



## Request for City Council Committee Action from the Department of Human Resources

**Date:** January 17, 2012

**To:** Ways and Means / Budget Committee

**Referral to:** City Council

**Subject:** Medical Plan Options for Medicare-Eligible Retirees

**Recommendation:** Authorize proper City officials to execute contracts with HealthPartners, Medica and UCare to provide community-rated Medicare supplement options for retired employees over age 65 for a two-year period effective January 1, 2012 with an option to extend the contracts for up to two additional one-year periods.

**Previous Directives:** September 27, 2002 council action to continue to provide access to Medicare + HMO Senior Plan options for retired employees over age 65. The plans offered starting in the 2003 were provided by HealthPartners, Physicians Health Plan of Minnesota (now Medica) and UCare.

### Department Information

Prepared by: Joyce Traver and Susan Trammell

Approved by: \_\_\_\_\_

Pamela French  
Director, Human Resources

Steven Bosacker  
City Coordinator

Presenters in Committee: Susan Trammell

### Financial Impact

- No financial impact – retirees pay full cost of Medicare supplement premiums.

### Supporting Information

Minnesota Statute (471.61 Subd.2.b.) requires local government to allow retired employees to continue to participate indefinitely in employer-sponsored health plans. Until the retired employee reaches age 65, the former employee allowed to participate in the same group plan(s) as offered to active employees. After age 65, retired employees can be offered health care plans that coordinate with the federal Medicare program. The City has a long history of offering Medicare supplement plans to City retirees over age 65. These plans are community rated and are paid for exclusively by the retirees.