UNDERSTANDING MEDICARE

CalPERS

QUESTIONS TO ASK YOURSELF

Ask yourself the questions below. Your answers will help you see how much you know about Medicare and CalPERS and help you decide what you need to learn to make the most of your CalPERS Medicare plan. Use the page numbers after each question to help you find important information in this booklet.

- Do you know if you qualify for Medicare?

  ○ Yes

  ○ No

  (Page 3 outlines qualifications for Medicare.)

- Are you over 65 and still working?

  ○ Yes

  ○ No

  (Page 9 explains how working past age 65 affects your coverage.)

- Did you know that there are different types of CalPERS-sponsored Medicare health plans?

  ○ Yes

  ○ No

  (See page 10 for more information.)

- Did you know that failure to enroll in Medicare when you qualify can result in cancellation of your CalPERS coverage?

  ○ Yes

  ○ No

  (Page 4 explains what you need to do to keep your CalPERS health coverage when you qualify for Medicare.)

- If you are enrolled in Kaiser Permanente Senior Advantage and decide to change to a different health plan, do you know how to disenroll from your Medicare plan?

  ○ Yes

  ○ No

  (If you are a Kaiser member, see page 13 to learn how to disenroll.)

- Did you know that you may obtain Medicare eligibility through a spouse?

  ○ Yes

  ○ No

  (See page 3 for more information.)

- Did you know that even if you have never been eligible for Medicare, your spouse's eligibility automatically qualifies you?

  ○ Yes

  ○ No

  (See page 4 for more information.)

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UNDERSTANDING MEDICARE

Medicare is a federal health insurance program that covers seniors age 65 and older. Medicare also covers some younger persons with disabilities or End-Stage Renal Disease (ESRD is permanent kidney failure).

Medicare has three "parts," or kinds, of coverage:

- Part A, hospital insurance
- Part B, outpatient medical insurance
- Part D, prescription drug insurance

What are the differences between Medicare Parts A, B and D?

Medicare Part A

- Part A is free for most people (who have worked at least 10 years in Social Security-Medicare covered employment). Part A pays for the costs of inpatient hospital stays, skilled nursing facilities, hospice care, and some home health care services. (For more information about Medicare benefits, read the Medicare handbook ***Medicare & You***. Contact Social Security Administration (SSA) at (800) 772-1213 or visit their Web site at ***www.ssa.gov***).
- If you do not qualify for Part A, you ***may*** pay a premium to get Part A benefits. A premium is a monthly bill that you must pay to keep your coverage.
- You may also qualify for Part A through your current or former spouse.

Medicare Part B

- Part B pays for outpatient care such as doctor visits.
- You must pay the monthly Part B premium. This premium is set by the federal Medicare program and can change every year.
- Some persons under age 65 qualify for Part B, but ***everyone*** qualifies for Part B at age 65.

If you are a CalPERS member and you qualify for ***premium-free*** Part A, you must sign up for Part B as soon as you qualify for Part A. Then you must enroll in a CalPERS Medicare plan.

Notes

- If you do not sign up for Part B when you first qualify, you can sign up later, but you may have to pay a federal surcharge in addition to the premium.
- A 10 percent federal surcharge will be added to the monthly premium for every 12-month period that you qualified but were not enrolled.

Medicare Part D

On January 1, 2006, the federal Medicare program will offer a new outpatient prescription drug benefit to Medicare beneficiaries, known as "Medicare Part D". Here is what CalPERS members need to know:

- **CalPERS members SHOULD NOT enroll separately in Medicare Part D in 2006.** Because CalPERS prescription drug coverage is as good as or better than what will be available under Medicare Part D, CalPERS members **SHOULD NOT** enroll separately in Part D. You simply enroll in a Medicare supplement plan offered by a CalPERS health plan, following the enrollment procedures and requirements discussed in this booklet.
- **CalPERS members will experience NO change in their CalPERS prescription drug benefit.** Members enrolled in CalPERS Medicare plans already have comprehensive prescription drug coverage through their plan. For 2006, CalPERS will continue providing this drug coverage to all members enrolled in a CalPERS Medicare plan.
- **Prescription drugs covered under Medicare Part A and Part B will not be affected by Part D.** Parts A and B cover prescription drugs that you receive at the time of a medical visit or procedure, or while you are a patient in the hospital. This will not change.
- **Some CalPERS members with low incomes and limited assets may be eligible for federal assistance through Medicare Part D.** Individuals with low income and limited assets may be able to get help through a federal assistance program that reduces the cost of premiums, co-payments and deductibles. For more information or to find out if you are eligible, contact the SSA at **(800) 772-1213** or visit their Web site at ***www.ssa.gov***.

You may also contact the Health Counseling and Advocacy Program (HICAP) at **(800) 434-0222**.

Note

Remember, all Medicare services and benefits include a deductible. A deductible is a minimum amount you have to pay for covered services or benefits. After you pay this deductible, Medicare begins to pay for covered services and benefits. However, CalPERS Medicare plans have no deductibles.

For more information on the differences between Parts A, B and D, contact the SSA at **(800) 772-1213**, or visit their Web site at ***www.ssa.gov***.

For more information about Medicare benefits, read the federal handbook ***Medicare & You***. To get a free copy of this handbook, contact the SSA at **(800) 633-4227**.

Qualifying for Medicare

The SSA decides who qualifies for Medicare. Generally, your work history determines if you qualify; however, the work history of a current or former spouse may also qualify you for Medicare. Special rules apply for the following persons:

- People who are eligible for Medicare based on a disability
- People who work past age 65 and who are covered by employer-sponsored health insurance

If you do not know if you qualify, contact the SSA at (800) 772-1213.

Medicare and your CalPERS health coverage

Your CalPERS health coverage may continue for you and your dependents when you retire. When you become eligible for Part A, you must sign up for Part B and enroll in a CalPERS Medicare plan. Failure to sign up for Medicare Parts A and B, will result in cancellation of your CalPERS health coverage. Please see page 9 for more information if you are working past age 65.

To coordinate your CalPERS and Medicare benefits, you must take the following steps:

	See Page # (for more info)
Find out whether you qualify for premium-free Medicare Part A. • Refer to your *Letter of Entitlement*, **or** • Call the Social Security Administration (SSA) at **(800) 772-1213**.	pg. 3
If you do **not** qualify for Part A, see Exception #1 on page 4.	pg. 4
If you qualify for Part A, you **must** enroll in Part B, as soon as you are first eligible.	pg. 2
Complete the CalPERS form titled *Certification of Medicare Status* with your Medicare information and return it to CalPERS. **Note:** You must complete the form **even** if you are not eligible for Medicare.	pg. 4
Once you are enrolled in Parts A and B, you must then enroll in a CalPERS Medicare plan. • You may remain enrolled in your current health plan, **or** • You may select a different health plan.	pg. 7

How will I know when to take the steps listed previously?

CalPERS will mail you a notice upon retirement and three months before you turn 65.

What do I do when I get the notice?

The notice will include a form titled ***Certification of Medicare Status.*** We use this form to obtain information from you about whether you qualify for Medicare and if you are enrolled in Medicare Parts A and B.

You can also use the form to tell us that you do not qualify for premium-free Medicare Part A or that you are not applying for Medicare at this time because you or your spouse are still working and are covered by a CalPERS Basic health plan.

You must return the completed form to CalPERS by the last day of the month of your 65th birthday.

For example, if you turn 65 on December 15, 2006, you must get the form to us by December 31, 2006.

What happens if I do not return the ***Certification of Medicare*** Status form in time?

If you do not return the ***Certification of Medicare Status*** form by the end of your birth month, you will lose your CalPERS health coverage. Your coverage will end on the first day of the month after you turn 65.

If you lose your CalPERS health coverage, you will have to pay for any hospital or medical services you use.

If you lose your coverage, you can enroll in a CalPERS plan again only by:

- Proving that you have signed up for Medicare, and
- Completing the ***Certification of Medicare Status*** form.

What is the CalPERS Administrative Review process?

If your CalPERS health coverage has been cancelled, you can request an Administrative Review. The Administrative Review process helps us decide if your CalPERS coverage should be reinstated.

You must ask for an Administrative Review within 90 days of losing your coverage. To ask for an Administrative Review, write to:

CalPERS
Office of Employer & Member Health Services
P.O. Box 942714
Sacramento, CA 94229-2714

Once we have all of your information, we will look at your case. We will tell you within 60 days if your coverage will be reinstated. If it is not reinstated, we will tell you why.

Medicare exceptions: Who can stay in the CalPERS Basic health plan?

In some cases, retirees or their family members do not qualify for Medicare. They can stay in the CalPERS Basic health plan they had before they retired. We explain these exceptions next.

Exception 1: You do not currently qualify for Medicare Part A.

You may not qualify for Part A if you did not earn enough "credits" while you worked. People earn these credits when they work in jobs covered by Social Security and Medicare. Most people need 40 credits, or 10 years of work, to qualify for premium-free Part A. Call the SSA at **(800) 772-1213** to see if you have enough credits.

If you did not earn enough credits, you may still be able to get Part A. For example, you may qualify for Part A if your current or former spouse earned enough work credits. Once that person is 62, ask SSA if you qualify for Medicare Part A under their entitlement.

If neither you nor your spouse has enough work credits, you may remain in a CalPERS Basic health plan. If you later qualify for Medicare Part A, you must sign up for Medicare Part B and transfer to a CalPERS Medicare plan. To learn more, call CalPERS at **(888) CalPERS (225-7377)**.

Exception 2: You or your spouse worked past age 65 and have non-CalPERS coverage through an employer.

If after age 65, you or your spouse have non-CalPERS health insurance from a current employer, you may be eligible to defer your Part B enrollment. Contact SSA for more information. (Note: This exception does not apply to workers in the California State University System Faculty Early Retirement Program.)

Exception 3: You qualified for Medicare Parts A and B before January 1, 1985, but you never signed up for Part B.

If this exception applies to you, you can keep the CalPERS Basic health plan you have now. However, you can sign up for Part B if you would like. If you do sign up for Part B, contact CalPERS at **888 CalPERS** (225-7377).

Exception 4: You retired from CSU and turned age 65 before January 1, 2001, but never signed up for Part B.

- You may sign up for a Medicare plan if you are retired from CSU and you turned 65 between January 1, 1985, and January 1, 2001.
- To keep CalPERS health coverage, you must enroll in a CalPERS Medicare plan, if you turned age 65 after January 1, 2001.

Note

If you return to work after you retire and you enroll in your employer's non-CalPERS health coverage:

- You may cancel your Part B.
- If you cancel your Part B, you cannot remain in a CalPERS Medicare Plan.
- You must enroll in a CalPERS Basic plan to continue CalPERS coverage.

Exception 5: You had Medicare because of a disability, but SSA decides that you are no longer disabled.

- If you are younger than 65 and lose your SSA disability benefits, you will also lose your Medicare coverage. In this case, you must sign up for a CalPERS Basic health plan.
- If you ***choose*** to end your Part B benefits, this exception does not include you.

Note

If you have End-Stage Renal Disease and you are working, you must remain in a CalPERS Basic health plan during a 30-month period. After the 30-month Medicare benefit coordination period, you must enroll in Part B and change to a CalPERS Medicare plan. Failure to do so may jeopardize your CalPERS health benefits.

Exception 6: You are retired and move outside of the United States.

You cannot use Medicare outside of the United States. If you leave the country for more than six months, you must choose a CalPERS Basic health plan.

If you permanently return to the United States, you:

- Must sign up for Part B during the SSA's General Enrollment Period
- May pay a federal surcharge in addition to the premium
- Must enroll in a CalPERS Medicare plan

SIGNING UP AND PAYING FOR MEDICARE BENEFITS

I want Part A benefits. How can I sign up for them?

If you already get Social Security or federal retirement benefits:

- You qualify for "Automatic Enrollment" in Part A.
- SSA will contact you a few months before you qualify.
- Most people qualify for Part A as soon as they turn 65.

If you are not already receiving Social Security, three months before you turn 65:

- You need to apply for Part A yourself.
- Call the SSA at **(800) 772-1213** or go to a Social Security office for an application.
- You must sign up for Part B three months before you turn 65.

Before age 65, you are eligible for premium-free Medicare Part A:

- If you have been receiving Social Security disability benefits for 24 months
- If you receive a disability pension from the Railroad Retirement Board and meet certain conditions
- If you or your spouse (living or deceased, including a divorced spouse) worked long enough in a Medicare-covered job, and you or they meet the requirements of the Social Security disability program
- If you have Lou Gehrig's disease (amyotrophic lateral sclerosis)
- If you have End-Stage Renal Disease

Note

If you have Lou Gehrig's disease (amyotrophic lateral sclerosis) or End-Stage Renal Disease, contact CalPERS for coordination of benefits.

Special enrollment situations

You also should contact the SSA about applying for Medicare:

- If you are a disabled widow or widower between age 50 and age 65, but have not applied for disability benefits because you are already getting another kind of Social Security benefit
- If you are a government employee and became disabled before age 65
- If you, your spouse or your dependent child has End-Stage Renal Disease (permanent kidney failure)
- If you, your spouse or your dependent child has Lou Gehrig's disease (amyotrophic lateral sclerosis)
- If you have received Medicare benefits in the past but dropped the coverage
- If you turned down Medicare medical insurance (Part B) when you became entitled to hospital insurance (Part A)
- If you moved out of the country for more than six months, then permanently return to the U.S.

I want Medicare Part B benefits. How can I sign up for them?

- To sign up for Part B, you must fill out an application during Social Security's **Initial Enrollment Period** (IEP).
- To sign up as soon as you qualify for Medicare (usually at age 65), SSA will send you an application in the mail. You must fill out this application and return it to SSA (You will be automatically enrolled in Part B if you are receiving Social Security benefits). Do not cancel your Part B or you may lose your CalPERS health coverage.
- To sign up as soon as you qualify because of disability:

  If you are already getting Social Security disability benefits, you will be contacted a few months before you become eligible for Medicare and given the information you need. You will be enrolled automatically in Parts A and B. However, you must pay a premium for Part B coverage.

Note

Do not cancel your Part B or you will lose your CalPERS health coverage.

If you did not sign up for Part B when you first qualified, you can sign up during:

- General Enrollment Period held Jan 1st – March 31st of every year,

  or

- Special Enrollment Period, the 8-month period following your last month of employment or when your other health group coverage ends, whichever comes first.

Call SSA at **(800) 772-1213** for more information about when to sign up for Part B.

Note

You must sign up for Part B before your 65th birthday, or when you first qualify for Medicare, or you will lose your CalPERS health coverage.

How will SSA bill me for my Part B premium?

- If you receive a Social Security check, your Part B premium will be taken out each month.
- If you do not receive a Social Security check, you will be billed quarterly for the Part B premium.
- If you qualify for Part B through your spouse, you will be billed quarterly for the Part B premium.

For questions about signing up for Parts A or B, please call SSA at **(800) 772-1213** or visit their Web site at ***www.ssa.gov***.

MEDICARE AND CALPERS WORK TOGETHER TO KEEP YOU COVERED

Medicare pays for many of your health care costs, but it does not pay for everything. When you qualify for Medicare, you must switch from your CalPERS Basic health plan to a CalPERS Medicare plan. This CalPERS Medicare plan will help you pay for costs not paid for by Medicare, by coordinating your benefits.

I know I must have Part B in order to keep my CalPERS health coverage. How does it help me to have both?

- CalPERS Medicare plans pay for some of the costs and services that Part B does not cover. For example, eyeglasses are not covered by Part B. (If you have had cataract surgery, you may still qualify for eyeglass insurance under Part B. To learn about eyeglasses coverage, review your current health plan's ***Evidence of Coverage*** booklet).

How do I switch to a CalPERS Medicare plan after I retire?

- Sign up for Part B as soon as you qualify. Although most people qualify when they turn 65, some people under age 65 may qualify because of a disability.
- Write to CalPERS to let us know that you want to enroll in a CalPERS Medicare health plan. You must mail:
  - A copy of your Medicare card **or** ***Letter of Entitlement*** from Social Security
  - A letter asking to change to a CalPERS Medicare plan, including:
    - Your full name, as it appears on your Social Security card
    - Your 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

Your new CalPERS Medicare health plan will start either:

- The first day of the month following your Medicare effective date; or
- The first day of the month after your written request is received and processed at CalPERS.

The start date will be the later of these two dates.

If you have any questions, you may contact CalPERS at **(888) CalPERS (225-7377).**

Remember: You no longer qualify for a Basic health plan when you qualify for Parts A and B. Instead, you must change to a Medicare plan in order to retain your health coverage through CalPERS.

I have decided that I do not want Part B benefits. What will happen?

- Your CalPERS health coverage will be cancelled.
- If you decide to sign up for Part B later, you may have to pay a federal Part B Penalty Surcharge. This means that you will pay more for every month of your Part B coverage. You will pay 10 percent more for each 12-month period that you did not have Part B.

  For example, if you wait 36 months after you turn 65 before you sign up for Part B, you will pay the Part B premium *plus an additional 30 percent.*

  You will have to pay this extra amount as long as you have Part B benefits.

Remember: If you want to continue your CalPERS benefits, do not cancel or stop your Part B benefits. If you cancel or stop your enrollment in Part B, your CalPERS health plan will be cancelled.

I lost my CalPERS health benefits because I stopped my Part B insurance. How can I get my CalPERS benefits back?

- You must sign up for Part B again as soon as you can. You can only sign up for Part B during SSA's General Enrollment Period. See the previous section titled, **"I want Part B benefits. How can I sign up for them?"** for more information.
- You will have to pay a federal surcharge in addition to the premium.
- You may request re-enrollment in a CalPERS Medicare plan after you get Part B benefits.

FREQUENTLY ASKED QUESTIONS ABOUT MEDICARE

I am enrolled in Part B. What are my costs?

Medicare Part B covers many of your health costs, (See page 2 of this booklet) but it does not cover all of them.

- The Part B monthly premium
- Some plans charge an annual deductible, if you use services.
- Some plans charge co-payments for certain services (A co-payment is a small fixed fee that you pay when you visit a health care provider).

I am retired from a state agency. Can I get money back when I enroll in a CalPERS Medicare plan?

If you or a family member is signed up in a CalPERS Medicare plan

and,

- you are a state retiree;

and,

- you are eligible for a monthly state contribution to your health care premiums;

and,

- the monthly State contribution is more than the plan's monthly premium;

then,

- CalPERS will credit you the difference between the State's contribution and the health premium to assist you with your Part B premium cost. This credit will be shown on your monthly retirement check as a "Medicare Reimbursement" under the Special Payments section.

I am retired from a contracting agency. Can I get money back when I enroll in a CalPERS Medicare plan?

No. The credit available to retirees when the contribution exceeds the plan's monthly premium is only available to state retirees.

Note

You will not be given back any money charged for signing up late for Part B. This is a federal government surcharge.

I am retired. How do I find out about my Medicare benefits?

State and contracting agency retirees may contact CalPERS at (**888**) **CalPERS** (**225-7377**) for information about:

- Your premium costs
- Your employer's contribution towards your monthly premium for your CalPERS Medicare plan

I am over 65, but I am still working. What happens to my Medicare benefits?

- If you continue to work after age 65, you will remain in a CalPERS Basic plan until you retire.
- If you have health insurance through your current job, you do not need to start your Medicare benefits when you turn 65.
- When you retire, you must contact the SSA at (**800**) **772-1213** regarding the Special Enrollment Period (SEP), available to you for working past age 65.
- If you sign up during a SEP, you will **not** have to pay a higher premium for signing up late for Part B.
- If you miss signing up during your SEP, you will have to wait until the next General Enrollment Period. Upon enrollment, you may have to pay a federal penalty surcharge for signing up late for Part B. If you miss the SEP your CalPERS Basic plan will also be cancelled until your Part B is effective.

My spouse is 65 and not retired. I have my health insurance through my spouse. When should I enroll in Part B?

- If you are age 65 or older, you must enroll in Part B as soon as your spouse retires.
- If you do not enroll in Part B when your spouse retires, you may have to pay a higher premium for Part B when you do enroll.

Before I retired, I was enrolled in Kaiser. What do I need to do to switch to a Medicare plan?

If you are a Kaiser member, to change to Kaiser's Medicare Advantage Plan, you must:

- Contact CalPERS to change plans.

IMPORTANT REMINDERS

- Do not cancel your Part B after you have signed up for a CalPERS Medicare plan. Canceling your Part B means you will no longer qualify for CalPERS health coverage.
- If SSA cancels your Part B for non-payment, you will no longer qualify for CalPERS health coverage. You will not be allowed to enroll in a basic plan.
- When you turn 65 and retire, you must sign up for Parts A and B. Family members who qualify for Parts A and B through your health insurance must also sign up.
- Any family members who do not qualify for Medicare will still be covered on the CalPERS Basic plan.

If you or your family members are in a CalPERS Medicare plan, you may not change back to the CalPERS Basic plan. This rule does not apply if SSA cancels your Medicare benefits.

PICKING THE BEST CALPERS MEDICARE PLAN FOR YOU

After you sign up for Parts A and B, you need to decide which CalPERS Medicare plan you want. Depending on where you live or work, CalPERS offers Preferred Provider Organization (**PPO**), Health Maintenance Organization (**HMO**), and Exclusive Provider Organization (**EPO**) Medicare plans.

You will be automatically enrolled in your current health plan's Medicare plan, unless you chose another plan.

Your CalPERS Medicare plan options include the following:

- **PPO Supplement to Original Medicare plans**, through PERS Choice and PERSCare, California Association of Highway Patrolmen (CAHP) Health Plan* and Peace Officers Research Association of California (PORAC) Police and Fire Health Plan*
- **HMO Supplement to Original Medicare plans**, through Blue Shield of California, Western Health Advantage, and California Correctional Peace Officers Association (CCPOA) Health Plan*

*You must belong to the specific employee association and pay applicable dues to enroll in this plan.

HMO Medicare Managed Care Plan (Medicare Advantage), offered by Kaiser Permanente

- **Exclusive Provider Organization Plan (EPO)** Supplement to Original Medicare Plan, offered in certain counties by Blue Shield of California

What is a PPO Supplement to Original Medicare Plan?

In a PPO Supplement to Medicare plan, you can use any doctor who participates in Medicare and you do not need to get approval to see a doctor. Doctors who contract to be in your plan's network of providers are called "preferred providers." Doctors who do not contract with your plan are called "non-preferred" providers. You will pay more to see "non-preferred providers.

How does a PPO Supplement to Original Medicare work?

If your doctor is a preferred provider and participates in Medicare, your health plan will pay most of your bills for Medicare-approved services. If your doctor is an "non-preferred provider," you will have to pay for more of your health care bills. To find out if you have to pay more, be sure to ask your doctors if they accept "Medicare assignment." This means that they accept the Medicare limits on fees for services and will not charge you more. If the doctor accepts the Medicare rates, you will not be responsible for excess charges. If your doctor does not accept Medicare rates, you must pay for any part of the bill that your plan does not cover.

Your responsibility for filing a claim for services depends on your PPO Supplement to Original Medicare plan and if the providers accept Medicare assignment. In most cases, your doctor, Medicare, or the health plan will coordinate claim payments.

Note

- Some doctors opt out of Medicare and ask you to sign a contract stating the doctor has opted out of Medicare and you agree to pay the doctor's charges. Neither Medicare nor CalPERS PPO Supplement to Original Medicare plans allow any payment for doctors who have opted out of Medicare.
- If a doctor has been excluded from Medicare, that is, no longer receives payment for items or services from Medicare, no payment will be made under your CalPERS PPO Supplement to Original Medicare plan.

What is an HMO Supplement to Original Medicare Plan?

In an HMO Supplement to Original Medicare Plan you must use the HMO's contracted providers at all times (except for emergencies or out-of-area urgent care services). There are no additional costs to you, other than applicable plan co-payments, when services are pre-authorized and provided by the HMO's providers.

How does an HMO Supplement to Original Medicare Plan work?

In an HMO Supplement to Original Medicare plan, you will receive nearly all services from the HMO's providers and will only be responsible for applicable co-payments. Your primary care provider will coordinate all your medical care and approve visits to specialists. You will have little or no paperwork. You keep costs low by seeing doctors and specialists who are part of the HMO's network.

You may use your Medicare card to obtain services outside of your HMO network. However, when you use non-contracting providers, you are responsible for any co-payments or deductibles that Medicare does not cover (except for emergency or out-of-area urgent care).

What is an EPO Supplement to Original Medicare Plan?

The Blue Shield EPO Plan serves Colusa, Lake, Mendocino, Plumas, Sierra and parts of El Dorado counties. You are not required to select a personal physician. The plan's providers bill Medicare for each visit or service. The plan reimburses providers for services not covered by Medicare.

How does an EPO Supplement to Original Medicare Plan work?

An EPO Supplement to Original Medicare Plan offers the same medical benefits as the HMO plan, but you must seek services from Blue Shield's statewide PPO network of preferred providers. The plan's providers bill Medicare for each visit or service. The plan reimburses providers for services not covered by Medicare.

Just as with an HMO Supplement plan, you may use your Medicare card to obtain services outside your EPO plan's network. However, when you use non-contracting providers, you will be responsible for co-payments or deductibles not covered by Medicare.

What is an HMO Medicare Managed Care Plan (Medicare Advantage)?

As of the date of this publication, CalPERS only has one HMO Medicare Managed Care Plan—Kaiser Permanente's Senior Advantage Plan. In an HMO Medicare Managed Care Plan, you work closely with your main doctor, your Primary Care Provider (PCP), to get the care you need. Your PCP handles all of your medical care and must approve all visits to specialists.

The HMO Medicare Managed Care Plan gives you all of Medicare's benefits at no cost to you other than applicable co-payments. You will also have little or no paperwork. You keep costs low by seeing doctors and specialists who are part of the HMO's network. If you go to out-of-network doctors or hospitals, you will have to pay for all services; your HMO will pay for emergency or out-of-area urgent care services.

How does an HMO Medicare Managed Care (Medicare Advantage) work?

Your HMO Medicare Managed Care Plan works the same as the HMO Supplement to Original Medicare Plan, except you must assign your Medicare benefits, using the Kaiser Permanente Senior Advantage Election form. You may obtain this form from Kaiser Permanente.

When you assign your Medicare benefits to Kaiser, your CalPERS health benefits are coordinated; this includes payment for authorized services.

How can I enroll in an HMO Medicare Managed Care Plan (Medicare Advantage)?

To sign-up for an HMO Medicare Managed Care Plan you must:

- Notify CalPERS
- Fill out the plan's election form (enrollment application)
- Turn in the election form to the plan

By completing the form, you agree to get all of your care through the plan or through pre-approved doctors.

Important

- As of the date of this publication, CalPERS only has one HMO Medicare Managed Care Plan—Kaiser Permanente's Senior Advantage Plan.
- When you enroll in any CalPERS HMO plan, we cannot guarantee that a certain doctor or hospital will always contract with the plan.
- All CalPERS HMO plans require that you live in the plan's service area.

CHANGING HEALTH PLANS

When am I eligible to change plans?

- **When you qualify for Medicare**. Once you qualify for Medicare, you have 60 days to change health plans. Your plan change will be effective on the first day of the month after you ask to switch.
- **If you move**. When you move, you may have to get another health plan in your new area. Your plan change will be effective on the first day of the month after you ask to switch.
- **During the CalPERS Open Enrollment Period**. Open enrollment occurs every fall, with health plan changes becoming effective the following January 1.

How do I choose a plan?

CalPERS has tools available to help you make your health plan choice:

- The ***Quality Report*** is designed to provide you with information you need to make your health plan decision. You can obtain a copy of this booklet online at ***www.calpers.ca.gov*** or by calling CalPERS.
- The ***Health Plan Chooser*** is a Web-based decision-making tool which assists you in finding the best health plan to meet the needs of you and your family. The Chooser allows you to rank health plans by costs, doctors, member satisfaction, and covered services. You can find the Chooser on our Web site at ***www.calpers.ca.gov***.

Note

It is important to contact CalPERS to make health plan changes to ensure that your health coverage will be coordinated with Medicare.

How do I change plans?

The steps for changing CalPERS Medicare plans depend on your current plan and the new plan in which you want to enroll. See the following table on what steps to take to switch plans.

Note

If you have questions or need help in making a health plan change, contact CalPERS at **(888) CalPERS (225-7377)**.

HOW TO CHANGE MEDICAL PLANS		
The plan you want to leave	**The plan you want to start**	**How to make this change**
HMO Medicare Managed Care Plan (Medicare Advantage Plan)	PPO Supplement to Original Medicare Plan **OR** HMO or EPO Supplement to Original Medicare Plan	Disenroll from the Medicare Managed Care Plan (Medicare Advantage) and then sign up for your new PPO plan.
PPO Supplement to Original Medicare Plan **OR** HMO or EPO Supplement to Original Medicare Plan	HMO Medicare Managed Care Plan (Medicare Advantage Plan)	Fill out the new plan's enrollment form to assign your Medicare benefits to your new plan.
HMO, EPO or PPO Supplement to Original Medicare Plan	HMO, EPO or PPO Supplement to Original Medicare Plan	If you are a retiree, contact CalPERS to change plans. If you are an active employee contact your employer.

GLOSSARY

CalPERS Basic Plan
A basic plan provides health benefits coverage to members who are under the age of 65 or who are over 65 and still working. Members who are 65 years of age or older and are not eligible for Medicare Part A may also be eligible to enroll in a basic plan.

CalPERS Medicare Plan
A CalPERS-sponsored health plan which requires Medicare to assume the role as primary payer for health care costs. This coordination of benefits between Medicare and your CalPERS plan lowers the costs of your health premiums and provides some coverage beyond Medicare.

Co-payment
The fee you pay a provider for each office visit.

Deductible
What you must pay for health care before the plan starts to pay.

Disenrolling
The steps you follow to end coverage with your current HMO Medicare Managed Care health plan so that you may join a new health plan.

Employer Contribution
The amount your current or former employer may pay to offset the cost of premiums.

Emergency Services
Medical services to treat an injury or illness that could result in serious harm if you don't get care right away.

EPO Supplement to Original Medicare Plan
This plan provides the same coverage as an HMO Supplement to Original Medicare Plan (see pg.15), but you do not have to choose a Primary Care Provider and may access services from the plan's Preferred Provider network, rather than only from the HMO network. Medicare is the primary payer, and the plan covers costs and services that are not covered by Medicare but provided through your CalPERS coverage. This plan is available to CalPERS members in only a few counties.

Faculty Early Retirement Program
A program for California State University (CSU) retirees who continue to work for CSU after retirement.

General Enrollment Period (GEP)
The time when you can sign up for a Medicare plan or change your Medicare plan. Medicare's General Enrollment Period runs from January 1 to March 31 each year. Visit the Medicare Web site at ***www.medicare.gov*** for more information.

HMO Medicare Managed Care (Medicare Advantage) Plan
This plan contracts directly with Medicare to provide your Medicare coverage. You "assign" your Medicare benefits to the plan, and the plan is the primary payer. As with the HMO Supplement to Original Medicare Plan (see pg. 15), this plan covers some costs and services that are not covered by Medicare but provided through your CalPERS coverage. You must access services only from providers with the HMO's network (except for emergency and urgent care), and all your care is coordinated by your Primary Care Provider. You pay no deductible, and your only costs are co-payments for some services.

HMO Supplement to Original Medicare Plan
This plan supplements Medicare coverage provided through Part A (hospital) and Part B (outpatient). You must access services only from providers in the HMO's network (except for emergency and urgent care), and all your care is coordinated by your Primary Care Provider. You pay no deductible, and your only costs are co-payments for some services. Medicare is the primary payer, and the plan covers some costs and services that are not covered by Medicare but provided through your CalPERS coverage.

Initial Enrollment Period

The IEP is the first chance you have to enroll in Medicare Part B. The IEP starts 3 months before you first meet all the eligibility requirements for Medicare and continues for 7 months.

Medicare Assignment

A process which requires you to complete a form assigning your Medicare benefits to your HMO Medicare Managed Care Plan (Medicare Advantage). Your Medicare assignment ensures proper coordination of Medicare and CalPERS health plan benefits, including coordination of payment. Medicare assignment is a ***requirement*** for enrollment in the Medicare Advantage Plan.

As of the date of this publication CalPERS only has one HMO Medicare Managed Care Plan—Kaiser Permanente's Senior Advantage Plan through December 31, 2006.

Out-of-Network Provider

A doctor who does not contract with your health plan. Usually you will pay more to visit an out-of-network doctor.

Out of Pocket Costs

Generally refers to the actual costs individuals pay to receive health care. These costs are the total of the premium (minus any employer's contribution) plus any additional costs such as co-payments and deductibles.

Preferred Provider

A doctor who contracts with your health plan and agrees to charge certain rates for care. Usually you will pay less when you see a preferred doctor.

Premium

The amount charged by a health plan to provide health benefits coverage. Employee costs for premiums may be reduced by employer contributions.

Primary Care Provider (PCP)

The doctor who works with you and other doctors to provide, prescribe, approve, and coordinate all your medical care and treatment. (Blue Shield uses the term "Personal Physician.")

Service Area

The geographic area where your health plan provides Medicare coverage. The Medicare service area may not be identical to the Basic service area of your health plan. You must live in the plan's service area to enroll in, and remain enrolled in that plan.

Special Enrollment Period (SEP)

The time when you can sign up for Medicare Part B if you did not sign up during your initial enrollment period or during the General Enrollment Period because you or your spouse were working and had non-Calpers health insurance through current employer. Visit the Medicare Web site at ***www.medicare.gov*** for more information.

Specialist

A doctor who has special training in a specific kind of medical care, like a cardiologist, neurologist, or oncologist.

Surcharge

The lifetime penalty charged by Social Security if you sign up late for Part B. The surcharge is calculated by assessing 10 percent of the Part B premium for every 12-month period during which enrollment in Part B is delayed. The surcharge is applied to each year's premium.

Urgently Needed Services

A non-emergency situation when you need to see a doctor, but you are away from your health plan's service area. See your health plan's ***Evidence of Coverage*** (EOC) booklet for more details.

RESOURCES

American Association of Retired Persons (AARP)

AARP is an organization dedicated to the interests of persons (age 50 and older). The organization is widely known for advancing the interests of aging populations through lobbying efforts at the state and national governmental level. AARP's Web site has useful information for health care consumers.

AARP
(888) 687-2277
www.aarp.org

CalPERS Customer Contact Center

CalPERS members may contact our Customer Contact Center for assistance with CalPERS health coverage.

(888) CalPERS (225-7377)
(916) 795-3240 (TDD)
(916) 795-3935 (Fax)
www.calpers.ca.gov

CalPERS Office of Employer & Member Health Services (EMHS)

Retired members may request health plan enrollment changes by writing or contacting CalPERS.

Office of Employer &
Member Health Services
P.O. Box 942714
Sacramento, CA 94229-2714

California Health Insurance Counseling and Advocacy Program (HICAP)

HICAP is a non-profit program that helps seniors and others on Medicare with their coverage.

California Health Insurance Counseling
and Advocacy Program
(800) 434-0222
www.aging.ca.gov/html/programs/hicap.html

California HealthCare Foundation

The California HealthCare Foundation provides information and resources useful to health care consumers. The foundation's Web site has information on Medicare in California. The site also tells how to pay for health costs not covered by Medicare.

California HealthCare Foundation
(510) 238-1040
www.chcf.org

Centers for Medicare and Medicaid Services (CMS)

Contact the Centers for Medicare and Medicaid Services (CMS) for information on Medicare enrollment dates and benefits.

Centers for Medicare and Medicaid
Services (CMS)
(800) 633-4227
www.medicare.gov

HMO Help Center

The HMO Help Center is part of the California Department of Managed Health Care (DMHC). The DMHC regulates California HMOs and helps HMO members resolve problems with their health plans. If you are not happy with how your HMO handles a problem, you can contact the HMO Help Center.

HMO Help Center
(888) 466-2219
(877) 688-9891 (TDD)
www.dmhc.ca.gov

Medicare Rights Center

The Medicare Rights Center helps people on Medicare who have had a service denied by their HMO.

Medicare Rights Center
(888) 466-9050
www.medicarerights.org

Social Security Administration

Contact the SSA to see if you qualify for Medicare. If you do qualify, the SSA can help you sign up for Medicare.

Social Security Administration
(800) 772-1213
www.ssa.gov

CalPERS Public Employees' Retirement System
400 Q Street, Sacramento, CA 95814
www.calpers.ca.gov

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CalPERS