is in effect at the time of the employee's retirement. If, at any time, the



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retiree decides to cancel the healthcare enrollment, the insurance will not be offered again.

### **MILITARY LEAVE**

Health Care Plan Benefits will be granted in accordance with PM-66-03, MILITARY LEAVE.

### **COBRA (CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT)**

Employees of City of Memphis Government and/or their covered dependent family members may elect to continue their hospitalization coverage by paying the applicable premium, plus the administrative fee, in the event of:

- Employee's death;
- Termination of employment (other than for gross misconduct), or reduction in hours;
- Divorce or legal separation; or
- Dependent children ceasing to be dependents under the City's Health Care.

If the employee is terminated from employment (other than for gross misconduct), the Health Care Plan, within the guidelines of COBRA, will be available to the employee for 18 months. If it is determined, under the Social Security Act, that the employee was disabled at the time of termination of employment or reduction in hours, coverage may be continued up to 29 months.

In all other circumstances listed above, the Health Care Plan, within the guidelines of COBRA, will be available to the employee's covered dependent family members for 36 months.

All questions relating to the provisions provided by COBRA should be directed to the Benefits Service Center, Division of Human Resources.