



Office of Human Resources and Equal Opportunity
12345 El Monte Road, Los Altos Hills, CA 94022

**URGENT!!! YOUR RESPONSE IS REQUIRED – MEDICARE REIMBURSEMENT
CHECKS WILL STOP UNLESS YOU RETURN PROOF OF MEDICARE PAYMENT**

TO: All District Retirees, Surviving Spouses and Eligible Dependents

FROM: Christine Vo
Benefits Manager

DATE: February 16, 2009

RE: **2009 ANNUAL RETIREE SURVEY & MEDICARE REIMBURSEMENT**

The purpose of this letter is to inform you about Medicare and to notify you about our annual retiree survey to update our records. Please complete all survey questions regardless of whether you are eligible for Medicare and return the survey to the Office of Human Resources no later than **Monday, March 16, 2009.**

There are four parts to the Medicare program:

1. **Hospital Insurance (Part A) – *Hospitalization*** - pays a portion of the hospitalization cost, certain related inpatient care, skilled nursing facility care, hospice care, and home health services. This program is financed by payroll taxes, and if you are eligible based on your own or your spouse's employment, you do not pay a premium.
2. **Medicare Insurance (Part B) – *Supplementary Medical Insurance*** – primarily covers doctor fees, most outpatient hospital services, durable medical equipment, and a number of other medical services and supplies that are not covered by the hospital insurance Part A of Medicare. This program has a monthly premium, which is usually deducted from your Social Security check.
3. **Medicare Insurance (Part C) – *Medicare Advantage Program*** - a private Medicare plan, typically offers more comprehensive benefits in exchange for managed care, i.e. Kaiser Senior Advantage Plan.
4. **Medicare Insurance (Part D) - *Medicare Prescription Drug, Improvement, and Modernization Act of 2003*** - Effective January 1, 2006, this program covers prescription drug benefits plus coverage for preventative screenings and tests.

If you are enrolled in a District sponsored medical plan after retirement and you or any of your enrolled family members become eligible for premium-free Medicare Part A, the District requires that you and eligible dependents enroll in both Medicare Parts A and B. **If you do not enroll, the District will permanently cancel your medical insurance.** For Medicare enrollment and eligibility information, call Social Security at 1-800-772-1213.

WHEN AND HOW TO ENROLL FOR MEDICARE: Sign up for Medicare Part A three (3) months prior to your 65th birthday, but no later than three (3) months after you turn 65.

Enroll in Medicare Part B when:

- ◆ You are 65 or older; and
- ◆ Your or your spouse's current employment ends, or
- ◆ Your coverage under the employer group health plan ends, whichever comes first.

Failure to enroll in a timely manner will cause the premium for Part B to increase by as much as 10% per year for each year that you fail to sign up. However, if you or your spouse are still actively employed full-time and eligible for benefits with another employer's health plan (other than the District's Medical Plan) at the time you turn 65, you may delay enrollment without penalty.

KAISER SENIOR ADVANTAGE PROGRAM: Kaiser members are required to enroll in **Senior Advantage**. This is a Medicare-risk plan and requires the participant to be enrolled in both Parts A and B of Medicare. The Senior Advantage Plan is identical to the District Kaiser Medical Plan. Failure to comply may disqualify you from all District paid benefits.

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS) MEDICARE PREMIUM PAYMENT (MPP) PART A PROGRAM AND ELIGIBILITY REQUIREMENTS: Under the MPP Program, beginning July 1, 2001, CalSTRS agreed to compensate the Medicare Part A (hospitalization) premium for those eligible Defined Benefits (DB) Program members who are not qualified for premium-free Part A benefits through their own employment or that of a spouse. **The MPP program initially agreed to cover certificated employees who retired prior to January 1, 2001 and later extended through January 1, 2012**, but eligibility was limited to those retiring from a district that held, or was in the process of holding, a Medicare Division Election prior to their effective date of retirement.

The District's Medicare election was held February 18-28, 2003. Therefore, faculty who retired between January 1, 2001 and February 18, 2003 are not eligible for premium-free Medicare coverage through the STRS program.

CalSTRS will pay your Medicare Part A premium (standard rate of \$433/mo for retirees with less than 30 credits or \$244/mo for retirees with 30-39 credits). This benefit is not available to a member's spouse or beneficiary(ies). CalSTRS can deduct Medicare Part B premium from your monthly retirement benefit and forward the payment to Medicare.

You must contact **CalSTRS Health Benefits, P. O. Box 15275, MS #47, Sacramento, CA 95851-0275, Member Services at 1-800-228-5453 (M-F 7 a.m. – 6 p.m.)** or email CalSTRS at **www.calstrs.com** to request a CalSTRS Medicare Payment Authorization Form to pay your Medicare Part A premium and authorize deduction of the Medicare Part B premium from your monthly benefits.

NOTE: CalSTRS will not pay Medicare penalties for late enrollment in Medicare Part A or B.

MANDATORY MEDICARE ENROLLMENT FOR ALL RETIREES: Certificated Employees, who retired under **Article 19** and continue to teach part-time at the District until full retirement, and **regular faculty retirees** who may have **never contributed into Social Security**, **must** check with the local Social Security Administration Office to verify eligibility. If eligible, the retiree **must** sign up for both Medicare Part A & B for **dual coverage** with Medicare as **primary** and the District's medical plan as **secondary**. If you do not have enough credits and are ineligible for Medicare due to age limits (less than 65 years of age), you **do not** have to do anything. You remain covered under the District's medical plan as **primary** until you qualify.

If a retiree chooses to delay signing up for a Social Security pension for financial reasons when eligible, he/she is still required to enroll for Medicare Parts A and B at the age of 65 or at the time of eligibility. Failure to do so will forfeit his/her District paid benefits. If you do not claim a social security pension, the monthly Medicare premium Part B will be **billed quarterly** directly to you by Medicare and must be **paid directly by you**.

Failure to sign up for Medicare in a timely manner will increase the premium for Part B and will result in the delay or denial of medical claims. The District's Medical Plan requires a copy of the **Medicare Explanation of Benefit (E.O.B.) statement** in order to coordinate benefits and process your claim(s) as secondary payment.

For more information on how to enroll in Medicare, premium amounts, or premium surcharges, contact SOCIAL SECURITY ADMINISTRATION at **(800) 772-1213** from **7:00 a.m. - 7:00 p.m.** or www.socialsecurity.gov.

Pursuant to the *Agreements* with the bargaining units and other employee groups, you are **required** to sign up for Medicare Part B if you are eligible. Each retiree and every eligible dependent shall notify the District of his/her Medicare eligibility. **It is the sole responsibility of the retired employee and his or her eligible dependents to apply for and satisfy the requirements of Medicare.**

MEDICARE PREMIUM REIMBURSEMENT: The District will reimburse retired employees and eligible dependents for the cost of optional Medicare, Part B on a quarterly basis (March, June, September, and December). **For 2009, the standard reimbursement rate for Medicare Part B premium is \$96.40.**

MODIFIED ADJUSTED GROSS INCOME (MAGI): Since January 1, 2007, the Medicare Modernization Act of 2003 (MMA) requires some individuals to pay a higher premium for Medicare Part B coverage based on income and filing status (Single/Head of Household or Qualifying Widow(er), Married - filing jointly, Married - filing separately). The MMA change reduces the government Part B subsidy from its current 75 percent for all beneficiaries to 65 percent or less for highest-income seniors. The federal subsidy reduction will be phased in over three years (beginning in 2007). Effective January 1, 2009, Medicare participants at the highest income level will pay between 35 percent and 80 percent of the cost of their Medicare Part B coverage instead of the current coverage of 25 percent.

If your **Modified Adjusted Gross Income (MAGI)** in 2007 was greater than \$85,000 as reported to the IRS, the Medicare premium for Part B will increase accordingly. The maximum reimbursement rates for these individuals for calendar year 2009 are listed in the table below:

MAGI Range	Monthly Adjusted Premium	Maximum Monthly Allowed for 2009
Single, Head of Household, Qualifying Widow(er):		
\$85,001 - \$107,000	\$ 38.50	\$96.40 + 38.50 = \$134.90*
\$107,001 - \$160,000	\$ 96.30	\$96.40 + 96.30 = \$192.70*
\$160,001 - \$213,000	\$154.10	\$96.40 + 154.10 = \$250.50*
Above \$213,000	\$211.90	\$96.40 + 211.90 = \$308.30*
Married, filing jointly:		
\$170,001 - \$214,000	\$ 38.50	\$96.40 + 38.50 = \$134.90*
\$214,001 - \$320,000	\$ 96.30	\$96.40 + 96.30 = \$192.70*
\$320,001 - \$426,000	\$154.10	\$96.40 + 154.10 = \$250.50*
Above \$426,000	\$211.90	\$96.40 + 211.90 = \$308.40*
Married, filing separately:		
\$85,001 - \$128,000	\$154.10	\$96.40 + 154.10 = \$250.50*
Above \$128,000	\$211.90	\$96.40 + 211.90 = \$308.30*

***If you pay a late-enrollment penalty, this amount will be higher. The penalty is not reimbursed by the District.**

If your MAGI Range has changed at least one range since you filed your 2007 income taxes and you have experienced at least one of the qualifying events listed below, you should contact the local Social Security Administration (SSA) Office for a decision regarding your Medicare Part B premium:

- ◆ You have married, divorced, or become widowed, or
- ◆ You or your spouse has stopped working or reduced work hours, or
- ◆ You or your spouse lost income from property due to a disaster or other event beyond your control, or
- ◆ You and your spouse's defined benefit pension plan has ended or was reduced

MEDICARE COORDINATION OF BENEFITS FOR MEDICARE BENEFICIARIES:

By law, Medicare is the PRIMARY Payer for retirees' medical and prescription drugs expenses. The District Medical Plan is the SECONDARY payer. To ensure timely payment from the Third Party Administrator and coordination of benefits via Medicare Crossover Program for the retirees, **you must provide to the District copies of the Medicare ID card, "Medicare Determination Letter", and/or proof of Medicare premium payment.**

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER
000-00-0000-A

SEX
FEMALE

IS ENTITLED TO
HOSPITAL MEDICAL (PART A) (PART B)

EFFECTIVE DATE
07-01-1986

SIGN HERE → *Jane Doe*

MEDICARE DOUBLE COVERAGE – EFFECTIVE JANUARY 1, 2009

The Centers for Medicare & Medicaid Services (CMS), the federal agency that administers the Medicare program, ruled that our historical practice of allowing Medicare members to receive Kaiser Permanent Senior Advantage benefits through more than one employer or trust contract is not allowed under law and regulations. While a Medicare beneficiary may be enrolled in a Medicare plan and a commercial plan at the same time, he/she *may not be enrolled in more than one Medicare Plan at a time*. Therefore, you may not be enrolled as “double-covered” Medicare member at any time, you must designate the District coverage as your Medicare Plan of Record.

SPOUSE AND DOMESTIC PARTNER COVERAGE: District paid health benefits are for the lifetime of the eligible retiree only. If you predecease your spouse/domestic partner, he or she will not be eligible to continue to receive District-paid health benefits. However, he or she may purchase continuation health benefits through the District.

REMINDER: Only dependents who are **insured** through the District program are eligible for Medicare reimbursement.

IMPORTANT: If you are 65 years or older and are ineligible for Medicare for whatever reason, you must provide a **letter from the SSA to certify your Medicare ineligibility status** in addition to completing the survey form.

Required for Medicare Continuing Participants:

1. Complete the **2009 Annual Retiree Survey Form**
2. Provide a proof of the **2009 Medicare Part B Monthly premium** payment
3. Return the paperwork to the District Human Resources Office by **Monday, March 16, 2009**

Required for NEW Medicare Participants:

1. Complete the **2009 Annual Retiree Survey Form**
2. Provide a copy of the Center of Medicare and Medicaid Services (CMS) **Determination “AWARD” Letter** which indicates Name, SSN, date of Medicare eligibility, and Medicare Part B monthly premium for 2009.
3. Provide a copy of the **Medicare ID card(s) for both Retiree & Spouse/Domestic Partner** (to complete our master file for Medicare Crossover Program)
4. Return the paperwork to the District Human Resources Office **no later than the last day of the month that you became eligible for Medicare.**

NOTE: It is imperative that you notify the District immediately upon qualifying for Medicare. You must submit proof of Medicare eligibility and payment in a timely manner. Reimbursement is not retroactive.

If you have any questions regarding MEDICARE ELIGIBILITY and PART B QUARTERLY REIMBURSEMENT, please contact Christine Vo, Benefits Manager, via email: VoChristine@fhda.edu.

NOTE: If you wish to receive a confirmation notice regarding your mailing to us, please send your mail via certified mail, or request confirmation via email to: HongLarry@fhda.edu. Unfortunately, due to limited resources, we cannot confirm by phone. Thank you.

Please submit your proof of Medicare payment to:

**FOOTHILL - DE ANZA COMMUNITY COLLEGE DISTRICT
ATTN: CHRISTINE VO, H.R. DEPT.
12345 EL MONTE RD
LOS ALTOS HILLS, CA 94022**

E-Mail: VoChristine@fhda.edu FAX: (650) 949-2831

HR Benefits Web Page: <http://hr.fhda.edu/benefits>