

Town of Lunenburg

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November 1, 2024

To: All Eligible Town / School Retirees
From: Nancy O'Rourke / Payroll & Benefits Coordinator/Risk Manager
Re: **Health Insurance / Open Enrollment / January 1, 2025
Creditable Coverage Notice**

It is now time for the Town's open enrollment for retiree health insurance plans to be effective January 1, 2025. Any changes which retirees desire to make should be made during open enrollment at Town Hall, Payroll Office, by **Monday, December 2, 2024. If you are not making any changes, no action is required on your part.** There are no changes to the plans this year. The Medex plan has a 19.23% increase, and the Managed Blue for Seniors has a 15.76% increase.

The new rates for the two groups are as follows:

PLAN		TOTAL PREMIUM	RETIREE AMOUNT	Town Share	Cobra
MEDEX 2 & BLUE MEDICARE RX	IND	\$424.70	\$212.35	\$212.35	
MANAGED BLUE FOR SENIORS & BLUE MEDICARE RX	IND	\$412.89	\$103.22	\$309.67	

Some of the reasons for these increases include not only higher utilization, but also changes that were made to Medicare itself.

These changes include:

- Medicare increasing Part A Deductible 4.9% and Part B by 7.9%, resulting in the supplemental plans (like Medex) to pick up this extra amount.
- CMS (Medicare) will be raising the reimbursement rates for outpatient services (increase cost to the plans)
- As part of the Inflation Reduction Act of 2022, all retiree PDP Plans will now have a \$2,000 out of pocket member maximum.

Adjustments for these new rates will be submitted to the retirement systems by December 6, 2024. **If you pay by check, please use these rates for your December 20th payment, which is for your January premium.** If you have any questions, please feel free to contact this office.

Creditable Coverage Notice

This is an important notice. Please read it carefully and thoroughly.

All group health plans for which you are eligible to enroll meet the Medicare definition of Creditable Coverage. That means that your prescription drug coverage through the Town of Lunenburg will be at least as good as the standard Medicare Part D benefit. If you enroll in a Town of Lunenburg health insurance plan, you do not need to enroll in Medicare Part D. If you later decide to enroll in Medicare Part D, you will not be subject to a Medicare penalty.

When you enroll in a plan for the first time, you will be given a Creditable Coverage Notice that is specific to your new plan. You may also get a copy of a Creditable Coverage Notice for any plan at any time upon request. If you have any questions, please contact Nancy O'Rourke at (978) 582-4134.