FOOTHILL-DE ANZA
Community College District

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

2008 GENERAL MEDICARE AND RETIREMENT BENEFITS INFORMATION

Medicare is a federal health insurance program for people 65 or older, certain disabled people who are under the age of 65, and people of any age who have permanent kidney failure. It is administered by the Health Care Financing Administration of the U. S. Department of Health and Human Services.

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.

A. WHO QUALFIIES FOR MEDICARE HOSPITAL INSURANCE (PART A)?

Generally, people who are 65 or older are eligible for premium-free Medicare Part A benefits automatically on the basis of the individual's own or spouse's past employment. This means that either the retiree or his/her spouse must have paid taxes into the social security system for at least 10 years or 40 quarters.

As a rule, Medicare becomes available at the beginning of the month in which you turn 65, whether you are retired or still working. If you or your spouse are still working, and are covered by another employer's health plan, Medicare will always pay secondary to any other plan.

Non-working spouses may qualify for Medicare if the retiree meets the requirements for Medicare benefits. Retirees who are divorced, or surviving spouses, who may otherwise not qualify on their own, will qualify for Medicare by being the ex-dependent of a qualified beneficiary. In either case, Medicare eligibility is based on a minimum age of 62 plus at least 10 years of marriage and a current un-married status. If you are not already receiving this benefit, check with the Social Security Administration (SSA) to see if you meet the requirements.

B. WHO QUALIFES FOR MEDICARE INSURANCE (PART B) ? Any person who is eligible for the premium-free Medicare Part A benefits described above may enroll for Part B. For 2008, the standard monthly Part B premium is **$96.40** for most beneficiaries.

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). By 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 **M**odified **A**djusted **G**ross **I**ncome (**MAGI**) in 2006 was greater than $82,000 as reported to the IRS, the Medicare premium for Part B will increase accordingly. The maximum reimbursement rates for these individuals for calendar year 2008 are listed in the table below:

MAGI Range	Monthly Adjusted Premium	Maximum Monthly Allowed for 2008
Single, Head of Household, Qualifying Widow(er):		
$82,001 - $102,000	$ 25.80	$96.40 + 25.80 = **$122.20***
$102,001 - $153,000	$ 64.50	$96.40 + 64.50 = **$160.90***
$150,001 - $205,000	$103.30	$96.40 + 103.30 = **$199.70***
Above $205,000	$142.00	$96.40 + 142.00 = **$238.40***
Married, filing jointly:		
$164,001 - $204,000	$ 25.80	$96.40 + 25.80 = **$122.20***
$204,001 - $306,000	$ 64.50	$96.40 + 64.50 = **$160.90***
$306,001 - $410,000	$103.30	$96.40 + 103.30 = **$199.70***
Above $410,000	$142.00	$96.40 + 142.00 = **$238.40***
Married, filing separately:		
$82,001 - $123,000	$103.30	$96.40 + 103.30 = **$199.70***
Above $123,000	$142.00	$96.40 + 142.00 = **$238.40***

***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 2006 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

C. WHO QUALIFIES FOR MEDICARE MEDICAL INSURANCE (PART C)? Any person who is eligible for the premium-free Medicare Part A benefits may enroll for Part C via group coverage. The program is voluntary by law, but MANDATORY for District retirees who are Medicare recipients and insured under the Kaiser Senior Advantage Program. Typically, the program offers more comprehensive benefits in exchange for managed care.

As a Kaiser member you 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.

D. WHO QUALIFIES FOR MEDICARE PRESCRIPTION DRUG INSURANCE (PART D)? Any person who is eligible for the premium-free Medicare Part A benefits may enroll for Part D. Benefits are provided through private prescription plans by Pharmaeutical Benefits Managers and Third Party Administrators such as MEDCO.

You are hereby advised NOT to purchase Medicare drug coverage from any other health plan or pharmacy. The District has applied for a Medicare Part D subsidy. You do not need to enroll.

Please note: If you choose to enroll in a Medicare drug plan, you will jeopardize your group health plan coverage and the District will not reinstate your coverage at a later date. Since the District's prescription drug plan is included in its health plan, you will need to drop all other coverage to enroll in the Medicare plan.

GROUP CREDITABLE COVERAGE – CMS Definition: The Foothill-De Anza Community College District has determined that the prescription drug coverage offered by the District is, on average for all plan participants, expected to pay out as much or more than the standard Medicare prescription drug coverage.

Therefore, since the existing coverage is on average at least as good as or better than the standard Medicare prescription drug coverage, you may keep the District coverage. If you decide later to enroll in Medicare Part D coverage, you will not be penalized.

E. 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.

F. CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS) MEDICARE PREMIUM PAYMENT (MPP) PART A PROGRAM AND ELIGIBILITY REQUIREMENTS:

Faculty hired after April 1, 1986 have been required to pay into Medicare. Faculty hired prior to April 1, 1986 did not pay into Medicare, but CalSTRS enabled faculty to become Medicare eligible through its California State Teachers' Retirement System MEDICARE PREMIUM PAYMENT (MPP) PART A program.

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.

For those retiring after the Medicare Election, MPP coverage depends on the following:

1) Faculty age 58 or older at the time of the election automatically become Medicare-eligible at age 65 regardless of whether they voted "Yes" or "No," provided they retire before January 1, 2012.

2) Faculty age 58 or older at the time of the election automatically become Medicare-eligible contributions until retirement) to become Medicare-eligible at age 65. Medicare STRS agreed to pay the difference between the number of quarters earned and the 40 quarters normally required.

For those who qualify for the MPP program, CalSTRS will pay your Medicare Part A premium (standard rate of $423/mo for retirees with less than 30 credits or $233/mo for retirees with 30-39 credits). This benefit is not available to a member's spouse or beneficiary(ies). CalTRS 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 **wwww.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.

G. 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.**

H. 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 2008, the standard reimbursement rate for Medicare Part B premium is **$96.40.**

I. TO APPLY FOR MEDICARE REIMBURSEMENT:

You must submit PROOF OF PAYMENT to the Office of Human Resources to be reimbursed for Medicare premiums. Submit a copy 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 may request the form online via http://ssa.gov/onlineservices/. (It may take up to 10 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 2008 STRS Monthly Pension Statement, which includes monthly Medicare Part B premium deduction for 2008.

2) If there are any changes in premium rates, retirees are required to submit a copy of the form letter from Social Security that notifies you of an increase in Medicare premium during the course of the year. Generally, rates changed every January.

3) If you do not qualify for Social Security income, but qualify for Medicare and pay premiums directly, you need to submit one of the following:

a. A cancelled check (front and back), and a copy of the 2008 quarterly invoice statement (CMS 500) from the Social Security Office for the current year; or
b. The most recent bank or credit card statement showing the current premium for Part B charged against your account (You may redact any other personal financial information); or
c. A Bank Certification Letter confirming the CMS' Electronic Fund Transfer (EFT) was debited against your checking or saving account.

NOTE: Form SSA-1099 and 1042S statements are NOT accepted as proofs of payment.

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, 2008 and the District does not receive your notice until April 15, 2008, your reimbursement will become effective April, 2008, not February, 2008. This provision **does not apply to any existing Medicare participants** who have been qualified to receive reimbursement through the District prior to January 1, 2008.

Each year, current Medicare recipients must submit the notice(s) no later than March 31st.. There shall be no retroactive payment for late notice.

J. 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.**

K. 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.

You may use **www.MyMedicare.gov** to (1) View claim status, (2) Order a duplicate Medicare Summary Notice (MSN) or replacement Medicare card, (3) View eligibility, entitlement and preventive services information, (4) View enrollment information including prescription drug plans, (5) View or modify your drug list and pharmacy information, (6) View address of record with Medicare and Part B deductible status, and (7) Access online forms, publications and messages sent to you by Center of Medicare and Medicaid Services (CMS).

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

Required for NEW Medicare Participants:

1. Provide a copy of the Center of Medicare and Medicaid Services **(CMS) Determination "AWARD" Letter** which indicates Name, SSN, date of Medicare eligibility, Medicare Part B monthly premium for 2008.

2. Provide a copy of **Medicare ID card(s) for both Retiree & Spouse/Domestic Partner**

3. 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.

Please submit your proof of Medicare payment to:

FOOTHILL - DE ANZA COMMUNITY COLLEGE DISTRICT
ATTN: CHRISTINE VO, BENEFITS MANAGER
12345 EL MONTE RD
LOS ALTOS HILLS, CA 94022

TEL: (650) 949-6225 E-Mail: VoChristine@fhda.edu FAX: (650) 949-2831