

511 – CONTINUATION OF HEALTH BENEFITS UPON RETIREMENT

Section 511.01 Right to Purchase Continued Health Benefits Coverage

This section applies to all Fort Bend County (“FBC” or “County”) employees who are eligible and qualified to retire from FBC as adopted by Fort Bend County Commissioners Court, and who are entitled to purchase continued health benefits coverage.

Section 511.02 Eligibility to Participate in a Fort Bend County Health Plan

In order to be entitled to receive FBC continued health benefits coverage at the time of retirement, an employee must have current benefits at the time of retirement and meet the following requirements:

- a) Must be an employee (“eligible employee”) who is entitled to receive retirement benefits from the Fort Bend County retirement plan. (See Policy 510-Retirement.) Note that employees of the Community Supervision and Corrections Department (CSCD) participate in Fort Bend County’s TCRDS plan; however, CSCD employees are not County employees. CSCD employees participate in the State of Texas employee medical benefits plan. Continuation of State medical benefits upon retirement is subject to the rules and regulations of the State benefits plan.
- b) The eligible employee must notify FBC Human Resources that they elect to retire from FBC. The eligible employee shall also notify FBC Risk Management, no later than the day on which the eligible employee retires from FBC that they wish to elect continued health benefits coverage.
- c) A completed application for continued health benefits coverage shall be submitted to Risk Management not later than the day the person retires from the County. Any application received beyond the retirement effective date of the month in which the eligible employee retires will not be accepted.
- d) All FBC required employee contributions must be paid through the end of the month in which the eligible employee retires in order to continue health benefits coverage on the first day of the month following retirement.
- e) The retiring employee is entitled to purchase continued health benefits coverage for the retiring employee and the retiring employee’s eligible dependent(s) unless the retiring employee is eligible for group health benefits coverage through another employer.

Section 511.03 Dependent Eligibility Limitations

- a) Retirees may not add dependents that were not covered when they retired, other than qualifying by Section 511.03.b.
- b) If a retiree’s spouse:
 - 1) Is a FBC employee who has medical coverage through FBC and is not eligible for retirement; and
 - 2) terminates employment with FBC, the terminating employee’s coverage status will be changed from active employee to retiree dependent coverage upon termination and cannot be added after that date, provided the terminating employee was covered under the FBC medical plan for a minimum of twelve (12)

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continuous months immediately preceding the spouse's retirement.

- c) For deductible and coinsurance provisions, in the event an eligible dependent addition results in a change of benefit plan option, see Fort Bend County Employee Benefit Plan Article II, B.2.
- d) In the event of a retiree's death, dependent benefits with FBC will terminate on the last day of the month that the required contribution amount was received. The dependent may be eligible for coverage at current C.O.B.R.A. rates. If the surviving dependent is a participant in the FBC Medicare supplement plan, with supplemental plan approval, they may elect to continue health benefits coverage at the rates determined by the supplement plan. If the surviving dependent is covered by the Medicare supplement plan and has the Fort Bend County Employee Benefit Plan prescription drug benefit, the prescription drug benefit will cease.

Section 511.04 Medicare Participation and Supplement Plan Eligibility

- a) FBC reserves the right to replace any health benefit with a Medicare supplement plan when a retiree or eligible dependent attain the age of sixty-five (65).
- b) When a retiree or their eligible dependent reaches the age of 65, they are ineligible to participate in the FBC Employee Benefit health plan options and must enroll in the FBC sponsored Medicare supplement plan in order to continue health benefits coverage. Medicare supplement plan enrollment forms must be received by the Risk Management department by the fifteenth (15th) day of the month prior to the month that the FBC sponsored Medicare supplement plan coverage will be effective in order to avoid termination of medical coverage. Once coverage is terminated, it cannot be reinstated.
- c) Employees retiring who are 65 years or older will continue coverage under the FBC Employee Benefit Plan until the first day of the next month.
- d) In the event the Medicare supplement plan ceases to provide medical coverage, the retiree's and/or the eligible dependent's coverage, excluding retiree's widow(er)s, shall then revert back to the Fort Bend County Employee Benefit Plan or to another FBC offered retiree Medicare supplement plan as adopted by Fort Bend County Commissioners Court.
- e) All retirees and/or eligible dependents who attain the age sixty-five (65) are required to secure both Medicare Part "A" and "B". FBC will consider that the retiree and/or eligible dependent has full Medicare coverage and the FBC sponsored Medicare supplement plan or the Fort Bend County Employee Benefit Plan will provide coverage secondary to both Medicare Part "A" and "B", and will coordinate benefits after Medicare has paid on any claims.
- f) Retirees and eligible dependents covered under a FBC Medicare supplement plan will retain pharmaceutical benefits under the Fort Bend County Employee Benefit Plan, unless the Medicare supplement plan offered by FBC includes pharmaceutical benefits, or the retiree/eligible dependent enrolls in a Medicare Part "D" plan.

Section 511.05 Other Provisions

- a) Commissioners Court determines monthly benefit premiums for retiree continued coverage. Premiums are due on the first day of

the month and will be late after the tenth of the month. Any ACH debit elections will be drawn monthly. A fee will be charged for any insufficient funds in addition to the monthly premium. Payments in advance may be made monthly, quarterly or annually not to exceed the plan year's total contribution amount, which ends December 31. Any amount less than a full month's payment is not acceptable. A late payment letter will be sent giving notification that coverage will be cancelled unless payment is received within ten (10) days. Benefits will be immediately terminated back to the month that contributions were paid in full if contributions and applicable fees are not received within the time limit required. Continued health benefits coverage once cancelled cannot be reinstated.

- b) See Section 511.06 to qualify for County Paid/Subsidized continued health benefits coverage. If a retiree does not qualify for County Paid/Subsidized continued health benefits coverage when they retire, FBC will provide continued health benefits coverage at a non-subsidized premium or actual rate established for retirees. Dental benefits coverage may be purchased in accordance with the rules and regulations of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("C.O.B.R.A."). C.O.B.R.A. rates are determined by Fort Bend County Commissioners Court.
- c) The retiree and any eligible dependent(s) will not be allowed to change between FBC medical plan options upon retiring, except during the Annual Enrollment period.
- d) FBC reserves the right at any time to change, delete, modify or add to any benefits or policies, or change rates/contributions, which have been previously adopted by Fort Bend County Commissioners Court.

**Section 511.06
Requirements for
County Paid /
Subsidized
Continuation of
Health Benefits or
Dental Benefits**

- a) To receive County Paid/Subsidized continued health and dental benefits coverage through the Fort Bend County Employee Benefit Plan or the Medicare supplement plan, an eligible employee hired or retiree rehired by FBC prior to January 1, 2010, must meet all of the requirements in Section 511.01 with a minimum of eight (8) continuous years of full-time employment with FBC and twelve (12) months of continuous coverage immediately preceding the retirement in each of the health or dental plans they wish to continue. This requirement shall also apply to those employees who transferred from a position in the Community Supervision and Corrections Department (CSCD) to a position with a Fort Bend County department or office prior to January 1, 2010.
- b) To receive County Paid/Subsidized continued health and dental benefits coverage through the Fort Bend County Employee Benefit Plan or the Medicare supplement plan, an eligible employee hired or retiree rehired by FBC after December 31, 2009, must meet all of the requirements in Section 511.01 with a minimum of sixteen (16) continuous years of full-time employment with FBC and four (4) years of continuous coverage immediately preceding the retirement in each of the health or dental plans they wish to continue. This requirement shall also apply to those employees who transfer from a position in the Community Supervision and Corrections Department (CSCD) to a position with a Fort Bend County department or office after December 31, 2009.
- c) Except as provided in Section 511.06 "d)", "Bridge time" from any

other employer or “service credit” of any kind, may not be used for the purpose of qualifying for the eight (8) years or sixteen (16) years of continuous full-time employment except for military “active duty” service performed during the eight (8) years or sixteen (16) years of continuous full-time employment immediately preceding retirement with FBC. No other category of employment other than full-time employment with FBC can be used to calculate the full eight (8) or sixteen (16) continuous year’s minimum requirement.

- d) If a former employee, not retiree, is re-employed by FBC prior to December 8, 2009, FBC will provide subsidized health or FBC Employee Benefit Plan dental coverage at the time of their FBC retirement under the following conditions:
 - 1) employee meets the qualifications in 511.01;
 - 2) employee has completed fifteen (15) years of total aggregate FBC full-time employment with only one break in service before retirement;
 - 3) employee has fifteen (15) years of FBC aggregate health coverage to qualify for continuation of health benefits provisions upon retirement, and fifteen (15) years of FBC aggregate dental coverage to qualify for continuation of dental benefits upon retirement, with only one break in coverage coinciding with the one break in service; and
 - 4) the former employee and their eligible dependents must have at least twelve (12) continuous months of coverage in the Fort Bend County Employee Benefit Plan for medical and dental coverage immediately preceding the employee’s retirement.

Dental coverage, offered by a dental carrier, other than through the Fort Bend County Employee Benefit Plan can be continued under C.O.B.R.A. only.

- e) The employee’s eligible dependents must have been covered under any of the **medical** plan options offered by FBC for twelve (12) continuous months, immediately preceding the employee’s retirement in order to continue coverage under the County Paid/Subsidized continuation of coverage provisions.

The employee’s eligible dependents must have been covered under the Fort Bend County Employee Benefit Plan **dental** plan for twelve (12) continuous months, immediately preceding the employee’s retirement in order to continue coverage under the County Paid/Subsidized continuation of coverage provisions.

- f) Monthly rates or monthly contributions for County Paid/Subsidized coverage for retirees and their participating dependents are determined by Fort Bend County Commissioners Court.

**Section 511.07
Retiree / Retiree’s
Dependent Coverage
upon Re-employment
with FBC after
Retirement**

- a) An FBC retiree currently participating in FBC continuation of health benefits who returns to work with FBC in a full-time budgeted position will be given the following options:
 - 1) retain the original continuation of benefits with which they retired, excluding Medicare supplement plan participants (retiree or retiree with eligible dependent), and premiums may not be payroll deducted; or

- 2) elect current active full-time employee benefits (subject to the waiting period).

A retiree and/or eligible dependent covered by the Medicare supplement plan will not be eligible to retain the benefit upon the retiree's rehire. The rehired retiree will be given option "2)" above.

If a rehired retiree chooses to terminate their continuation of health benefits to participate in active full-time employee health benefits, then upon termination of the re-employment, the retiree and any dependents may be eligible for Continuation of Medical coverage subject to the provisions of this policy Section 511. In order to receive benefits at County subsidized rates, the rehired retiree and their dependents would have to meet all of the qualifications of this policy Section 511 with accrual of qualifications beginning at time of rehire.

- b) A retiree who is rehired by FBC in a budgeted full-time position will not be allowed to participate in more than one FBC sponsored health and dental plan at a time.

**Section 511.08
Issues Resolution**

Continuation of Health Benefits eligibility issues shall be submitted in writing and directed to the Director of Risk Management. In the event the retiree wishes to appeal the Risk Management decision, the retiree may request further action by written request to the County Judge for review by Fort Bend County Commissioners Court, whose final action will determine disposition of the issue.

Policy Approved and Adopted By:
For Bend County Commissioners Court
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