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## MEDICAL PREMIUM REIMBURSEMENT PROGRAM INFORMATION SHEET

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If you live outside of a LACERS California HMO service area or outside California but within the United States and its territories, the Medical Premium Reimbursement Program (MPRP) could help you pay the premium of your chosen plan with your LACERS medical subsidy. You can participate in this program if you are an eligible Retiree or an eligible Survivor.

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### GENERAL GUIDELINES

Provided you meet all the program qualifications, you will be eligible for participation in the MPRP if you are paying the entire premium or the balance of a partially subsidized (non-Affordable Care Act) premium in one of the following:

- A qualified individual plan – must not be receiving the federal medical premium subsidy/tax credit;
- A plan sponsored by an active employer;
- A plan sponsored by a retirement system other than LACERS (or any other City of Los Angeles retirement system)

Dental coverage, health savings accounts premiums which are tax-free or taken as a tax adjustment; and long-term care plans do not qualify for reimbursement.

The insurance plan you choose must be federally-qualified to coordinate benefits with Medicare or state-regulated. If you will be seeking reimbursement of premium costs associated with covering dependents, your dependents must be insured by the same medical insurance company. You must submit a copy of your Medical Insurance Certificate signed by the issuer to LACERS.\*

In addition, medical insurance plans are required to pay at least 80% of premium costs toward your medical care. If medical costs total less than 80% of premiums collected, the insurer is required to either issue rebates or lower premiums so that administrative costs and profits decline to a level of 20% of premiums paid.

If you receive a rebate of any portion of your medical plan premium, you must notify LACERS immediately and provide supporting documentation. The rebate, or a portion of it, may be considered “excess reimbursement” that must be paid to LACERS. LACERS will calculate the amount you owe, which will be equivalent to the amount of the rebate, less any portion of the medical plan premium you paid that was not reimbursed by LACERS, during the time period covered by the rebate. Any excess reimbursement that is not repaid will be included in your **taxable income** and will be reported to the Internal Revenue Service.

Once you begin participating in the MPRP, you may change your individual medical plan at any time. However, if you change your medical plan or dependents, you must notify LACERS within 30 days. Failure to provide immediate notification may result in cancellation of the MPRP reimbursement and may make you ineligible for enrollment in a LACERS medical and/or dental plan.

**Caution:** Please ensure that adequate coverage is obtained prior to canceling medical insurance. Subsequent enrollment in a LACERS-sponsored plan is governed by LACERS enrollment procedures.

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\* In some instances, a medical insurance company will issue your dependent a different policy. If your dependent is under a different policy, you must provide LACERS with the separate certificate.

## ELIGIBILITY

To qualify for the MPRP, you must:

- Be eligible to receive a LACERS medical subsidy
- Reside more than three months of the year outside of a LACERS California HMO service area or outside the state of California, but within the United States and its territories
- Not be enrolled in a LACERS-sponsored medical plan

## SURVIVOR (SURVIVING SPOUSE/DOMESTIC PARTNER) ELIGIBILITY –TIER 1 MEMBERS ONLY

Your Eligible Survivor is eligible to continue or enroll in the MPRP after your death. Your Eligible Survivor may maintain the same plan or change plans at any time. Proof of enrollment in the plan as the primary subscriber must be submitted to LACERS.

## MEDICARE AND MPRP

Upon turning age 65, you must submit proof of Medicare coverage (Parts A & B or B only) to LACERS. Retirees with Medicare Parts A & B will be reimbursed for the Medicare Part B basic premium. If Medicare Part D (Prescription Drug Coverage) is not integrated into your medical plan, you should enroll in a supplemental Medicare Part D insurance plan to maintain creditable coverage. Additionally, if vision is not integrated into your medical plan, you may add vision as a benefit rider/enhancement or enroll in a separate vision plan. After reimbursement of your primary medical plan cost, your remaining subsidy amount (if any) will be used towards reimbursement of your Medicare Part D coverage and/or your vision coverage. LACERS does not apply your medical subsidy toward or reimburse to you any Medicare-related Income-Related Monthly Adjustment Amount (IRMAA) or late enrollment penalties.

## HOW YOU ARE REIMBURSED

To enroll in the MPRP, you must submit a MPRP enrollment form. A certificate of insurance is required with your enrollment form. Once enrolled, you may request reimbursement by submitting a **current (2014) claim form**, evidence of coverage (such as a membership ID card or statement), and proof of premium payment. Reimbursement is only for premiums paid, including Medicare Part D and vision, and will not exceed your maximum monthly medical subsidy.

Your claim forms and supporting documentation must be received by the dates shown in the reimbursement schedule table.

Reimbursement Schedule		
Coverage Period	Received By LACERS	Reimbursement Sent By
January 1 – March 31	April 15	May 31
April 1 – June 30	July 15	August 31
July 1 –September 30	October 15	November 30
October 1 – December 31	January 15	February 28

Claim forms received after the quarter deadline will be processed according to the payment schedule for the following quarter. Claim forms received later than 12 months after the coverage period will not be processed. Submission of false information and/or fraudulent claims shall be the basis for denial of an application. Any improper receipt of benefits or reimbursement shall result in suspension of participation in a LACERS health plan, the MPRP, and the recovery of ineligible funds paid.