



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

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**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 and Workers' Compensation Analyst

DATE: February 15, 2007

RE: **2007 ANNUAL RETIREE SURVEY & MEDICARE REIMBURSEMENT**

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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 12, 2007.**

There are four parts to the Medicare program:

- **Hospital Insurance (Part A)** - pays some of the cost of hospitalization, certain related inpatient care, skilled nursing facility care, hospice care, and home health services.
- **Medicare Insurance (Part B)** - 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 of Medicare.
- **Medicare Insurance (Part C)** – a private Medicare plan that typically offers more comprehensive benefits in exchange for managed care, e.g. Kaiser SeniorAdvantage Plan.
- **Medicare Insurance (Part D)** - known as “Medicare Prescription Drug, Improvement, and Modernization Act of 2003”. Effective January 1, 2006, the program covers prescription drug benefits plus coverage for preventative screenings and tests.

**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 delay signing 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 can delay enrollment without penalty.

**ARTICLE 19 FACULTY** who 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 and 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.

**CalSTRS Medicare Premium Payment Program and Eligibility Requirements:** If you are a retired or disabled CalSTRS member prior to January 1, 2001, currently receiving a monthly benefit, age 65 or more, ineligible for premium free Part A, and enrolled in Medicare Parts A and B, **CalSTRS will pay your Medicare Part A premium.** 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** or email CalSTRS at **www.calstrs.com** to request for 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.

Retirees who continue to work either full-time or part-time after retirement and choose to delay signing up for a Social Security pension for financial reasons, **must** sign up for both Medicare Part A and B when eligible. 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 not only increase the premium for Part B but will result in the delay or denial of medical claims, since the District's Medical Plan (administered by United Healthcare) 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.

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, upon obtaining eligibility for Medicare, notify the District of his/her 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.** 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 2007, the standard reimbursement rate for Medicare Part B premium is [\\$93.50](#).

Effective January 1, 2007, a new Medicare law requires some people to pay a higher premium for Medicare Part B coverage based on their income and filing status (Single/Head of Household or Qualifying Widow(er), Married - filing jointly, Married - filing separately). If your Modified Aadjusted Gross Income (**MAGI**) in 2005 was greater than \$80,000 as reported to the IRS, the Medicare premium for Part B will increase accordingly. The maximum reimbursement rates for these individuals for calendar year 2007 are listed here.

<u><b>MAGI Range</b></u>	<u><b>Monthly Adjusted Premium</b></u>	<u><b>Maximum Monthly Allowed for 2007</b></u>
<b>Single, Head of Household, Qualifying Widow(er):</b>		
\$80,001 - \$100,000	\$12.30	$\$93.50 + 12.30 = \mathbf{\$105.80}$
\$100,001 - \$150,000	\$30.90	$\$93.50 + 30.90 = \mathbf{\$124.40}$
\$150,001 - \$200,000	\$49.40	$\$93.50 + 49.40 = \mathbf{\$142.90}$
>\$200,000	\$67.90	$\$93.50 + 67.90 = \mathbf{\$161.40}$
<b>Married, filing jointly:</b>		
\$160,001 - \$200,000	\$12.30	$\$93.50 + 12.30 = \mathbf{\$105.80}$
\$200,001 - \$300,000	\$30.90	$\$93.50 + 30.90 = \mathbf{\$124.40}$
\$300,001 - \$400,000	\$49.40	$\$93.50 + 49.40 = \mathbf{\$142.90}$
>\$400,000	\$67.90	$\$93.50 + 67.90 = \mathbf{\$161.40}$
<b>Married, filing separately:</b>		
\$80,001 - \$120,000	\$49.40	$\$93.50 + 49.40 = \mathbf{\$142.90}$
>\$120,000	\$67.90	$\$93.50 + 67.90 = \mathbf{\$161.40}$

**If your MAGI has gone down at least one range in the table above or has dropped below the amounts in the table since you filed your 2005 income taxes and you have experienced at least one of the qualifying events listed below, you should contact SSA 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 ended or was reduced

For more information about how to enroll for 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](http://www.socialsecurity.gov).

**TO DETERMINE ELIGIBILITY FOR MEDICARE PLEASE SEE THE ATTACHED.**

**TO APPLY FOR MEDICARE REIMBURSEMENT:**

**IMPORTANT: Please note that the District is NO longer accepting form SSA-1099 as proof of payment. Please submit only one of the forms mentioned below.**

You must submit PROOF OF PAYMENT to the Office of Human Resources to be reimbursed for Medicare premiums. Submit one (need not be an original) of the following forms ***annually*** (paper size 8 X 11 only please). The form must indicate the recipient name, social security number, the effective date of Medicare coverage and monthly premium amount. New enrollees must notify the District within the first month of coverage as there will be no retro payment:

- 1) If you have Social Security Income and/or Supplemental Security Income (SSI) and are qualified for Medicare, you may request **ONE** of the following statements at any time by calling your local Social Security Office:
  - a. "Proof of Income" Letter or "Proof of Award" Letter from Social Security. You can request the form online via <http://ssa.gov/oneservices/>. (It may take up to 30 days for delivery); or
  - b. Form SSA-2458 (Report of Confidential Social Security Benefit Information); or
  - c. Form SSA-4926 SM Statement (Notice of new monthly Medicare Premium) also known as "Your New Benefits Amount" Statement; or
  - d. Current 2007 STRS Monthly Pension Statement, which includes monthly Medicare Part B premium deduction for 2007.
- 2) If there are any changes in premium rates, retirees are required to submit the form letter from Social Security that notifies you of an increase in Medicare premium during the course of the year. This usually occurs about the first of January.
- 3) If you do not qualify for Social Security income, but qualify for Medicare and pay premiums directly, you need to submit:
  - a. A cancelled check (front and back), a copy of the 2007 quarterly invoice statement (CMS 500) from Social Security Office for the current year; or
  - b. Latest bank or credit card statement showing the current premium for Part B is charged against your account (please wipe out your account number).

- 4) If your Medicare part B premium has been adjusted due to Modified Adjusted Gross Income (MAGI), you are required to submit form SSA 4926 SM Statement or a letter from SSA to indicate that you must pay an income-related monthly adjustment amount based on your 2005 income tax return. Otherwise, we will apply the standard premium reimbursement rate of \$93.50 per month for calendar year 2007.

All newly eligible Medicare beneficiaries are reminded that there will be **NO RETRO PAYMENT** to anyone who submits late notice(s) regarding their MEDICARE eligibility to the District. **Reimbursement will become effective during the month in which the District receives your notice.** For example, if you become eligible for Medicare Part B on February 1, 2007 and the District does not receive your notice until April 15, 2007, your reimbursement will become effective April, 2007, not February, 2007. This provision **does not apply to any existing Medicare participants** who have been qualified to receive reimbursement through the District prior to January 1, 2007.

Current and existing Medicare recipients must submit the notice(s) no later than March 31<sup>st</sup> annually as there shall be no retroactive payment for late notice.

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

If you have any questions regarding MEDICARE ELIGIBILITY and PART B QUARTERLY REIMBURSEMENT, please contact Christine Vo via email: [VoChristine@fhda.edu](mailto:VoChristine@fhda.edu) or Anna Luna via email: [LunaAnna@fhda.edu](mailto:LunaAnna@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: [LunaAnna@fhda.edu](mailto:LunaAnna@fhda.edu). Unfortunately, due to limited resources, we cannot confirm by phone. Thank you.

**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.**

Please submit your proof of Medicare payment to:

**FOOTHILL - DE ANZA COMMUNITY COLLEGE DISTRICT  
ATTN: ANNA LUNA, HUMAN RESOURCES  
12345 EL MONTE ROAD  
LOS ALTOS HILLS, CA 94022**

**TEL: (650) 949-6221**

**FAX: (650) 949-2831**

**E-Mail: [LunaAnna@fhda.edu](mailto:LunaAnna@fhda.edu)**

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