New to Medicare

Getting started with your UC Medicare Plan

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This presentation is intended for communication purposes only.

Please see plan documents and http://ucnet.universityofcalifornia.edu for complete information.
Resources

RASC – Retirement Administration Services Center
- UC retiree health plans
- UC pension and survivor benefits
- 1-800-888-8267
- [http://ucal.us/askrasc](http://ucal.us/askrasc)

HICAP - Health Insurance Counseling and Advocacy Program
- Medicare information and assistance
- 1-800-434-0222
Web Resources

UCNet  http://ucnet.universityofcalifornia.edu
- Webinars, plan information and rates

Social Security  http://www.ssa.gov
- Apply for Medicare Benefits

Medicare  http://www.medicare.gov
- Original Medicare coverage and publications
- “Your Medicare Benefits” booklet
Topics – 2018 Plan Year

- Introduction to Medicare
- How UC Medical Plans Work
- Cost of Care
- Prescription Drugs
- Behavioral Health
- UC Medical Premiums
- Medicare Enrollment Process
UC Retiree Health & Medicare

- UC requires all retirees and family members to enroll in Medicare, if eligible.
- “Coordinating” your UC medical plan with Medicare helps sustain the retiree health program

*Exception*
If you live outside the USA, you are not required to enroll in Medicare.
It’s easy as 1-2-3

1. Apply for Medicare Parts A and B
2. Complete and return the enrollment form that RASC mails to your home
3. Show physician your new Medicare and UC medical ID card at your next visit
Introduction to Medicare

Original Medicare

Foundation for UC Medicare Plans
What is Medicare?

- Federal program that provides medical insurance to:
  - People over 65
  - People with disabilities
  - Specific medical conditions
- Covers most medical services
- Does not pay total cost of care
- **Foundation for all UC Medicare plans**
Medicare Cards- Old vs. New

“Old” Card →

“New” Card →
(Coming April 2018)
Who is eligible for Medicare?

You may be eligible based on:

- Your own work history
- Work history of your spouse

Contact Social Security if you have questions about eligibility or to enroll.
When does Medicare start?

- Medicare starts on the 1st of the month in which you turn 65, for most.
- **If your birthday lands on the 1st of the month then Medicare starts the 1st of the prior month**
Three Parts of Medicare

Part A - Hospital
- In-patient hospital
- Home health care
- Skilled nursing facility
- Hospice care

Part B - Medical
- Doctors
- Lab tests
- Physical therapy
- Preventive care
Three Parts of Medicare

Part D - Prescription Drugs

UC bundles Part D coverage with the UC medical plan
3 Types of Medicare Providers

Physician “accepts assignment”
- Certified with Medicare
- Will accept the Medicare rate for services

Physician does **not** “accept assignment”
- Certified with Medicare
- May charge up to 15% more than the Medicare rate for services – YOU pay additional charge

Physician does **not** take Medicare
- Not certified with Medicare
- **Medicare and UC plans will not pay for “Medicare Covered” services**
# Medical vs Long Term Care

<table>
<thead>
<tr>
<th>Medicare &amp; Medical Insurance</th>
<th>Long Term Care Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medically Necessary Care</td>
<td>Activities of Daily Living</td>
</tr>
<tr>
<td>Skilled Nursing Facility</td>
<td>Bathing</td>
</tr>
<tr>
<td>Home Health Care</td>
<td>Dressing</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>Eating</td>
</tr>
<tr>
<td></td>
<td>Personal Hygiene</td>
</tr>
<tr>
<td></td>
<td>Walking</td>
</tr>
<tr>
<td></td>
<td>Cooking</td>
</tr>
<tr>
<td></td>
<td>Housekeeping</td>
</tr>
</tbody>
</table>
Original Medicare Costs
2018 Medicare Costs

Part A – Hospital
- No Monthly Premium
- $1,316 Deductible per spell of illness
- Graduated cost for stays over 60 days

Part B – Medical
- $134 Monthly Premium (for most)
  Deducted from Social Security check or you pay
- 20% coinsurance for most services

Part D – Drugs
- No additional cost with UC medical plans (for most)
Income Related Adjustment

Medicare Part B and D premiums may be higher for retirees with incomes over:

- $85,000 – single
- $170,000 – married

“Medicare Premiums: Rules For Higher-Income Beneficiaries” on SSA.gov
Transition to UC Medicare Plan
“Medicare doesn’t cover everything”

Do you need a Medicare supplement or drug plan?

- Your UC Medicare plan **IS** your supplement plan
- UC also provides a Part D drug plan

You don’t need to purchase an individual Medicare supplement or drug plan unless you want to suspend your UC coverage
Medicare & UC work together

Medicare and UC plan
pay most of your medical expenses

Medicare A, B & D

UC Medicare Plans
# Transfer to UC Medicare Plan

All medical plans have a Medicare version

<table>
<thead>
<tr>
<th>Non-Medicare Plan</th>
<th>UC Medicare Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Blue &amp; Gold</td>
<td>Health Net Seniority Plus</td>
</tr>
<tr>
<td>Kaiser</td>
<td>Kaiser Senior Advantage</td>
</tr>
<tr>
<td>UC Care PPO</td>
<td>Medicare PPO</td>
</tr>
<tr>
<td>Core</td>
<td>Medicare PPO</td>
</tr>
<tr>
<td>Health Savings Plan</td>
<td>Medicare PPO</td>
</tr>
</tbody>
</table>
When may I change to a different UC Medicare plan?

Open Enrollment
What happens to my family when I enroll in Medicare?

- **Non-Medicare** retiree or family **remain in your current** medical plan (except HSP)

- **Medicare** eligible retiree or family **enroll in Medicare & UC Medicare plan**
## Split Families – Partner Plans

**When a family has both non-Medicare & Medicare members**

<table>
<thead>
<tr>
<th>Non-Medicare Members</th>
<th>Medicare Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Blue &amp; Gold</td>
<td>Health Net Seniority Plus</td>
</tr>
<tr>
<td>Kaiser</td>
<td>Kaiser Senior Advantage</td>
</tr>
<tr>
<td>UC Care PPO</td>
<td>Medicare PPO</td>
</tr>
<tr>
<td>Core</td>
<td>Medicare PPO</td>
</tr>
</tbody>
</table>

*UC Health Savings Plan is not available to split families*
How UC Medicare Plans Work
UC Medicare Plans

Medicare plans may have different:

- Plan benefits
- Costs
- Service areas
- Medical providers
- Behavioral Health providers
- Enrollment/de-enrollment process
“Coordination” with Medicare

HMO Advantage
Health Net Seniority Plus
Kaiser Senior Advantage

Medicare Supplements
Medicare PPO
Medicare PPO w/o Rx
High Option

- You assign your Medicare to the insurance plan
- Cannot use Medicare outside the plan
- Medicare is primary payer
- Anthem is secondary
Choice of Physician

HMO Advantage
- You select PCP

Health Net Seniority Plus
- PCP coordinates care
- PCP refers to specialists

Kaiser Senior Advantage
- Specialists limited to medical group
Health Net Seniority Plus Service Area Limitations

Sansum & Jackson are only groups in SB area

- If your PCP is with Santa Barbara Select IPA:
  - Change to a Sansum or Jackson primary care physician
  - Change to Medicare PPO

No HNSP in Santa Maria

- Change to Medicare PPO

No HNSP in Ventura County

- Change to Medicare PPO or Kaiser
Choice of Physician

Medicare Supplements
Medicare PPO
Medicare PPO w/o Rx
High Option

- Medicare providers for Medicare services
- Anthem or non-Anthem providers for “additional services”
HMOs have copays for care

Health Net Seniority Plus
Kaiser Senior Advantage

<table>
<thead>
<tr>
<th>Service</th>
<th>Copay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>$0</td>
</tr>
<tr>
<td>Office Visit</td>
<td>$20</td>
</tr>
<tr>
<td>Urgent Care</td>
<td>$20</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>$65</td>
</tr>
<tr>
<td>Outpatient Surgical Center</td>
<td>$100</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>$250</td>
</tr>
</tbody>
</table>
Vision with Health Net

Health Net Seniority Plus

- Vision benefit similar to VSP
- Routine exam by medical group
- Eyewear by EyeMed providers
- No additional monthly premium
Anthem Plan Costs

Medicare PPO and High Option have:

Deductibles
- What you pay for services before the plan pays

Coinsurance
- Your share of the cost for services
- You pay a % of services
Deductibles

Anthem pays:
- Medicare Part A & B deductibles

Medicare PPO – you pay:
- $100 Plan deductible/year for “additional services” not covered by Medicare

High Option – you pay:
- $50 Plan deductible/year for “additional services” not covered by Medicare
Additional Anthem Services

Services NOT covered by Medicare, but covered by UC plans

- Acupuncture
- Behavioral health care with non-Medicare clinicians
- Hearing aids
- Services in foreign countries

You pay:
- Annual plan deductible
- 20% of allowed costs
## Office Visit Example

<table>
<thead>
<tr>
<th>Who pays?</th>
<th>Medicare PPO</th>
<th>High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare pays 80%</td>
<td>$120</td>
<td>$120</td>
</tr>
<tr>
<td><strong>Total after Medicare</strong></td>
<td><strong>$30</strong></td>
<td><strong>$30</strong></td>
</tr>
<tr>
<td>Anthem pays</td>
<td>(80%) $24</td>
<td>(100%) $30</td>
</tr>
<tr>
<td>You pay for services</td>
<td>$6</td>
<td>$0</td>
</tr>
</tbody>
</table>

---

**Medicare Allowable = $150**
**Hospital Example**

**Stay of 1-60 days**  
**Medicare Part A Deductible = $1,316**

<table>
<thead>
<tr>
<th>Who pays?</th>
<th>Medicare PPO</th>
<th>High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthem pays</td>
<td>$1,316</td>
<td>$1,316</td>
</tr>
<tr>
<td>You pay for services</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Medicare pays balance of bill
## Skilled Nursing Example

### 1<sup>st</sup> to 20<sup>th</sup> day
Paid in full by Medicare

### 21<sup>st</sup> to 100<sup>th</sup> day
Daily rate = $164.50

<table>
<thead>
<tr>
<th>Who pays?</th>
<th>Medicare PPO</th>
<th>High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthem pays</td>
<td>80%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>$131.60/day</td>
<td></td>
</tr>
<tr>
<td>You pay for services</td>
<td>$32.90/day</td>
<td>$0</td>
</tr>
<tr>
<td>Medicare pays all but $164.50 per day</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Are you traveling out of US?

<table>
<thead>
<tr>
<th>Plan</th>
<th>Emergency &amp; Urgent Care Copays</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO</td>
<td></td>
</tr>
<tr>
<td>Medicare PPO</td>
<td>$100 annual deductible</td>
</tr>
<tr>
<td></td>
<td>20% of billed amount</td>
</tr>
<tr>
<td>High Option</td>
<td>$50 annual deductible</td>
</tr>
<tr>
<td></td>
<td>20% of billed amount</td>
</tr>
</tbody>
</table>
Documents!

- **Medicare Summary Notice**
  - Describes what Medicare pays

- **Explanation of Benefits (EOB)**
  - Describes what the insurance plan pays

- **Bills & Statements**
  - What you pay the provider
Medical Out-of-Pocket Maximums

After you pay the following amount for medical and behavioral health expenses, the plan pays 100% of the costs for the rest of the year.

See plan document for limitations.

<table>
<thead>
<tr>
<th>Medicare Plan</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Seniority Plus</td>
<td>$1,500</td>
</tr>
<tr>
<td>Kaiser Senior Advantage</td>
<td>$1,500</td>
</tr>
<tr>
<td>Medicare PPO</td>
<td>$1,500</td>
</tr>
<tr>
<td>High Option</td>
<td>$1,050</td>
</tr>
</tbody>
</table>
Prescription Drugs
Prescription Drugs - Part D

- Medicare Part D is bundled with all plans
  - Except Medicare PPO without Rx
- Copays
- Some formulary (drug list) changes
- ID cards with Part D logo
  - HMO members receive 1 card
  - Anthem members receive 1 card
- NO additional premium for Part D, for most
## Prescription Drug Copays

<table>
<thead>
<tr>
<th></th>
<th>Health Net Kaiser*</th>
<th>Medicare PPO High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail (30 day)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generic</td>
<td>$5</td>
<td>$10</td>
</tr>
<tr>
<td>Brand</td>
<td>$25</td>
<td>$30</td>
</tr>
<tr>
<td>Non-formulary</td>
<td>$40*</td>
<td>$45</td>
</tr>
<tr>
<td><strong>Mail Order (90 day)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generic</td>
<td>$10</td>
<td>$20</td>
</tr>
<tr>
<td>Brand</td>
<td>$50</td>
<td>$60</td>
</tr>
<tr>
<td>Non-formulary</td>
<td>$80*</td>
<td>$90</td>
</tr>
</tbody>
</table>

*See plan documents for Kaiser*
**Prescription Drug Maximums**

After you pay the following amount for prescriptions drugs, the plan pays 100% of the costs for the rest of the year.

See plan document for limitations.

<table>
<thead>
<tr>
<th>Medicare Plan</th>
<th>Rx Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Seniority Plus</td>
<td>$2,000</td>
</tr>
<tr>
<td>Kaiser Senior Advantage</td>
<td>$5,000</td>
</tr>
<tr>
<td>Medicare PPO</td>
<td>$5,000</td>
</tr>
<tr>
<td>High Option</td>
<td>$5,000</td>
</tr>
</tbody>
</table>
Medicare PPO without Rx

Do you have another retiree or individual Part D drug plan?

- Medicare allows only 1 Part D drug plan
- You may keep or enroll in a non-UC Part D plan and the Medicare PPO without Rx plan
- The non-UC drug plan must have “creditable coverage” - pays on average as much as the standard Medicare drug plan
Medicare PPO without Rx

Do you have less than ??? years of UCRP service credit?

- Retirees with graduated eligibility may want to consider this plan
- Ask about this option during Open Enrollment
Behavioral Health

- All medical plans cover mental health care and substance abuse treatment
- Coverage and provider networks differ
Medicare – Behavioral Health

Medicare plans have different clinicians

<table>
<thead>
<tr>
<th>Medicare Plan</th>
<th>Behavioral Health Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Seniority Plus</td>
<td>MHN with Medicare</td>
</tr>
<tr>
<td>Kaiser Senior Advantage</td>
<td>Kaiser</td>
</tr>
<tr>
<td>Medicare PPO</td>
<td>Medicare Anthem or Non-Medicare</td>
</tr>
<tr>
<td>High Option</td>
<td>Medicare Anthem or Non-Medicare</td>
</tr>
</tbody>
</table>
## Behavioral Health Costs

<table>
<thead>
<tr>
<th>Medicare Plan</th>
<th>Copays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Net Seniority Plus</td>
<td>$20 for individual visit</td>
</tr>
<tr>
<td></td>
<td>$10 for group visit</td>
</tr>
<tr>
<td>Kaiser Senior Advantage</td>
<td>$250 inpatient hospitalization</td>
</tr>
</tbody>
</table>

Notify your behavioral health plan prior to your first visit
### Behavioral Health Costs

<table>
<thead>
<tr>
<th>Medicare Plan</th>
<th>Medicare Clinician</th>
<th>Non-Medicare Clinician</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare PPO</td>
<td>You pay 20% of balance after Medicare</td>
<td>After deductible, You pay 20%</td>
</tr>
<tr>
<td>High Option</td>
<td>You pay zero</td>
<td>After deductible, You pay 20%</td>
</tr>
</tbody>
</table>
UC Medical Premiums
Maximum UC Contribution

Each year UC determines the maximum contribution paid toward a retiree’s medical and dental insurance

- Some retirees receive the **maximum UC contribution**
- Some retirees have **graduated eligibility** and receive a % of the maximum amount
  
  (If hired after 1/1/1990 with less than 20 years of UCRP service credit)
Where do I find rates?

- Premiums change when you or a family member enroll in Medicare
- **Maximum UC Contribution** – find premiums on UCnet rate chart
- **Contact Retirement Administration Service Center (RASC)** - 1-800-888-8267
1. All family members in Medicare
2. One or more are not in Medicare
3. Non-Medicare Plans
   - All family members under 65
4. Non-Medicare Age 65 and Over
   - UC Retiree did not coordinate with Social Security when employed
   - No one in family eligible for Medicare
   - Rates are same as employees in category 2
Medicare Part B Reimbursement

If **Your Premium** is zero, you may receive a full or partial "reimbursement" of your Medicare Part B premium.

<table>
<thead>
<tr>
<th>Kaiser Permanente/ Senior Advantage</th>
<th>Your Premium</th>
<th>$0.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Part B Reimbursement</td>
<td>$92.58</td>
<td></td>
</tr>
<tr>
<td>UC High Option Supplement to Medicare</td>
<td>$126.66</td>
<td></td>
</tr>
<tr>
<td>Medicare Part B Reimbursement</td>
<td>$0.00</td>
<td></td>
</tr>
</tbody>
</table>
Your Monthly Premiums

Medicare Part B
- $134 – standard rate in 2017
- Deducted from Social Security check or you pay directly

UC Medical
- Deducted from UC pension check
- Part B Reimbursement added to check
Are you moving?

Must live in CA Service Area
- Health Net
- Kaiser

Available in US
- UC Care
- Core
- Health Savings Plan
- Medicare PPO
- High Option
Are you moving out of US?

Available when LIVING out of US

- UC Care
- Core
OneExchange – Out of CA

- Living out of California in US
- ALL family members in Medicare

- UC makes annual $3000 contribution to Health Reimbursement Account (HRA) for each member
  - UC contribution is subject to graduated eligibility

- Use HRA money to purchase individual Medicare supplement plan & Part D through OneExchange
  - Use excess HRA money to pay medical expenses and Part B premium
  - Unused HRA money will roll over to next year
OneExchange – Enrollment

- UC Retiree Insurance Program will notify you in **August** if you are required to transfer from the UC medical plan to a local Medicare plan
- You will be directed to call a OneExchange counselor for information about plan options and assistance enrolling
- You will select from Medicare Supplement plans and Part D (Drug) plans that are available where you are living
Enrolling in Medicare

1) Enroll in Medicare
2) Complete UC forms
Three months before you or a family member turns 65, RASC will mail the retiree:

- Written notice to apply for Medicare with Social Security
- UC enrollment form to transition to the Medicare version of your UC medical plan
How to enroll in Medicare

UC retiree or family member, turning 65 and....

- Receiving Social Security pension now
- NOT yet receiving Social Security pension
Receiving Social Security Now

- You are automatically enrolled by SSA.
- Social Security will send you a Medicare card in the mail a few months before you turn 65.
- The card should have “effective dates” for Medicare Parts A & B.
About **three months** before you turn 65

- Go to local Social Security office
- OR enroll on [http://www.ssa.gov/](http://www.ssa.gov/)

- **Apply for Medicare Parts A & B**

- If NOT eligible for Medicare request a denial letter from Social Security
Once you have your Medicare card or confirmation of enrollment

- Complete the form you received from RASC
- **Fax** or mail the form to UC by two months prior to your Medicare effective date

- Call RASC if your Medicare or UC forms are delayed: 800-888-8267
Medicare Enrollment Timeline

- **JAN**: RASC sends letter & forms
- **FEB**: RASC sends letter & calls
- **MAR**: 65th Birthday
- **APR**: If no response, penalty deducted from pension check
- **MAY** - **JUL**: Medical benefits terminated

RASC sends letter & forms

$419 $419 $419
RASC & Insurance

- RASC will transfer your enrollment to the Medicare version of your medical plan
- Insurance will enroll you in a Medicare Part D (drug) plan
- Insurance will send you new ID cards
Enrolling in Medicare Plan

RASC sends you UC form

You apply for Medicare A & B with SSA

SSA confirms enrollment

You send UC form to RASC

RASC & Insurance update your plan

Insurance enrolls you in Part D

Insurance sends you new ID card

You inform providers of new plan