



**FOOTHILL-DE ANZA**  
**Community College District**

**Office of Human Resources and Equal Opportunity**

# **Health Benefits Retirement Orientation**

**Presented by**

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**This is a summary presentation only.**

*In the event of discrepancies, health plan Evidence of Coverage documents and /or Insurance Certificates will prevail.*

Visit <http://hr.fhda.edu/benefits/>  
For complete information.



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## **AGENDA**

**Qualifications**

**The A, B, C and D of Medicare**

**Medicare COB**

**How Medicare Impact You as a Retiree?**

**Steps required prior to retirement**

**Documentation for transition with CalPERS health retirement benefits**

**AB528**

**Retirees Responsibilities**

**Monthly CalPERS Premium Variance Reimbursement**



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## **Benefits Eligibility** **For Employees Hired Prior to July 1, 1997**

### **Qualifications:**

- 1) Must be employed at least 10 years immediately preceding age 55 or older
- 2) Retired from CalPERS or CalSTRS
- 3) CSEA, ACE, Confidentials, Teamsters with 20+ years of service regardless of age, qualify for life-time benefits without dependent children coverage (You may elect NOT to retire from CalPERS\*)

\*Note: Retirement health benefits continuation with CalPERS is not possible unless you are deemed as a pensioner with either CalPERS and/or CalSTRS. Alternative options are available.

- 4) Retirees maintain all benefits: Medical/Rx, Dental, and Vision, except Group Term Life and AD&D benefits

**Note: Dependents follow retiree choice and eligibility**

## The ABCs and D of Medicare

### A. Medicare Part “A” (Hospital Insurance) - MANDATORY for District Retirees age 65 or older

- Covers hospitalization, skilled nursing (not custodial or long-term care), hospice care, and certain home health care services
- Typically FREE to retirees who have 40 quarters or more
- One can qualify via Spouse’s Medicare-covered employment
- Enrollment is automatic if drawing Social Security (SS) benefits at time of Medicare eligibility is attained, or if qualifying for SS benefits at/after Part A eligibility age
- Must affirmatively request enrollment if not drawing or applying for SS benefits at the time you want Medicare coverage

## The ABCs and D of Medicare cont...

### **B. Medicare Part “B” (Medical benefits) – MANDATORY for District Retirees age 65 or older**

- Every retiree must apply for, obtain and maintain coverage under Part B of Medicare
- Enrollment is Automatic (with opt-out rights) if drawing SS benefits at time become eligible for Part B
- Otherwise, must affirmatively request enrollment
- 2014 Part B Annual Deductibles: **\$147** (the CalPERS Medical Plan will pay for Medicare Parts A and B deductible amounts that Medicare will not pay for each calendar year)
- Coinsurance: **20%** of the Medicare-approved amount for services after you meet the \$147 deductible.
- 2014 Monthly Medicare Part B Standard Premium (subject to change every January 1): **\$104.90**

## The ABCs and D of Medicare cont...

**Medicare Adjusted Gross Income (M.A.G.I.):** Applicable to 4% of Medicare enrollees with higher incomes and filing status (Single/Head of Household or Qualifying Widow(er), Married - filing jointly, Married - filing separately)

If your yearly income in 2012 (for what you pay in 2014) was			You pay (in 2014)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$104.90
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$146.90
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	Not applicable	\$209.80
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 and up to \$129,000	\$272.70
above \$214,000	above \$428,000	above \$129,000	\$335.70

- Part B Monthly Premium

You pay a Part B premium each month. Most people will pay the standard premium amount. However, if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay more.

## The ABCs and D of Medicare cont...

### **C. Medicare Part “C” (Medicare Advantage) – MANDATORY for District Retirees insured under the CalPERS HMO Plans (Kaiser/Blue Shield)**

- Voluntary by law
- To join a Medicare Advantage Plan, you **must have Part A and Part B**. You must also live in the **service area of the Medicare Advantage Plan**.
- Medicare pays a fixed amount every month to the companies offering Medicare Advantage Plans
- Typically offer more comprehensive coverage such as hearing and vision exams in exchange for managed care

## The ABCs and D of Medicare cont...

### D. Prescription Drug Plans (PART D)

- Covers prescription drug benefits, plus coverage for preventative screenings and tests
- Implementation Date: January 1, 2013
- To join Medicare Prescription Drug Plan, you must (1) **have Medicare Part A or B**, and (2) **live in the service area** of the Medicare drug plan you want to join
- CalPERS Prescription Drugs Benefit provided through private Rx plans by PBMs and TPAs such as **CVS Caremark**
- You are hereby advised **NOT** to purchase Medicare drug coverage from any other health plan or pharmacy. *CalPERS will enroll you directly under "CalPERS Medicare Part D" program.* You do not need to enroll Medicare Part D with SSA.

**Note: Medicare Part D standard premium is picked up by CalPERS, but Part D MAGI premium is not reimbursed by CalPERS or FHDA.**





## ARTICLE 19 FACULTY AND REGULAR RETIREES (EXCEPTIONS)

- If you have **never contributed into Social Security**, you 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 CalPERS'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 CalPERS medical plan as primary until you qualify.



## When and How to Apply for Medicare?

2) For persons who are turning 65: To enroll in Medicare, you must call SSA at 1-800-772-1213 during your **Initial Enrollment Period** ( a seven-month window around your 65th birthday).

- ✓ Make an appointment with SSA within three (3) months before your 65th birthday
- ✓ For Actives: Apply for only Medicare Part A, Delay Part B enrollment until 90 days before your retirement

2) For persons who are 65 or older and have just retired: To enroll in Medicare, you must call SSA at 1-800-772-1213 during your **Initial Enrollment Period** ( a **eight-month** window around your 65th birthday that begins when your group health insurance ends.

- ✓ Make an appointment with SSA within three (3) months before your retirement date
- ✓ For Retirees: Apply for both Medicare Part A & B when eligible. You must apply three (3) months prior to your birthday for both Parts A and B at the same time, waive both Parts C and D.

3) For persons who are older than 65: To enroll in Medicare, you must call SSA at 1-800-772-1213 between **January 1 and March 31**. This window is called **General Enrollment Period**. Medicare coverage for persons enrolling during the General Open Enrollment Period will begin on **July 1**.

## Medicare Other Requirements

- Any retiree or eligible dependent or survivor who enrolls in Medicare but assigns his or her Medicare benefits to a Medicare-Advantage medical plan not sponsored by the District shall be ineligible for continued benefits under the CalPERS' medical plans.
- It shall be the sole responsibility of the retiree, dependent and survivor to provide the District with verification of enrollment in Medicare. The District shall acknowledge receipt of verification of Medicare enrollment upon a retiree's request.

## MEDICARE DOUBLE COVERAGE

- The Centers for Medicare & Medicaid Services (CMS), the federal agency that administers the Medicare program, ruled 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 enroll as “double-covered” Medicare member at any time; you **must designate the CalPERS coverage as your Medicare Plan of Record.**

## Coordination of Benefits as Secondary

- For **PPO** members, you must notify CalPERS of your new Medicare status for coordination of secondary benefits, and transition from BASIC to Medicare Supplemental Plan.
  - ✓ Notify all the medical providers that you are now qualified for **Medicare as Primary** and the **CalPERS Medical Plan as Secondary**.
  - ✓ When incurring medical expenses, the bills should be processed first by MEDICARE before submitting to Anthem BC (INN and OON claims) for Secondary payment.
- For **HMO** members, you must notify CalPERS of your new Medicare status to request for a transition from BASIC to Medicare Supplemental Plan, and apply for the Medicare Advantage Plan (Medicare Part “C” enrollment) upon receiving your new MEDICARE ID CARD, then return the application to the insurance carrier directly.
  - **Note: Three (3) months prior to your 65th birthday, CalPERS and insurance carriers will notify you regarding your Medicare enrollment.**



## MANDATORY SECONDARY COVERAGE FOR QUALIFIED MEDICARE PARTICIPANTS

- The CalPERS Medical Plans strictly enforce the **SECONDARY PAYER RULE** to all Qualified Medicare participants who utilize medical services provided by the Plan.
- Qualified Medicare retirees and dependents are **required** to use **only MEDICARE contracted physicians**.
- All medical claims must be processed first as PRIMARY with Medicare, and the CalPERS Medical Plans will coordinate payment for these claims as SECONDARY.
- Your physician **must** be a Medicare contracted provider, however, he/she **does not have to accept Medicare assignment**. **Failure to comply will result in non-payment of these claims.** (Non-Medicare participants can still use non-Medicare providers).



## Medicare Participating Providers and Suppliers

- What is “ACCEPTING ASSIGNMENT”?
  - When a physician or supplier **agrees to accept Medicare assignment**, it means he/she agrees to accept the Medicare allowed amount as the **full payment** for all covered services on the Medicare assigned claim.
  - The physician or supplier submits the claim to the Medicare Contractor; the Contractor pays 80% of the Medicare allowed charge directly to the physician; and the physician can bill you up to the remaining 20% of the Medicare approved charge (plus any annual deductible that has not yet been paid).

## Medicare Participating Providers

- What is “UNASSIGNED CLAIMS”?
  - Physicians who submit *unassigned* claims **have not agreed to accept Medicare’s approved amount as payment in full.**
  - Physicians who does not accept Medicare assignment may charge you up to **115%** of the Medicare approved amount. This is known as the **Limiting Charge**. Some states have additional limits.
  - The **NOTE section** of the Medicare’s EOB statement **will tell you if a physician has exceeded the Limiting Charge** and the **correct amount to pay your physician under the law.**





## How does Medicare Impact Me as a Retiree?

- By federal law, Medicare is the PRIMARY coverage for all members who retire from full-time active employment.
- After retirement and Medicare qualification, the CalPERS' s medical plan serves as your SECONDARY coverage.
- Medicare for RETIRED Employees Who Turn Age 65
  - If proof of Medicare Parts A & B are not received by the District and CalPERS prior to the first of the birth month, coverage for you and your eligible dependents may be negatively impacted.
  - “Special Open Enrollment” will be available with Social Security. You have only 30 days following your resignation to enroll under this provision, otherwise you may be required to pay surcharges to your Medicare Part B premium, due to late enrollment



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## How Medicare Impacts Me as Retiree cont. ....

- What happens if I am 65, a retired faculty, and do not qualify for Medicare due to lack of credits?
  - ✓ You must served CalPERS with the CMS Determination Notice regarding your Medicare-ineligibility status within 90 days of your 65<sup>th</sup> Birthday or your coverage will be dropped. The CalPERS medical plan is your **PRIMARY** coverage.



## Steps Must Be Taken Prior to Retirement

1. Must apply for CalPERS or CalSTRS Service Retirement **90 days** prior to the date of separation. NO EXCEPTIONS!
2. Must apply for Medicare Parts A (if you have not done so at age 65) and B **90 days** prior to the date of separation if age 65 or older at time of retirement
  - The District will certify your prior coverage to enable penalty-free of premium imposed by CMS due to late enrollment



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## **MEDICAL BENEFIT TRANSITION**

### **FROM BASIC TO MEDICARE SUPPLEMENT PLAN**

If you are 65+ (and/or if your dependent is 65+), apply for Medicare three months before you retire by contacting SSA at

**(800) 772-1213 or ONLINE AT [www.ssa.gov](http://www.ssa.gov) .**

**Enroll in Medicare Part A and B**

**DO NOT enroll in Medicare Part D**



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## **What do I need to complete and return to Benefits Unit?**

1. If you are **over** age 65 at the time of retirement, you must complete and return the Certification of Medicare Status form along with a copy of your Medicare Card, and your dependent's Medicare card if dependent is 65+
2. Health Benefits Plan Enrollment for Retiree (form HBD30)
3. A Copy of your CalSTRS or CalPERS Award Letter
4. A Copy of your Medicare ID card if over age 65
5. Complete an EFT form for District Direct Deposits via Secova
6. A copy of a cancelled check
7. A personal check made payable to "FHDA" for the one month of Retiree Monthly Contribution towards health



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## Retirees' Responsibilities

- ☑ Require to participate in the Annual Retiree Survey
- ☑ Enroll in **Medicare Parts A and B** when eligible. The current recommendation is 90 days before your 65<sup>th</sup> birthday
- ☑ Provide **timely** Notice(s) to the District when qualified for Medicare (applicable to both retirees and spouse/qualified same-sex domestic partner). **All documentation must be received by HR prior to the first day of your Medicare eligibility.**
- ☑ Enroll in CalPERS Medicare Supplemental program immediately upon receiving your Medicare ID card
- ☑ Submit proof(s) of the current monthly premium for Medicare Part B to the District **annually** no later than **March 15<sup>th</sup>** to continue Medicare quarterly reimbursement.

**Important: Retroactive reimbursement for late submission of Medicare Part B proof of payment is not permissible.**

- ☑ Notify the District of change of address within **10** business days
- ☑ Notify the District of life qualifying events such as marriage/divorce/death/adoption, etc within 31 calendar days



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## CalPERS MONTHLY PREMIUM VARIANCE REIMBURSEMENT FOR PRE-'97 RETIREES

- 1) Effective July 1, 2012, CalPERS is the Plan Administrator
- 2) CalPERS Controls the Retired Group
- 3) FULL Monthly Medical Premium must be offset against your pension check – CalPERS collects this premium on a monthly basis
  - What happens if your income is lesser than the premium charged for the month
    - a. **CalPERS members:** CalPERS will offset the maximum amount, and balance billed you for the variance
    - b. **CalSTRS members:** CalPERS will bill you the entire premium
- 4) To be reimburse for the Monthly CalPERS premium variance
  - ✧ You are required to submit the first pension check stub that show itemized premium deduction towards CalPERS Healthcare to the Benefits Unit either via Fax 650-949-6299 or pdf/email to [MyBenefits@fhda.edu](mailto:MyBenefits@fhda.edu).
  - ✧ Initial Refund will takes 5-7 business days, and a check will be generated by A/P
  - ✧ Thereafter, the monthly deposit is done electronically via the EFT account set up through Secova on the last day of the month to pay for the next month premium. For example, July 31<sup>st</sup> deposit is to pay for the August premium.



## AB528 Continuation Coverage:

1. State law requires California schools and community college districts to allow employees who lose their eligibility to continue their health care coverage upon retirement to enroll in health benefit plans currently provided for its current employees. Any former employee who retired from the FHDA Community College District under any public retirement system, and his or her spouse, or any surviving spouse of a former employee, may continue his or her health care benefits by paying the full premiums provided that the member is an annuitant of either CalPERS or CalSTRS pension plan.
2. This law does not apply to either the new spouse upon the remarriage of a surviving spouse of a former employee, or, the children of a former employee.





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## REMEMBER:

- ✓ In order to provide FHDA health benefits to your survivor, you must choose a CalSTRS or CalPERS option so that your survivor is an annuitant.
- ✓ If you take your CalSTRS/CalPERS pension as a lump sum, you forfeit FHDA retiree health benefits.
- ✓ Must apply for CalPERS or CalSTRS service retirement within 120 days after the date of separation.
- ✓ Your FHDA life insurance benefit expired with your retirement.
  - For conversion information, contact HARTFORD at (888) 563-1124

## SSA and CMS WEBSITES

- ✧ Official Social Security web site: [www.ssa.gov](http://www.ssa.gov)
- ✧ For information regarding Centers for Medicare & Medicaid Services (CMS), access web site: <http://www.cms.hhs.gov>
- ✧ For listing of Medicare Participating Providers and Suppliers by Area, access web site: <http://www.medicare.gov/physician>
- ✧ To personalize information regarding your Medicare benefits and services, you may use <http://my.medicare.gov/> to view claims, order duplicate Medicare Summary Notice (MSN) or replacement of Medicare ID card, view eligibility, entitlement and preventative services information.



## **CalPERS Health Benefits Contact Information**

- ✧ **Online:** For more information on health benefits and programs, visit CalPERS at [www.calpers.ca.gov](http://www.calpers.ca.gov)
- ✧ **By Phone:** Call CalPERS toll free at 888 CalPERS or (888-225-7377) Monday through Friday, 8:00 a.m. to 5:00 p.m.



## **SSA INFORMATION**

### **Nearest Social Security Office:**

#### **SOCIAL SECURITY OFFICE (SSA)**

**700 East El Camino Real, Suite 350**

**Mountain View, CA 94040**

**Phone: 650-961-5324**

**Office hours: M-F 9 a.m. - 3:00 p.m.**

**To enroll: Call SSA: 1-800-772-1213**

**M-F from 7 a.m. - 7 p.m.**

**For Medicare claims inquiry: 1-800-633-4227**



For ALL benefit inquiries, please contact:

Benefits Unit

Phone: 650-949-6224

Email: [MyBenefits@fhda.edu](mailto:MyBenefits@fhda.edu)

WEBSITE: <http://hr.fhda.edu/benefits/>



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**THANK YOU**