

# **CITY OF MOUNTAIN VIEW RETIREES HEALTH INSURANCE PROGRAM**

## **INTRODUCTION**

The City of Mountain View (City) provides a Retirees Health Insurance Program for permanent full-time and permanent part-time employees who retire from the City of Mountain View through CalPERS. Eligibility for the program is determined by vesting requirements for a specific number of years of service, depending upon the employee group. These City vesting requirements are determined through formal negotiations and/or discussions with the employee unions or associations and unrepresented employees, with final approval by the City Council.

Depending on the employee group, the vesting requirements for eligibility in the City of Mountain View's Retirees Health Insurance Program range from 5 years to 15 consecutive years of service as a City of Mountain View employee. These current eligibility qualifications and the retiree's portions of the costs for participating in the City's Retirees Health Insurance Program are delineated by employee group shown on Exhibit A.

## **HISTORY**

The City's Retirees Health Insurance Program was initially developed in January 1978 for employees affiliated with the Municipal Operations Center Employees Association (now represented by Service Employees International Union (SEIU), Local 715). Over time, in addition to the employees represented by SEIU, members of the Mountain View Police Officers

Association (POA), Mountain View Professional Firefighters Union, EAGLES and the Unrepresented employees became eligible for participation in the retirees health plan as well. Different qualifying criteria for participation and costs have been approved by the City Council either through formal, negotiated Memoranda of Understanding (MOU) or via discussions with representatives of the Unrepresented employees as memorialized in City Council resolutions.

## **ELEMENTS OF THE CITY OF MOUNTAIN VIEW'S RETIREEES HEALTH INSURANCE PROGRAM**

The following are the general elements of the City of Mountain View's Retirees Health Insurance Program. These elements are effective for eligible future retirees and for current retirees who were on the plan as of August 1, 2003. (Any future changes to this program will be updated and incorporated into this document.) The program applies to all employee groups [Police Officers Association, Professional Firefighters Union, SEIU, EAGLES and Unrepresented employees]. Department heads and City Councilmembers are also eligible, subject to qualifying for retirement through CalPERS and the same City vesting requirements as the Unrepresented employees.

The following provisions are common to all of the employee groups as follows:

- The plan applies to eligible retirees and their spouses/dependents who were participants in the City's health plan on August 1, 2003 and to future retirees who meet the vesting requirements. (There is no retroactivity for retirees who discontinued participation in the retirees plan prior to August 1, 2003.) Domestic partners of the same gender as the retiree may be eligible for the retirees health plan provided they are registered as a domestic partner through the State of California. Domestic partners of the opposite gender may also be covered if at least one of the two partners is age 62. Registration as domestic partners through the State of California must be obtained, and a copy of the registration must be provided to the City's Employee Services Department. A domestic partner and dependent children can enroll during open enrollment in July of each year with an effective date of August 1, or within 30 days of the date of completing the State of California Declaration of Domestic Partnership. Coverage normally becomes effective the first of the month after the effective date of the Declaration.
- The retirees health plan provides single-coverage health insurance (including vision and prescription coverage) for employees retiring from the City of Mountain View through CalPERS and the City's vesting eligibility criteria for

retiree's health. The City's vesting criteria (years of service) for eligibility for the retirees health plan is determined by employee groups and the City Council (Exhibit A).

- A retiree who was enrolled in the Retirees Health Insurance Program prior to August 1, 2003 could cover his or her spouse, or a domestic partner who is registered through the State of California, and/or dependent children at the retiree's expense if the spouse, registered domestic partner or dependent children were covered at the time of retirement. Once a retiree and/or eligible dependents dropped City coverage, they could never reenroll in the City's plan. For employees who retire on or after August 1, 2003, there are rules, as outlined further in this brochure, which provide additional flexibility for the Retirees Health Insurance Program.

#### **OPEN ENROLLMENT**

- Effective August 1, 2003, the City allows retirees who were enrolled in the Retirees Health Insurance Program on or after that date the ability to participate in the City's annual open enrollment period. This change allows the retirees who were on the plan on or after August 1, 2003 to:
  - Change to a different City medical plan.
  - Add or delete a spouse, registered domestic partner or other dependents.

- Drop City coverage entirely with the ability to reenroll during a subsequent open enrollment period. However, the retiree, spouse, registered domestic partner and dependents must be able to verify to the City that there is no gap in coverage. For example, if the previous coverage ends July 31, the City's coverage would be effective August 1. Proof of continuous coverage will be necessary before being able to reenroll in the City's Retirees Health Program during open enrollment periods.

Each July, the City will send open enrollment information/change forms to current subscribers. Deadline dates for returning the forms to the City will be specified in the letter.

- Effective August 1, 2003, the retiree and his/her spouse, registered domestic partner and dependents may elect to decline City coverage if they obtain other health insurance with another plan (for example, through a spouse, registered domestic partner or a retiree's new employment, etc.). At some point in the future, the retiree and his/her spouse or registered domestic partner and dependents may be added back to the City's retirees health plan provided there was no gap in coverage between the prior plan and the City's plan. (Spouses, registered domestic partners and dependents can only be covered through the City's retirees

health plan if the retiree is enrolled in the City's retirees health plan.) Reinstatement to City plans generally must be made during an open enrollment period unless there is a loss of coverage or other "qualifying event" as described below.

### QUALIFYING EVENTS

- For a "qualifying event" outside of open enrollment which results in the loss of health insurance (i.e., through another plan), the retiree or domestic partner may be reenrolled outside of the open enrollment period. Examples of "qualifying events" include loss of health coverage through a spouse, registered domestic partner, or coverage through a subsequent employer. A move out of the City health plan's service area would also be a "qualifying event" which would allow a change to a different City plan which covers the service areas of the health plans provided such plans are available.

Any changes back to the City plan must be submitted to the Employee Services Department immediately since the new enrollment forms must be forwarded to the City carrier within 30 days of the loss of coverage (with no gap in coverage between the termination date of the prior coverage and the effective date of the City's retiree coverage) Change requests must be submitted prior to the change occurring. No retroactive changes are allowed. If a retiree declines coverage, spouses or registered domestic partners and dependents would no longer be eligible to

remain on the City's plan. Retirees and their spouses or registered domestic partners and dependents may be eligible for COBRA continuation coverage depending upon the qualifying event which precipitated the retiree's declination of coverage.\*

### **OTHER QUALIFYING EVENTS**

- The retirees health plan allows for the addition of a spouse, registered domestic partner and/or dependents outside of the open enrollment period for marriage, registration of a domestic partner, birth of a child, adoption of a child, addition of stepchildren, etc. (The City may require copies of legal documentation.) The retiree must complete a change form adding these individuals within 30 days of the qualifying event. A change form (adding a spouse, registered domestic partner, newborn or adopted child) must be returned to the Employee Services Department with sufficient time for the Employee Services Department to forward the form to the carrier within the 30-day period. If not done in the 30-day period, the retiree would have to wait until the following open enrollment period

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\* Federal COBRA (continuation coverage) does not extend to domestic partners. Federal law may also prohibit domestic partner participation in Medicare-coordinated health plans, unless the domestic partner qualifies for Medicare separately from the City's retiree. According to the City's current health providers, a domestic partner registered through the State of California could be added to an "early retiree" or not-Medicare-eligible plan.

to make the addition. In the meantime, he/she must have other coverage since there can be no gaps in coverage.

- Effective August 1, 2003, the vesting period for qualifying for the Retirees Health Insurance Program is waived for all employees who disability retire from the City of Mountain View through CalPERS due to a Mountain View work-related industrial injury, work-related industrial illness or work-related industrial disability.

### **SPOUSAL/DOMESTIC PARTNER CONTINUATION COVERAGE**

- Spouses, registered domestic partners and eligible dependents (generally defined as dependent children according to the requirements dictated by the City's health plan providers) are allowed to remain on the City's retirees health plan in which they are participating (at their expense) should the City retiree pass away while covered by the plan. (This change was effective August 1, 2003.) The spouse, registered domestic partner and/or dependents may continue to be covered under "continuation coverage" if they fill out a new enrollment form. If the spouse or registered domestic partner also passes away, the dependents may continue on the plan as dependents until they cease to be dependents as defined by the medical plan policies. Spouses, registered domestic partners and dependents who continue on the plan under spousal continuation coverage continue to pay the full premium.

- The surviving spouse or registered domestic partner of a deceased retiree may continue on the spousal continuation coverage in the event he/she remarries or files for a new Domestic Partnership through the California Secretary of State. Dependent children of the deceased retiree may also remain on the plan until they cease being dependents as defined by each of the health plans. The "new" spouse or domestic partner and his/her dependents are not allowed to enroll in the City's Retirees Health Program since the new spouse or domestic partner and his/her dependents have no direct relationships to the original City retiree who passed away.

**RETIREES LIVING OUT OF THE U.S.A. OR IN DOMESTIC LOCATIONS OUTSIDE OF THE COVERAGE AREA**

- If a retiree lives out of the country or in a domestic location outside of the coverage area of the City's health insurance providers, the retiree must submit to the City proof of payment for alternate health insurance coverage. The City will reimburse the retiree a monthly amount up to the equivalent of: (a) the City's out-of-state PPO plan for early retirees not yet Medicare-eligible; or (b) the City's out-of-state plan for Medicare-eligible retirees. Under either alternative, the retiree must pay his/her premiums directly to the insurance provider. The City will reimburse the retiree according to the vesting requirement and the

provisions of the City of Mountain View's Retirees Health Insurance Program, including the requirement that there can be no gaps in coverage.

**MEDICARE ELIGIBILITY**

- The retiree, the retiree's spouse or registered domestic partner are required to enroll in Medicare Part A and Medicare Part B if eligible for Medicare. Eligibility is usually determined through Social Security/Medicare contributions, Social Security disability or Medicare eligibility through a spouse.\* It is the responsibility of the retiree and/or the retiree's spouse or registered domestic partner to contact Social Security to verify his/her eligibility for Medicare and to enroll in Parts A and B at the time of eligibility. Failure to enroll in Medicare Parts A and B (if eligible) may result in loss of City coverage since the health plans and the City require Medicare participation (A and B) if eligible.
- Medicare Part A refers to hospitalization and usually there is no additional premium charged by the Federal government. Medicare Part B is primarily for physician office visits and for other types of medical expenses. The Federal

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\* Medicare and COBRA continuation insurance are Federal programs. If a domestic partner is eligible for Medicare as a result of his/her own participation in Social Security, he/she will be able to enroll in a Medicare-coordinated plan. If not eligible for Medicare, the domestic partner may go onto an "early retiree/not-Medicare-eligible" plan.

government charges a premium for Medicare Part B, which is normally paid from the retiree's and/or the retiree's spouse's or registered domestic partner's deductions from Social Security checks or through direct billing from Medicare. The payment for Medicare Part A and Part B is the responsibility of the retiree. The City does not reimburse City retirees for their Medicare payments.

- If a retiree and/or the spouse or registered domestic partner are eligible for Medicare (generally at age 65 or through disability), the retiree and/or domestic partner must switch at the time of eligibility from an early retiree City-sponsored plan to a City-sponsored Medicare-coordinated plan offered through the City's health insurance providers. (Early retirees and/or spouses or domestic partners are not generally eligible until age 65; retirees and/or spouses age 65 or older may be eligible for Medicare based on payments into the Medicare system, either by the retiree or through a spouse.) These plans coordinate coverage with Medicare and include benefits for hospitalization, prescription coverage and doctor's visits which might not normally be covered by Medicare alone. While the City does not pay for the Medicare health insurance coverage (the retiree does), the City pays the same percent of the City-sponsored Medicare-coordinated health plan premiums as it does for non-Medicare plans. For example, the retiree will pay for Part B Medicare

plus the appropriate percentage of the health plan premium as outlined in Exhibit A attached. He/she will also pay the full City health insurance premium for a spouse, domestic partner and/or any dependents.

- If not eligible for Medicare (either through previous employment or through an eligible spouse), the retiree generally remains on the "early retiree plan."

**Note:** Eventually, all City employees will be eligible for Medicare since employees hired after March 1986 contribute 1.45 percent of salary to Medicare dedicated for Medicare coverage.

- In some cases, a Medicare-eligible retiree and his/her spouse, domestic partner and dependents may be placed on separate City plans—the "Medicare-eligible" retiree, spouse or domestic partner may be moved to a "Medicare-coordinated plan," and the non-Medicare retiree, spouse or domestic partner would remain on the "early retiree plan." In some cases, the premiums may change based on the rules of the providers. Once the "non-Medicare-eligible" retiree or spouse becomes eligible for Medicare, he/she will be added to the Medicare-coordinated plan.

#### **ADDITIONAL INFORMATION**

Due to rapid changes in the health-care industry, increasing costs and changes in coverages providers make, the City reserves the right to change the health plans should it be necessary. In making

changes, the City will conform to any required meet-and-confer process as set forth in specific MOUs.

### **RETIREE'S RESPONSIBILITY**

The carriers also change their own internal procedures for processing claims, rules for obtaining prior authorizations for hospitalizations, surgeries, diagnostic tests, etc. Therefore, **it is the responsibility of the retiree, spouse, domestic partner or a close relative, friend or the retiree's representative to coordinate with physicians, hospitals, clinics and other appropriate medical providers to obtain proper approvals from the insurance company for surgeries, specialized testing and other tests and treatments being recommended or scheduled. It is incumbent upon the retiree, spouse, domestic partner and/or dependents to follow up with the physicians and/or hospitals, clinics, etc., and to be sure they have obtained all necessary approvals from the insurance plan prior to proceeding with the procedures. In emergency situations where there is no time to obtain such approvals, a spouse, domestic partner or the dependent should immediately notify the health plan's Member Services Department of the situation. The phone number is listed on the insurance card. Be sure to obtain copies of the authorizations and keep them in a file should you need them as verification of approved authorizations. Write notes of your conversation, jotting down the name of the person to whom you are speaking and exactly what was said. Date your notes and keep them in a file for possible future reference.**

Trips to the emergency room and/or urgent care should also be reported immediately to the insurance company for their knowledge and/or any necessary approvals.

### **NOTICE**

Changes in the Retirees Health Insurance Program are subject to both the continued access and availability of benefits consistent with these provisions and the ability of the City of Mountain View to fund same as will be determined by the City Council from time to time. This brochure does not amend nor otherwise alter any existing MOU or labor agreement.

### **NOTIFICATION OF OPEN ENROLLMENT**

Every July, the City will mail information relating to open enrollment. This is your primary opportunity to change medical plans for an effective date of August 1 each year. The retiree, spouse or registered domestic partner and/or dependents on spousal participant continuation coverage are responsible for contacting the Finance and Administrative Services Department with any changes of address and phone number. If the City has no record of a change of address and/or phone number, the City cannot be responsible for ensuring that the retiree receives the proper notices for open enrollment deadlines or any changes that need to be communicated to the retirees during the year.

If you have any questions relating to the City of Mountain View Retirees Health Insurance Program, please contact the Employee Services Department at (650) 903-6309 or write or e-mail us at:

Employee Services Department  
City of Mountain View  
P.O. Box 7540  
Mountain View, CA 94039-7540  
E-mail Address:  
*employee.services@mountainview.gov*

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Exhibit A: Eligibility Criteria for the Retirees Health Insurance Program





CITY OF MOUNTAIN VIEW

# CITY OF MOUNTAIN VIEW

## RETIREES HEALTH INSURANCE PROGRAM

PREPARED BY:

EMPLOYEE SERVICES DEPARTMENT

MARCH 2005

**EXHIBIT A**  
**ELIGIBILITY CRITERIA**  
**CITY OF MOUNTAIN VIEW RETIREES HEALTH INSURANCE PROGRAM**

Provision	Police Officers Association	Mountain View Firefighters Association	SEIU		Eagles and Unrepresented (Hired prior to 07/01/07)	Eagles and Unrepresented (Hired after 07/01/07)
			Maintenance Unit	Clerical/Technical Unit		
Vesting Requirement	15 years <sup>1</sup>	15 years <sup>2</sup>	15 years <sup>3</sup>	15 years <sup>3</sup>	5 years	15 years
Work-Related Disability Retirement	Vesting period waived	Vesting period waived	Vesting period waived	Vesting period waived	Vesting period waived	Vesting period waived
City Contribution Level for Employee-Only Premium	85% <sup>4</sup>	100% <sup>5</sup>	100%  Hired after 07/01/07: 85% of HMO single coverage	100% of HMO single rate and 85% of PPO/POS single rate <sup>6</sup>  Hired after 07/01/07: 85% of HMO single coverage	50% for 5 years but less than 10 years of service; 65% for 10 years but less than 15 years of service; and 85% for 15+ years of service <sup>7</sup>	85% of HMO single coverage
Spouse	Paid by retiree <sup>8</sup>	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree
Other Dependents	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree
Medicare Premium	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree	Paid by retiree

<sup>1</sup> Nonsworn employees had 5 years of service if hired prior to July 1, 1990; 15 years of service if hired after July 1, 1990.

<sup>2</sup> If hired prior to July 1, 1989, employee must have 10 years of continuous service. Employees hired on or after July 1, 1989 have 15 years vesting.

<sup>3</sup> If hired prior to September 1, 1989, employee must have 5 years of continuous service; 15 years of continuous service if hired on or after September 1, 1989.

<sup>4</sup> 100% for employees retired prior to July 1, 1992.

<sup>5</sup> Beginning Fiscal Year 2005-06, City will pay 85 percent of retiree premium.

<sup>6</sup> City paid 85 percent of retiree premium for employees who retired from March 1, 1993 through June 27, 1998.

<sup>7</sup> Employees hired prior to August 1, 1989 who retired prior to March 1, 1993 were required to have 5 years of service; if they were hired prior to August 1, 1989 and retired on or after March 1, 1993, they must contribute 15 percent of single premium. Employees hired after August 1, 1989 who retired prior to January 1, 1997 had a 15-year vesting period.

<sup>8</sup> May be eligible for partial reimbursement through Mountain View Police Officers Association for sworn only.