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Special:

Circular Letter

TO: HEALTH BENEFITS OFFICERS AND ASSISTANTS OF THE STATE,
CALIFORNIA STATE UNIVERSITY (CSU) AND CONTRACTING
AGENCIES

SUBJECT: MEDICARE ENROLLMENT REQUIREMENTS AND VERIFICATION OF
PROPER ENROLLMENT FOR EMPLOYEES ENROLLED IN
SUPPLEMENTAL PLANS

Purpose Specific instances exist when active employees and their family
members (enrollees) must enroll in Medicare and transfer to a CalPERS
Medicare health plan.

CalPERS Group Health Plan (GHP) coverage is intended to work with
Medicare. Each program has its own specific enrollment periods and
eligibility requirements.

Please use this information to ensure that your Medicare-eligible
enrollees are properly enrolled and as guidance through the CalPERS
and Medicare enrollment processes for your prospective retirees.

**Timely and accurate enrollment in both Medicare and in a CalPERS
Medicare plan will ensure that your employees and prospective
retirees have continuous group coverage.**

State Law CalPERS health plan enrollees who are Medicare-eligible (i.e., eligible for Medicare Part A without cost and Part B) may not enroll in a CalPERS basic health plan, and must transfer to a Medicare plan at the appropriate time.

Most enrollees are Medicare-eligible at age 65, some when they are determined eligible for Social Security disability and others when they develop End Stage Renal Disease (ESRD). At retirement or when employer-provided health coverage ends, these Medicare-eligible enrollees must transfer to a Medicare plan or risk termination or suspension of their CalPERS health coverage.

Only those active employees who are Medicare-eligible due to ESRD are eligible for enrollment in a CalPERS Medicare health plan. Please verify that your active employees who are currently enrolled in a Medicare plan are enrolled based on ESRD Medicare eligibility.

**Combining
Medicare &
CalPERS
plans**

With the exception of working ESRD Medicare-eligibles, when your retired enrollees become Medicare-eligible, inform them to:

1) establish Medicare coverage by enrolling in Medicare Parts A and B through the Social Security Administration, and

2) transfer their basic coverage to a CalPERS Medicare plan through the CalPERS Health Program.

Medicare-eligible enrollees, who are not eligible to transfer to a CalPERS Medicare plan, must certify their Medicare status of "ineligible" or "Part B deferment" (see page 8, "Deferring Medicare Part B enrollment" for details) by completing the *Certification of Medicare Status* form (attached) and filing it with CalPERS.

**Medicare
enrollment
periods**

Before an enrollee can transfer to a CalPERS Medicare health plan, s/he must first enroll in Medicare during one of Medicare's three enrollment periods:

Initial Enrollment Period (IEP)

The IEP is the enrollee's first opportunity to enroll in Medicare. For most enrollees, this is at age 65. However, for some enrollees, they may be eligible to first enroll in Medicare when determined eligible due to Social Security disability or ESRD.

Medicare enrollment periods, *continued*

This 7-month enrollment period begins three months before the enrollee's 65th birthday, includes the month of the 65th birthday and the three months following.

If the enrollee is retired and has no other employer-provided health insurance, this is the time to transfer to a CalPERS Medicare health plan. The enrollee must both enroll in Medicare and transfer to a CalPERS Medicare plan before the 1st day of their 65th birth month to avoid loss or suspense of CalPERS health coverage.

General Enrollment Period (GEP)

The GEP provides those enrollees that fail to enroll during their IEP a subsequent opportunity to enroll in Medicare.

The GEP occurs annually from January 1st to March 31st. However, the actual Medicare effective date is July 1st of the same year in which the enrollee applies for Medicare. Most enrollees who enroll during the GEP will pay more for their Part B enrollment and may incur a lapse in their CalPERS health coverage.

Special Enrollment Period (SEP)

The SEP provides an 8-month period to enroll in Medicare without paying a higher Medicare Part B premium for those enrollees that continue to work and be covered by employer-provided health insurance after age 65. To avoid paying a higher Medicare premium, the new over age 65 retiree must enroll in Medicare immediately when employment or employer-provided health coverage ends.

Prospective retirees must enroll in Medicare timely during their SEP or risk loss of CalPERS health coverage and be required to enroll in Medicare during a subsequent GEP, where they will pay a higher Part B premium.

For enrollees applying for Medicare during an SEP, the Social Security Administration requires the employer to verify when the enrollee's employer-provided coverage ended. Provide your enrollee with a completed Form CMS-L564 (attached) and instruct them to file for Medicare immediately upon retirement.

CalPERS
Medicare
notices

The Social Security Administration informs most Medicare-eligible persons who are receiving Social Security retirement when to enroll in Medicare. However, those enrollees who either delay or who are not eligible for Social Security retirement until after age 65 and those who are not eligible for a Social Security retirement under their own work record, must apply timely and in person for their Medicare benefits.

CalPERS notifies all potentially Medicare-eligible enrollees at age 65 when to enroll in Medicare and in a CalPERS Medicare health plan. Enrollees receive one of the following notices:

Notice 10 - Active Employee Age 65 Notice

CalPERS sends this *advisory notice* four months before the active employee's 65th birthday.

Active employees may enroll in Medicare Part B while they continue to work. However, federal rule requires the active enrollee's employer-provided health plan to be the primary insurance to Medicare, so the enrollee must remain enrolled in the basic plan until retirement. Please advise active employees who choose to enroll in Medicare to always use their employer-provided health insurance card to access health care before using their Medicare card. They may use both insurance cards simultaneously, but never independently.

Notice 11 - Age 65 Retired Notice

CalPERS sends this *action required notice* with the *Certification of Medicare Status* form four months prior to the retiree's 65th birthday and a second notice one month prior to the retiree's 65th birthday if CalPERS did not receive a response to the first notice.

Upon receipt of the notice the retiree must respond by certifying their own or their dependent's Medicare enrollment status. The certification options are: Medicare eligible for Part A and/or Part B; ineligible or Part B deferment.

The retiree and/or the dependent's health coverage will be terminated automatically if CalPERS does not receive a properly completed *Certification of Medicare Status* form by the 1st day of the enrollee's 65th birth month.

CalPERS
Medicare
notices,
continued

Notice 69 - Requirements To Continue Health Coverage At Retirement

CalPERS sends this *action required notice* at retirement advising Medicare-eligible enrollees under and over age 65 to enroll in Medicare and transfer to a CalPERS Medicare health plan or certify their Medicare status of ineligible or Part B deferment.

If CalPERS does not receive a response, CalPERS cancels coverage at 90 days and sends a notice advising the Medicare-eligible enrollee to enroll in Medicare Part B during the Medicare SEP.

Certifying
Medicare
enrollment
status

Enrollees will need to certify their correct Medicare enrollment status based on both their employment status and their Medicare eligibility status when they receive the CalPERS Medicare notice.

To certify Medicare status, enrollees will complete the *Certification of Medicare Status* form (attached).

Each status category below has its own unique guidelines to follow:

Employed and receiving employer-provided health insurance after age 65

- Age 65 enrollees who work and are covered by an employer-provided group health plan complete the *Certification of Medicare Status* form and return it to CalPERS to report either their enrollment in Medicare Part A and B or to report their deferred Medicare Part B enrollment due to working beyond age 65 and receiving coverage through the group health plan provided by their employer/spouse's employer.
- Enrollees who have Medicare Part B coverage and employer-provided group health plan coverage must use Medicare Part B coverage secondary to the employer-provided health plan.
- Enrollees whose group health coverage ends (no longer have health coverage through the group health plan provided by their employer or spouse's employer and continue coverage as a retiree), must enroll in Medicare during their SEP and transfer to a CalPERS Medicare plan.

Certifying
Medicare
enrollment
status,
continued

Employed and Medicare-eligible due to ESRD

- Enrollees who work and are Medicare-eligible based on ESRD must remain enrolled in the employer-provided health plan for a 30-month "Medicare Coordination of Benefits" period. During this period, the enrollee's employer-provided plan is the primary insurance and Medicare is the secondary insurance.
- After the 30-month "Medicare Coordination of Benefits" period working ESRD enrollees must transfer enrollment from the basic health plan to a CalPERS Medicare health plan.
- Subsequent enrollment changes may be necessary as changes occur with the working ESRD enrollee's health status. Questions on enrollment changes must be directed to the Social Security Administration, the health plan and the ESRD medical provider (dialysis center) by the enrollee.

Under age 65 and Retired

- Under age 65 retired enrollees who qualify for Medicare based on Social Security disability must enroll in Medicare and transfer to a CalPERS Medicare plan.
- Under age 65 retired enrollees who are also enrolled in a non-CalPERS employer-provided group health plan, may defer Medicare Part B enrollment and remain in a CalPERS basic health plan.

Beyond age 65 at Retirement

- At retirement, retired enrollees beyond age 65 must enroll in Medicare Parts A and B and enroll in a CalPERS Medicare health plan.
- At retirement, retired enrollees beyond age 65 who are not eligible for Medicare must certify their Medicare ineligibility by completing the *Certification of Medicare Status* form and returning it to CalPERS.
- At retirement, retired enrollees beyond age 65 who receive health coverage through their continued work or receive coverage through their spouse's employer-provided health plan, must certify

Certifying
Medicare
enrollment
status,
continued

deferral of Medicare Part B by completing the *Certification of Medicare Status* form and returning it to CalPERS.

- At retirement, retired enrollees who continue to work, but are not enrolled in their employer-provided GHP by means of employment, must enroll in Medicare Parts A and B and enroll in a CalPERS Medicare health plan.

California State University Faculty Early Retirement Program (FERP)

- FERP participants are retired even though they continue to work after their CalPERS retirement.
- FERP participants receive health insurance through their participation in the CalPERS "retirement group-provided health plan." Therefore, FERP participants must enroll in Medicare Parts A and B and transfer to a CalPERS Medicare health plan at the time of CalPERS retirement.
- Federal rule provides a SEP only to those enrollees who continue to work and receive health coverage through an employer-provided health plan. FERP participants, however, receive their health coverage through their "retirement group-provided health plan."

Working
and
eligible for
Medicare

Working Medicare-eligible enrollees must remain in a CalPERS basic health plan. However, they may use their option to enroll in Medicare Part B while they continue to work and receive CalPERS health coverage. CalPERS coverage is primary to Medicare coverage for working enrollees who have CalPERS basic and Medicare coverage.

Please make certain that employees understand Medicare coverage is secondary to CalPERS coverage. Advise your employees not to use their Medicare card independently from their CalPERS health plan card when accessing services while covered by CalPERS GHP.

Important Note about ESRD: There are special circumstances that require your Medicare-eligible ESRD enrollees to be transferred to a Medicare plan after their "Medicare Coordination of Benefits" period.

Please verify that only your ESRD working enrollees who have completed their "Medicare Coordination of Benefits" period are placed in a CalPERS supplemental plan.

**Enrolling in
Medicare
Part B****Deferring Medicare Part B enrollment**

Medicare-eligible enrollees may defer Part B enrollment when they continue working after age 65 and continue health coverage through their work or the work of a spouse. In this instance, CalPERS basic coverage remains in effect until the working enrollee retires. When the working enrollee retires s/he must sign up for Medicare Part B during his/her Special Enrollment Period.

Medicare-eligible enrollees who didn't sign up for Part B when first qualified can sign up later, but a federal surcharge may apply in addition to the premium.

- A 10 percent federal surcharge will be added to the monthly premium for every 12-month period that the enrollee qualified to sign up for Medicare but did not enroll. Part B surcharges in excess of the monthly Medicare Part B premiums are paid by the enrollee. CalPERS does not reimburse these surcharges.

Deferred Part B for Medicare for working enrollees

Post age 65 working enrollees remain in CalPERS basic while they continue to work. These enrollees have the option to defer their enrollment in Medicare Part B. Post age 65 working enrollees must be signed up for Medicare Part B and transferred to a CalPERS Medicare plan at retirement or certify their Medicare ineligibility or Part B deferment.

CSU FERP cannot defer Medicare Part B enrollment

CSU FERP participants are retired and do not have the option to defer Medicare Part B enrollment. Although FERP continue to work they have different requirements than the actively employed. See "California State University Faculty Early Retirement Plan (FERP)" on page 7 for details.

Medicare enrollment and eligibility

The Social Security Administration (SSA) determines eligibility.

Please instruct your enrollees who are not receiving Social Security retirement benefits at age 65 and those who are not eligible to receive Social Security to contact SSA directly to apply for Medicare in their own right or through a qualifying spouse.

Call the Social Security Administration at (800) 772-1213, visit www.socialsecurity.gov or go to a Social Security Administration office to apply for Medicare.

Note: Medicare-eligible enrollees eligible for Social Security retirement benefits enroll in Medicare even if they elect not to draw Social Security retirement until a later time.

Reporting Medicare eligibility to CalPERS

Retirees and their dependents submit the *Certification of Medicare Status* form to report information on their Medicare eligibility, enrollment status in Medicare Parts A and B, qualification for premium-free Medicare Part A, and deferred Medicare Part B enrollments. Advise your retirees to include the appropriate supporting documentation when submitting this form to CalPERS such as a copy of the Medicare card, SSA notice of entitlement, Social Security statement, and SSA letter of ineligibility or the SSA Form ESRD-SSA 892 U2.

Requesting a CalPERS Medicare plan

Instruct retirees to write to CalPERS to request enrollment in a CalPERS Medicare health plan by mailing the following information and supporting documents:

- A copy of the Medicare card or Letter of Entitlement from Social Security
- A letter asking to change to a CalPERS Medicare plan, including:
 - Full name, as it appears on the Social Security card
 - Social Security number
 - A daytime telephone number

Mail this information to CalPERS at:
Office of Employer & Member Health Services
P.O. Box 942714
Sacramento, CA 94229-2714

Further Medicare information can be obtained from the following:

Information	Contact	Phone Number / Internet
How CalPERS Administers Medicare Parts A and B	CalPERS Employer Contact Center	(888) 225-7377 or www.calpers.ca.gov
CalPERS Benefits	CalPERS Customer Contact Center	(888) 225-7377 or www.calpers.ca.gov
Medicare Part A and Part B	The Social Security Administration	(800) 772-1213 or www.ssa.gov
Medicare Advice, Health Insurance and ESRD Information	Health Insurance Counseling and Advocacy program (HICAP)	www.aging.ca.gov/html/programs/hicap.html (800) 434-0222

Sincerely,

ORIGINAL SIGNED BY HOLLY A. FONG

Holly A. Fong, Chief
Office of Employer and Member Health Services

Enclosures



Certification of Medicare Status

Please complete **Section 1**, **and** either **Section 2, 3 or 4**. Sign and date the form and return it to CalPERS at address listed below.

Section 1: Please enter the Member's/Dependent's name and Social Security Number

CalPERS Retiree Name:	CalPERS Retiree Social Security Number: ____ - ____ - _____
Member/Dependent Age 65 or older:	Member/Dependent Social Security Number: ____ - ____ - _____

Section 2: For Member/Dependent Enrolled in Medicare Parts A and B

I am enrolled in Medicare Part A and Medicare Part B. This is the information reflected on my red, white, and blue Medicare card or Notice of Entitlement from the Social Security Administration:

Name of Medicare Beneficiary _____
Medicare Claim Number ____ - ____ - _____ - ____
HOSPITAL (PART A) effective date ____ - ____ - _____
MEDICAL (PART B) effective date ____ - ____ - _____

Section 3: For Member/Dependent claiming Medicare Ineligibility

I am not eligible for premium-free Medicare Part A (in my own right or through a spouse). I have verified this with the Social Security Administration and have attached documentation of this fact. (Check both boxes that apply to you.)

<input type="checkbox"/> I did not work for <u>any</u> Social Security covered employment.
<input type="checkbox"/> I worked for Social Security covered employment, but have less than 40 quarters.
<input type="checkbox"/> I do not have a spouse (current, former or deceased) that qualifies me for Medicare Part A.

Section 4: For Member/Dependent who works and has Employer Group Health Plan coverage

I have deferred Medicare Part B enrollment due to working beyond age 65 and have coverage in my/my spouse's Employer's Group Health Plan and have attached documentation of this fact.

1. Name of your current employer _____
2. Name of your Group Health Plan provided by your employer _____

Under penalty of perjury, I certify that the above information is true and complete.

Signature _____

Date _____

(_____) _____
Daytime telephone number

Office of Employer & Member Health Services
P.O. Box 942714
Sacramento, CA 94229-2714
(888) CalPERS 225-7377

REQUEST FOR EMPLOYMENT INFORMATION

From: Social Security Administration	Telephone No. _____
Employer's Name and Address _____	Date: _____
	Employee's Name: _____
	Employee's Social Security Number: _____
	Claimant's Name: _____
	Claim Number: _____

Dear Sir/Madam:

We need the following information regarding the above claimant. Please answer the questions below, sign and date this letter and return it in the enclosed envelope.

You may call _____ at the above telephone number if you have any questions.

Sincerely,

Office Manager

-
1. Is (or was) the claimant covered under an Employer Group Health Plan?
Yes _____ No _____

 2. If yes, give the original date the coverage began. _____
(mm/yyyy)

 3. Has the coverage ended? Yes _____ No _____

 4. If yes, give the date the coverage ended. _____
(mm/yyyy)

 5. When did the employee work for your company?
From _____ To _____ Still Employed _____
(mm/dd/yyyy) (mm/dd/yyyy)

Signature and Title of Company Official _____	Date _____	Telephone Number _____
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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information is 0938-0787. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, N2-14-26, Baltimore, Maryland 21244-1850.