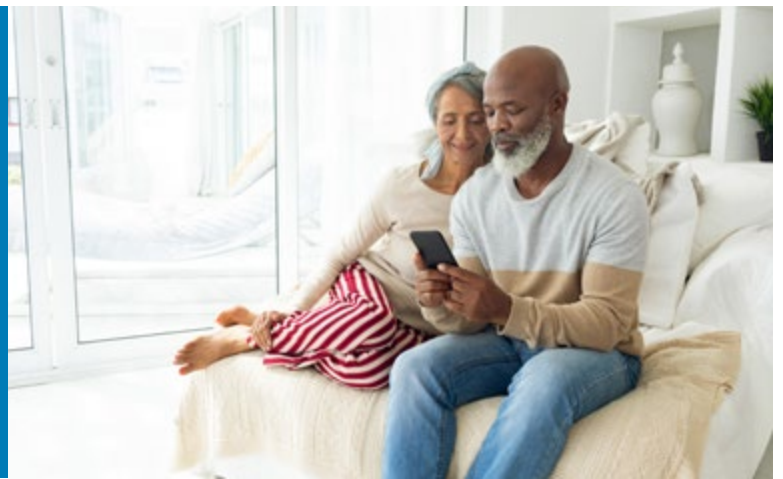


Understanding Medicare Part B & IRMAA Reimbursements



Am I eligible to receive a Medicare Part B reimbursement?

State and California State University (CSU) retirees and their dependents enrolled in a CalPERS Medicare health plan may be eligible for a reimbursement of all or part of their Medicare Part B premium*.

If you or your dependents are eligible for Medicare Part B reimbursement, CalPERS will automatically reimburse the eligible amount of the standard Medicare Part B premium, beginning the date of your enrollment into a CalPERS Medicare health plan. Your reimbursement will be listed on your warrant as "Medicare Reimbursement."

* Some exceptions apply based on bargaining unit and first hired date. For additional information, refer to the CalPERS Medicare Enrollment Guide available on the CalPERS website.

What if I pay more than the standard Medicare Part B premium?

Each year, the [Centers for Medicare and Medicaid Services \(CMS\)](#) announces the Medicare Part B premium amount. CalPERS sets the standard Medicare Part B premium reimbursement amount on January 1 of each year based on the amount determined by the CMS. According to the CMS, most Medicare beneficiaries will pay the standard Medicare Part B premium amount.

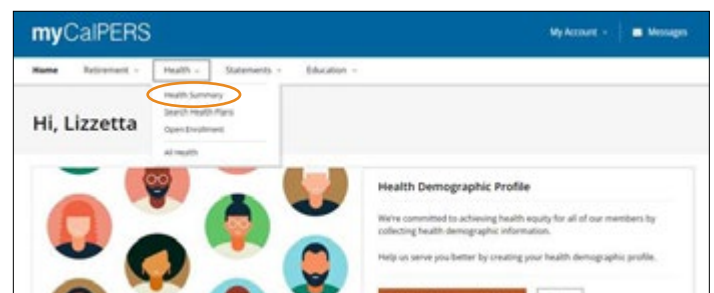
However, if your Modified Adjusted Gross Income (MAGI) as reported on your IRS tax return is above the set threshold established by the CMS, you'll pay the standard Medicare Part B premium amount plus an additional Income-Related Monthly Adjustment Amount (IRMAA). If you are required to pay an IRMAA, you will receive a notice from the Social Security Administration (SSA) advising you of your Medicare Part B premium cost for the following calendar year, and how the cost was calculated.

Each fall, CalPERS mails letters to members currently receiving an IRMAA adjustment detailing the standard Medicare Part B premium for the following calendar year and provides instructions for requesting additional Medicare Part B reimbursement.

If you or your dependents are paying an increased Part B premium (IRMAA) due to your income level and would like to request additional Medicare Part B reimbursement, submit a copy of your entire SSA notice showing the IRMAA determination and increased Part B premium to CalPERS. Processing time for IRMAA documents is up to 60 calendar days.

Request reimbursement using secure upload

To ensure secure and timely processing, upload your or your dependent's SSA notice online by logging in to your [myCalPERS](#) account by selecting the **Health** tab, then the **Health Summary** option.



Scroll down to the **Health Deductions** section and select the **Submit Documents** link.

Month	Health Deduction	Social Deduction	Medicare Reimbursement	Prepaid Amount
December 2021	\$0.00	\$12.71	\$148.50	\$0.00
January 2022	\$0.00	\$12.71	\$148.50	\$0.00

For more information, visit the [Retiree](#) section of the CalPERS website and select the [Health & Medicare](#) tab.

What is my maximum allowable Medicare Part B reimbursement?

The allowable reimbursement amount is limited to the difference between your employer contribution and the cost of your plan's premium, up to the amount of your Medicare Part B premium.

$$\begin{array}{|c|} \hline \text{** Employer} \\ \text{Contribution} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Health Plan Premium} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Maximum allowable} \\ \text{for Medicare Part B} \\ \text{Reimbursement} \\ \hline \end{array}$$

**Employer contribution rates may vary depending on your health vesting, party rate, and bargaining unit.

The following examples illustrate how reimbursements are calculated:

SCENARIO 1: Standard Part B Reimbursement

Maria's income does not exceed the Medicare income thresholds established by the CMS and she is enrolled in a CalPERS Medicare health plan and has no dependents. Her employer contribution is \$550 per month, and her health plan premium is \$350 per month. After her health plan premium is paid, Maria has \$200 of her employer contribution remaining to apply to her Medicare Part B premium ($\$550 - \$350 = \$200$). The amount of her Part B premium reimbursement is limited to \$200 and cannot exceed the amount she pays for her Medicare Part B premiums.

Step 1:

$$\begin{array}{|c|} \hline \text{Employer} \\ \text{Contribution} \\ \hline \end{array} \begin{array}{|c|} \hline \text{\$550} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Health Plan Premium} \\ \hline \end{array} \begin{array}{|c|} \hline \text{\$350} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Maximum allowable} \\ \text{for Medicare Part B} \\ \text{Reimbursement} \\ \hline \end{array} \begin{array}{|c|} \hline \text{\$200} \\ \hline \end{array}$$

Step 2: If the minimum standard Medicare Part B premium rate is \$148.50, then Maria would be reimbursed \$148.50 monthly. The reimbursed amount cannot exceed the standard premium.

$$\begin{array}{|c|} \hline \text{If} \\ \hline \end{array} \begin{array}{|c|} \hline \text{Maximum allowable} \\ \text{for Medicare Part B} \\ \text{Reimbursement} \\ \hline \end{array} \begin{array}{|c|} \hline \text{\$200} \\ \hline \end{array} \begin{array}{|c|} \hline \text{and} \\ \hline \end{array} \begin{array}{|c|} \hline \text{*** Standard Part B} \\ \text{premium} \\ \hline \end{array} \begin{array}{|c|} \hline \text{\$148.50} \\ \hline \end{array} \begin{array}{|c|} \hline \text{then} \\ \hline \end{array} \begin{array}{|c|} \hline \text{Medicare Part B} \\ \text{Reimbursement} \\ \hline \end{array} \begin{array}{|c|} \hline \text{= \$148.50} \\ \hline \end{array}$$

*** SSA updates annually.

SCENARIO 2: Additional Reimbursement

Maria's income exceeds Medicare income thresholds established by CMS, so her Medicare Part B premium will be higher than the standard Part B premium rate due to IRMAA. Maria requests additional Income-Related Medicare Part B premium reimbursement by submitting a copy of her SSA notice to CalPERS.

Keep in mind, her total reimbursement cannot exceed the difference between her employer contribution and the cost of her health plan's premium. For instance, if Maria paid an IRMAA of \$216.70, that would make her total monthly Part B premium \$365.20 ($\148.50 standard rate + $\$216.70$ IRMAA). However, because her maximum allowable amount for Medicare Part B reimbursement is only \$200, Maria's reimbursement is limited to \$200, not the \$365.20 she pays toward her Medicare Part B premiums.

$$\begin{array}{|c|} \hline \text{If} \\ \hline \end{array} \begin{array}{|c|} \hline \text{Maximum allowable} \\ \text{for Medicare Part B} \\ \text{Reimbursement} \\ \hline \end{array} \begin{array}{|c|} \hline \text{\$200} \\ \hline \end{array} \begin{array}{|c|} \hline \text{and} \\ \hline \end{array} \begin{array}{|c|} \hline \text{Standard Part B} \\ \text{premium (\$148.50) +} \\ \text{IRMAA (\$216.70) =} \\ \hline \end{array} \begin{array}{|c|} \hline \text{\$365.20} \\ \hline \end{array} \begin{array}{|c|} \hline \text{then} \\ \hline \end{array} \begin{array}{|c|} \hline \text{Medicare Part B} \\ \text{Reimbursement} \\ \hline \end{array} \begin{array}{|c|} \hline \text{= \$200} \\ \hline \end{array}$$