

Medicare and Your CalPERS Health Benefits

Date: October 21, 2015

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Laurie: Welcome to Medicare and Your CalPERS Health Benefits webinar.

Jim: In this webinar, we'll cover information you may need to know regarding how your CalPERS health benefits coordinate with Medicare. In this presentation, we'll start with an overview of Medicare. We'll cover how and when you should enroll in Medicare and the Medicare reimbursement available to State employees. We'll also cover CalPERS health plans that coordinate with Medicare and some resources where you can find more information.

Laurie: Let's start with a brief overview of the parts of Medicare. Medicare is comprised of several parts. The parts that relate to the coordination of Medicare with CalPERS health benefits are: Part A Hospital insurance, Part B Medical insurance, Part C Medicare Advantage Health Plan, Part D Prescription drug insurance. The Social Security Administration, determines eligibility and enrollment for Medicare, and the Centers for Medicare and Medicaid Services administers the Medicare program. It's important to understand that Medicare does not cover all medical expenses or the cost of most long-term care. So let's break these parts down further.

Medicare Part A helps cover inpatient care in a hospital, or skilled nursing facility after a hospital stay. It also covers some home health care and hospice care. Part A is free for most people if you've worked at least 10 years in Social Security-Medicare covered employment. You may also qualify through a current, former, or deceased spouse. If you're under age 65, you may qualify for premium Part A due to a disability.

State law requires that if you are eligible for Part A, you must enroll in both Medicare Parts A and B and be placed in a CalPERS Medicare plan. If this requirement is not met, you will be cancelled from your CalPERS health coverage. If you're not entitled to Medicare Part A, then you have two choices. You can provide proof of ineligibility for Medicare Part A and remain in a CalPERS Basic health plan. Or you can elect to purchase Medicare Part A. If you do this, then you will be required to enroll in Medicare Part B as well and coordinate your CalPERS health benefits with Medicare.

Medicare Part B is medical coverage. It helps pay for doctors' services, outpatient hospital care, and some other services not covered by Part A. If you are already receiving SSA benefits, you will automatically be enrolled in Medicare Part A and B about two months before your 65th birthday and you are required to pay a premium for Part B. Some people are eligible for Part B before age 65 if they qualify based on being deemed disabled by the Social Security Administration. If you are retired from CalPERS but not yet drawing your Social Security Benefits, you are required to enroll during the Initial Enrollment Period.

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You have a seven-month period in which to sign up for Part B. If you're eligible at age 65, your initial enrollment period begins three months before your 65th birthday, includes the month you turn 65, and ends three months after your 65th birthday.

If you do not buy Part B when you are first eligible to do so, you will pay more for it later. The longer you wait to enroll, the more you will pay. A surcharge of 10% is added to the monthly premium for each 12 month period that you could have enrolled but didn't. There is only one opportunity to enroll each year if you miss your initial chance. If you do not apply when you are first eligible for Medicare at age 65, you may apply during the General Enrollment Period. The general enrollment period is January 1 through March 31 each year. The effective date of Part B is July 1st of the same year in which you applied for the Part B benefit.

Medicare Part C is Medicare Advantage Health Plan that is approved by the Centers for Medicare and Medicaid Services . These plans coordinate benefits directly with Medicare. For 2016, Kaiser Permanente Senior Advantage and UnitedHealthcare Group Medicare Advantage PPO Plan are the two Part C plans offered through CalPERS. Medicare Part D is the Prescription Drug Benefit. CalPERS-sponsored health plans include Prescription Drug Coverage that is comparable to Part D. Our Medicare Advantage Plans automatically enroll you into Part D. You may receive multiple solicitations by mail regarding enrollment into a Part D plan. As a CalPERS member you should not enroll in any Medicare Part D plans outside of CalPERS. If you do, you will lose your CalPERS health coverage.

Jim: Now let's talk about the Medicare enrollment process.

To enroll in a CalPERS Medicare health plan, you must be retired, and also be enrolled in both Medicare Parts A and Part B. It's important to respond to CalPERS Medicare enrollment notifications by completing and submitting your Certification of Medicare Status form to us before your 65th birthday. If you retire after age 65, then you must submit the certification form along with a photocopy of your Medicare card to us within 90 days of your retirement date. Remember if you are eligible you must enroll in Medicare or your CalPERS health coverage will be terminated.

CalPERS has an automated Medicare notification process and this is how it works. Four months before your 65th birthday, you receive an initial notification. This is the first notice you will receive and the first opportunity to certify your Medicare status. If you don't respond, then you'll receive the 2nd Notice with another form the month prior to your 65th birth month. If you did not respond to Notice 1 and 2, then you'll receive the 3rd notice advising you that your CalPERS health coverage has been canceled.

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That means that if you are the retiree, then everyone on your health plan is also canceled. If your dependent spouse is eligible to enroll and doesn't, then just they will be canceled. A similar process occurs for those who retire at age 65 or older. You get a notice at retirement, then a 2nd notice after retirement and a cancellation notice within 90 days of retirement. So it's best to respond immediately when you receive the first notice. Don't wait.

Enrollment into a CalPERS Medicare plan is not automatic. Once eligible, you must submit the Medicare Certification form along with a photocopy of your Medicare card to us.

The form provided enables you to elect one of the following options: one, you are enrolled in Medicare part A and B and are submitting your copy of the Medicare Card or notice of entitlement from Social Security. Two, you are not eligible for Medicare in your own right or through a current, former or deceased spouse. This should also have the verification from Social Security included. Three, you're deferring Medicare Part B due to working beyond age 65 with coverage through your own health plan, or a spouse's employers group health plan. If you are ineligible or defer your enrollment, you then remain in a CalPERS basic health plan.

Laurie: Let's talk about what you need to do if you retire after age 65. If you're still working and covered by an active group health plan and then retire after age 65 you may enroll in Part B without penalty. This is the special enrollment period.

Once you retire, within 60 days of separation from the health plan, you'll need to contact Social Security and enroll in Medicare Part B. You'll need to submit the Certification of Medicare Status form along with a copy of your Medicare card or eligibility letter from Social Security. Failure to enroll in Part B and notify CalPERS results in automatic cancellation of your health coverage. State employees may be eligible for a reimbursement of their Medicare premiums.

If you're a State of California retiree enrolled in a Medicare plan, you may be entitled to reimbursement of a portion of your Part B premium. The reimbursement would be the difference between the contribution the State pays and your health plan's premium, not to exceed the amount of the Part B premium. If your health plan's premium is greater than the State's contribution, then there would be no reimbursement. Public Agency and School retirees are not entitled to reimbursement from CalPERS. You should contact your former employer to see if benefits like this exist.

The Part B premium amount that you pay may vary based on your Social Security income. Most people pay a standard premium but, if you have a higher income you may pay more for your Part B premium. This is called the Income Related Monthly Adjustment Amount. The Centers for Medicare and Medicaid

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Services announces the Part B premium annually in the Fall. Sometime in mid or late Fall each year, you'll receive a Medicare beneficiary letter advising you of your new amounts, which includes your Medicare Part B premium amount. You must submit a written request to us each year, with a complete copy of your notification letter to receive payment. Otherwise, you will only be reimbursed the standard amount.

Jim: For 2016, not all CalPERS health plans will coordinate with Medicare. So let's review the ones that do. CalPERS offers two types of Medicare coordinated health plans: Supplement to Medicare plans and Managed Medicare plans, which are the Medicare Advantage plans. CalPERS offers three supplement to Medicare plans. There's PERS Select, PERS Choice, PERSCare.

Once enrolled in these plans, Medicare becomes your primary provider and your CalPERS plan becomes the supplement to Medicare. PERS Choice and PERSCare are both available worldwide. As stated earlier in the presentation, there are two Medicare Advantage Health plans. There is Kaiser's managed Medicare plan which is Kaiser Permanente Senior Advantage. And there is the UnitedHealthcare Group Medicare Advantage PPO Plan. It will allow you to receive care from any provider who accepts Medicare. You'll be able to use it in all 58 California counties and anywhere in the United States and its territories.

So you may need to change your Medicare health plan at some point. There's four permitting events that allow you to change your Medicare plan. You can change it during the "Open Enrollment" period held during each fall each year. The changes become effective January 1st of the new year. You can change your plan when you retire. When you first become eligible for Medicare, for example if you retire after age 65. And finally, when you move. You can change plans 31 days before and up to 60 after you move.

Laurie: Let's finish up with some resources that can provide you with additional information. One of the best resources you can use is the CalPERS website. If you select the Retirees tab, you can find information on your CalPERS retirement and health benefits, and of course information about Medicare.

For information related to your own health benefits including coverage type, premium and dependent information, you can review the Health Plan Summary page in your own my|CalPERS account. The Medicare website at medicare.gov provides information on what Medicare covers.

And finally, the website for Centers for Medicare and Medicaid Services which oversees the Medicare program at cms.hhs.gov. There are several publications that can provide information regarding your health benefits. First is the CalPERS Medicare Enrollment Guide. This covers how Medicare works with your health benefits, and when you need to enroll in a CalPERS Medicare plan.

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The Health Benefit Summary explains the differences between HMO and PPO. The Health Program Guide talks about Basic and Medicare health plan eligibility, enrollment, and choices. And finally the Evidence of Coverage publications review the terms and conditions of coverage including benefits, covered services, and co-payment information for each health plan.

If you're unable to find the information that you need on the websites, you can contact the following by phone. You can reach CalPERS at 888-CalPERS or 888-225-7377. Our representatives are available 8 to 5 Monday through Friday. In most cases, they can assist you in a single call. The busiest times to call us are the first of the month, Mondays and the day after a holiday. We now offer a call back feature that allows you to avoid waiting on hold.

For questions regarding Medicare, you can contact the Social Security - Medicare hotline at 800-772-1213. Another resource for help with Medicare related issues is the Health Insurance Counseling and Advocacy Program and you can reach them at 800-434-0222.

Our presentation today was intended to give you a better understanding of how Medicare coordinates with your CalPERS Health Benefits. We hope this information has been beneficial to you. Thank you for taking time out of your day to attend this informative presentation and we hope you have a great day!