



Alameda County Employees' Retirement Association

Medicare Transition Webinar

Agenda

- ▶ Introductions
- ▶ Medicare Overview
- ▶ ACERA and Medicare Mandate
- ▶ Medicare - How it Works
- ▶ Medicare Plan Options
- ▶ ACERA - Wellness & Disease Management Initiative
- ▶ Questions

Who is Eligible for Medicare and who's Involved

- ▶ People 65 and older
- ▶ Under 65 disabled
- ▶ People any age with ESRD or ALS (Lou Gehrig's Disease)

Social Security Administration (SSA)

And

Center for Medicare and Medicaid Services (CMS)

Currently Receiving Social Security?

- ▶ If you are currently receiving Social Security Benefits, enrollment in Medicare Parts A & B will be automatic.
- ▶ Medicare Part B premium will be deducted from either your Social Security check or you will be direct billed.
- ▶ Your Medicare card will be automatically mailed to you

NOTE:

- ▶ Some retirees or dependents who are disabled may be eligible for Medicare earlier than age 65.

Not Receiving Social Security

- ▶ If not currently receiving Social Security Benefits i.e. check, most retirees are eligible to enroll in Medicare Parts A and B, at age 65.
- ▶ For those eligible at age 65, we encourage you to begin the following process for enrolling in Medicare at least 90 days prior to your 65th birthday:
- ▶ Call the Social Security Administration at **1-800-772-1213** to obtain information on how to enroll in Medicare Parts A and B or visit the Medicare website at **www.medicare.gov** To enroll in Medicare Parts A and B.

ACERA's Medicare Mandate

- ▶ When you or your dependent become eligible for Medicare (usually at age 65), in order to continue enrollment and receipt of the medical plan, you must complete the enrollment process into an ACERA sponsored Medicare medical plan.
- ▶ This mandate also applies to retirees who are receiving the Monthly Medical Allowance (MMA)
- ▶ Currently, the carrier ACERA offers with a Medicare Group Plan is Kaiser Permanente. Those who do not wish to enroll in the Kaiser Permanente Senior Advantage Plan may contact Via Benefits to get enrolled in an Individual Medicare Plan nationwide.

ACERA's Medicare Mandate

► Why this Mandate is a value to you and ACERA:

Example: Member with 17 years of service, turning age 65 & Medicare eligible

Plan	Premium Rate	MMA* 15-19 Years of Service	Out of Pocket
Kaiser HMO (under 65)	\$ 785.44	\$ 433.99*	\$351.45
Kaiser Senior Advantage Plan (over 65)	\$ 411.54	\$ 411.54*	\$ 0.00

► * Maximum monthly medical allowance is \$578.65 for Non-Medicare & \$411.54 for Medicare. For the Kaiser (under 65) plan above, ACERA contributes 75% of the monthly medical allowance towards this plan (\$578.65 * 75%).

What is Medicare Part A?

When you become eligible for and enroll in Medicare, Medicare coverage is provided as follows:

Medicare Part A provides hospital insurance.

Part A, helps pay for Medicare approved hospital stays, care in skilled nursing facilities (for rehabilitation, not Long Term Care), hospice care, Home Health Care (limited), blood (inpatient) and hospital care from qualified Medicare providers. You typically do not pay a premium for Part A coverage if you paid Medicare taxes while you were working.

Enrolling in Medicare Part A

- ▶ For the majority Medicare Part A costs nothing because you or your spouse or your ex-spouse (married for 10 years) paid Medicare taxes while working and earned quarters towards Medicare Part A.
- ▶ Quarters:
 - ▶ 40+ **Free** - No Premium for Part A
 - ▶ 30-39 \$252 a month
 - ▶ 0 up to \$458 a month
- ▶ For 2020 you may pay up to \$458 monthly to buy Part A if you don't get premium-free Part A.
- ▶ In most cases, if you choose to buy Part A, you must also have Part B and pay monthly premiums for both.
- ▶ Part A Late Enrollment Penalty:
- ▶ You may have to pay higher premiums for twice the number of years you could have had Part A, but didn't sign-up.

What is Medicare Part B?

- ▶ Medicare Part B provides medical insurance
- ▶ It helps pay for Medicare approved doctor services, outpatient care, certain preventive care services, diagnostic tests, and some other services and supplies that Medicare Part A does not cover. You pay a premium for Part B coverage.
- ▶ For most Medicare-eligible individuals, the monthly premium in 2020 is **\$144.60**; which is the lowest standard monthly Medicare Part B premium amount. Some members will pay more, depending on their income. This premium is usually deducted from one's Social Security check, otherwise billed quarterly.
- ▶ Many Preventive Care and Supplies. To know if a test, item, or service is covered you may go onto www.Medicare.gov and look under What Medicare Covers and you will be able to enter and search on your items.

Enrolling in Medicare Parts A & B

- ▶ If one is already getting benefits from Social Security (except if you're still working or you have End-Stage Renal Disease), you will be automatically enrolled and receive your Medicare card in the mail three (3) months before your 65th birthday or your 25th month of disability.
- ▶ Apply [online](#) at Social Security
- ▶ Call Social Security at **1-800-772-1213**
- ▶ Visit your local [Social Security office](#)
- ▶ Fill out an [Application for Enrollment in Medicare Part B](#)
- ▶ Submit it in person to any [Social Security office](#) or,
- ▶ Mail it to the nearest [Social Security office](#).

NOTE:

- ▶ Completing the application form and submitting it does not automatically enroll you in Medicare Part B. Social Security must first determine if you are eligible to enroll.

Enrolling in Medicare Part B at the Right Time is Critical

Initial 7 month period to enroll in Part B

- **3 months before the month of 65th birthday**- Effective 1st Day of Birthday Month.
- **Birthday month**- Effective 1st Day of Month following Birthday Month.
- **2-3 months after 65th birthday**- Effective 1st Day of 3rd Month after Enrollment.

Social Security's enrollment period if you miss initial period

- January through March of each year.
- Coverage becomes effective July 1 of that year.
- **Lifetime 10% penalty** for each 12-month period one did not enroll in Part B.
- **Exception:** Working Aged may delay enrollment in Part B until retirement. Such as coverage under an active working spouse's Plan one may delay enrollment. In Part B. Retain Creditable Coverage Certificates from spouse's employer to provide later for enrollment.

Part B - Important Avoid the Penalties!

If you delay enrollment in Part B and are not covered by an Employer plan...

Late enrollment penalty of 10% for each 12-month period one was not enrolled (permanent penalty)

General Enrollment: Can only enroll 1/1-3/31 each year. Coverage will not begin until 7/1

To purchase a Medigap or Medicare Advantage plan, you must have Part B

Employer Plans - Actively Working 20+

Your Options:

- ▶ Delay Part B enrollment - Use only the employer plan.
- ▶ Enroll in Part A & B and have both Medicare and employer coverage (likely no benefit from this duplicate coverage because Employer Plan is primary and usually provides better benefits.)
- ▶ Reject employer plan - enroll in Medicare and then supplement in other ways.

Medicare Part B Monthly Premium 2020

If your yearly income in 2018 (for what you pay in 2020) was

			2020 Monthly Part B Premium
Filing an individual tax return	Filing a joint tax return	Filing married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
\$87,001 - \$109,000	\$174,001 - \$218,000	Not applicable	\$202.40
\$109,001 - \$136,000	\$218,001 - \$272,000	Not applicable	\$289.20
\$136,001 - \$163,000	\$272,001 - \$326,000	Not applicable	\$376.00
\$163,001 - \$499,999	\$326,001 - \$749,999	\$87,001 - \$412,999	\$462.70
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60

ACERA - Medicare Part B Reimbursement Plan (MBRP)

- ▶ MBRP is a Medicare reimbursement plan adopted by the Board of Retirement that annually authorizes reimbursement of Medicare Part B to qualified retired members only.
- ▶ The current monthly reimbursement amount for 2020 is \$144.60.
- ▶ This non-vested benefit is not available for dependents, nor will it reimburse dependent costs.
- ▶ To qualify for MBRP, a retiree must:
 - ▶ Have 10+ years ACERA service credit or service-connected disability
 - ▶ Provide proof of enrollment in Medicare Part B; and remain enrolled;
- ▶ Enroll in the MBRP (commencement of payments begin on enrollment into MBRP or the effective date of eligibility for Medicare Part B whichever is greater).
- ▶ *This is not a Retroactive Benefit*
- ▶ *Enrollment is not automatic. If eligible, you must complete the Medicare Part B Reimbursement Plan Application Form to receive your reimbursement*
- ▶ *Enrollment in an ACERA Medical Plan is not required*

Medicare Part D

The standard Medicare Part D drug benefit contains a “donut hole”, a coverage gap where beneficiaries are required to pay the full cost of their medications, even while they continue to pay premiums. In 2020, when Medicare beneficiaries’ out-of-pocket drug costs exceed \$4,020, they entered this gap (this applies to Via Benefits Medigap/PDP enrollees not Kaiser Permanente Senior Advantage enrollees).

Coverage Gap (donut hole) begins once you reach your Medicare Part D plan’s initial coverage limit of \$4,020 in 2020.

Generic Drugs

- In 2020, Medicare pays 75% of the price of a Generic RX and you pay 25% of the drugs price.

Example: In 2020, Mrs. Anderson reaches the coverage gap in her Medicare drug plan. She goes to her pharmacy to fill a prescription for a covered generic drug. The price for the drug is \$20, and there's a \$2 dispensing fee that gets added to the cost. Mrs. Anderson **pays 25%** of the plan’s cost for the drug and dispensing fee ($\$22 \times .25 = \5.50).

Brand Name Drugs

- In 2020, Although you'll pay no more than 25% of the price for the brand-name drug, 95% of the price—what you pay plus the 70% manufacturer discount payment—will count as out-of-pocket costs which will help you get out of the coverage gap.

Example: In 2020, Mrs. Anderson reaches the coverage gap in her Medicare drug plan. She goes to her pharmacy to fill a prescription for a covered brand-name drug. The price for the drug is \$60, and there's a \$2 dispensing fee that gets added to the cost. Mrs. Anderson **pays 25%** of the plan’s cost for the drug and dispensing fee ($\$62 \times .25 = \15.50).

Part D premiums by income

The chart below shows your estimated prescription drug plan monthly premium based on your income as reported on your IRS tax return. If your income is above a certain limit, you'll pay an income-related monthly adjustment amount in addition to your plan premium.

If your filing status and yearly income in 2018 was

File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2020)
\$87,000 or less	\$174,000 or less	\$87,000 or less	your plan premium
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	not applicable	\$12.20 + your plan premium
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	not applicable	\$31.50 + your plan premium
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	not applicable	\$50.70 + your plan premium
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$76.40 + your plan premium

Types of Medicare Plans

Medicare Advantage Plan

- ▶ Medicare is assigned to selected Carrier Medical Group
- ▶ Primary MD Selected
- ▶ Must get Primary MD to provide Referral see a Specialist
- ▶ Most Medicare Advantage Plans have Prescription Part D built in as part of the Plan
- ▶ Co-pays may vary
- ▶ Must Reside in the Plans Service Area

Medi-Gap/Supplemental Plan

- ▶ Medicare is NOT assigned to selected Carrier Medical Group
- ▶ No Primary MD
- ▶ Can go see any MD that accepts Medicare Nation-wide
- ▶ NO Referral needed to see a Specialist, can see any Specialist Nation-wide that accepts Medicare
- ▶ These are Medical Only - does not have a Prescription Component
- ▶ Will need to enroll into a Prescription Part D Plan
- ▶ Co-pays/Deductibles may vary depending on the Plan selected
- ▶ United States is the Service Area

ACERA-Sponsored Medical Plans (non-vested benefits)

NON-MEDICARE ELIGIBLE (GENERALLY UNDER AGE 65)	MEDICARE ELIGIBLE* (GENERALLY OVER AGE 65)
Kaiser Permanente HMO	Kaiser Permanente Senior Advantage
UnitedHealthcare Signature Value HMO	Via Benefits
UnitedHealthcare Signature Value Advantage	Via Benefits

Kaiser Permanente Senior Advantage Medicare Eligible

- **Eligibility:** This is a Medicare Assignment/Risk plan. Must be enrolled in Medicare Parts A & B. ACERA has a Mandate for Medicare eligible retirees and dependents who choose to be enrolled in an ACERA Medical Plan.*
- **Service Area:** CA Residents only residing within service area
- **2020 Monthly Premiums:**

Self:	\$ 411.54		
Self + 1:	\$ 823.08 (2 w/ Medicare)	\$ 1,196.98 (1 w/ Medicare)	
Family:	\$ 1,475.00 (2 w/ Medicare)	\$ 1,848.90 (1 w/ Medicare)	
- **Benefits:** \$10.00 co-pays for office visits, allergy treatments, hearing and vision exams and immunizations.

*ACERA requires that Retirees and dependents be enrolled in Medicare Parts A & B upon eligibility and enroll in an ACERA-sponsored Medicare medical Plan in order to have medical coverage through ACERA.

**Part B only Plan available if applicable.

Via Benefits Medicare Plans

- ▶ Plans through the Medicare Exchange are not ACERA Group Plans. They are Individual Plans and will not appear on your monthly retirement statement from ACERA.
- ▶ Members and dependents are solely responsible to pay any premiums to those Carriers to maintain the insurance coverage.
- ▶ Members who are eligible for ACERA's monthly medical allowance will be granted a Health Reimbursement Account for their Medical out of pocket expenses up to the qualified amount.
- ▶ Only the retiree members are eligible to submit claims through the HRA. ***Out of pocket expenses for dependents are not reimbursed.

Via Benefits Enrollment

- ▶ Enrollment is done via phone interview
- ▶ Carriers require both Medicare Parts A & B
- ▶ Most Medicare Advantage Plans have Part D built-in
- ▶ Medi-Gap/Supplemental Plans are Medical - You'll need to enroll in a Part D for Prescription coverage
- ▶ A Licensed Benefits Advisor will go over plans available in your area
- ▶ Plans are nationwide
- ▶ Reimbursement available for Retiree's out of pocket Medical expenses e.g., Medical & Prescription Drug Plan Premiums, Prescription Co-Pays and Deductibles and Medical necessary costs
- ▶ Auto-pay and Direct Deposit available
- ▶ Reimbursements for the current Plan year **must be claimed by March 31st of the following year**
- ▶ Online Health Reimbursement Account tracking and status updates

Via Benefits - Prescription Profiler

- ▶ Medicare Part D adds hundreds of prescription drugs to its Database yearly. This impacts Medicare Prescription Plans due to the changes in the formulary and possibly costs
- ▶ By going to the Prescription Profiler in Mid-October you'll be able to get prescription coverage information including a breakdown of your drug costs for the year across different plan providers. This allows you to see if there are plans with lower costs for your prescriptions than your current plan.

Open Enrollment

- ▶ Your annual opportunity to assess your benefit needs and make changes, if needed.
- ▶ You can change medical, dental and / or vision plans, add / remove dependents or cancel medical, dental and / or vision coverage
 - ▶ Retirees with 10 or more years of service must remain enrolled in dental and vision plans as the coverage is subsidized by ACERA.
- ▶ ACERA's Open Enrollment occurs every November.
- ▶ Elections made during ACERA's Open Enrollment become effective February 1st of the following year.
- ▶ Via Benefit's Open Enrollment occurs from October 15th through December 7th with elections effective January 1st of the following year.
- ▶ One's monthly retirement allowance must be sufficient to cover the cost of the elected healthcare plans.

Monthly Medical Allowance (MMA) toward ACERA Sponsored “Group” medical plan premiums

ACERA YOS - Monthly Medical Allowance (MMA) & Pre-65 HRA	2019	2020
20 YEARS & OVER - 100%	\$ 558.00	\$ 578.65
15 TO 19.99 YEARS - 75%	\$ 418.50	\$ 433.99
10 TO 14.99 YEARS - 50%	\$ 279.00	\$ 289.33
0 TO 9.99 YEARS - 0%	\$ -	\$ -

Medicare Exchange Health Reimbursement Account - (MMA)	2019	2020
20 YEARS & OVER	\$ 427.46	\$ 443.28
15 TO 19.99 YEARS	\$ 320.59	\$ 332.46
10 TO 14.99 YEARS	\$ 213.73	\$ 221.64
0 TO 9.99 YEARS	\$ -	\$ -

Qualifying Events

- ▶ Loss of Coverage
- ▶ Relocating Out of Service Area
- ▶ Annual Open Enrollment
- ▶ Becoming Medicare Eligible
- ▶ **Retiring after Age 65
- ▶ Marriage

Special Note

- ▶ Premiums for Medical, Dental, and Vision coverage are based on the plan and coverage level you select.
- ▶ Your monthly retirement allowance must be sufficient to cover the selected plan premium costs.

Moving Out of Service Area

- ▶ Don't forget to look into available health plans prior to moving!
- ▶ When relocating it is critical that you look into the coverage area of your current plan
- ▶ You may reach out to ACERA for assistance in this matter
- ▶ You must complete an ACERA Address Change Form to update your record (only a signed change form will be accepted no phone calls or emails)
- ▶ Retirees who reside outside of CA may not be required to pay CA State taxes
- ▶ Remember to send ACERA a completed ACERA Address/Name Change Request Form, which can be found on our website at:

www.ACERA.org/forms

We're always here to help!

You may email us at Info@acera.org

Thank you for viewing and have a great day!