



FOOTHILL-DE ANZA
Community College District

Office of Human Resources and Equal Opportunity

Welcome to the 2014

Health Benefits Retirement Orientation

Presented by

Christine Vo, Benefits Manager

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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?

AB528

Retirees Responsibilities

Monthly CalPERS Premium Variance Reimbursement

Quarterly Medicare Part B Premium Reimbursement

Survivors benefits



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Hired Prior to July 1, 1997

Benefits Eligibility For Employees

Qualifications:

- 1) Age 55 or older
- 2) Must be employed for 10 or more years immediately preceding his or her retirement
- 3) Retired from CalPERS and/or CalSTRS
- 4) 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/CalSTRS*)
 - *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 via **Covered CA.**
- 5) Retirees maintain all benefits: Medical/Rx, Dental, and Vision, except Group Term Life and AD&D benefits

Note: Dependents follow retiree choice and eligibility



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Benefits Eligibility For Employees

Hired On or After July 1, 1997

Known as “BRIDGE TO MEDICARE PROGRAM”

Qualifications:

1. Age 55 or older
2. Rendered service to the District as a permanent employee for 15 or more years (time spent on a leave of absence without pay or in layoff status shall not counted towards the service retirement) immediately preceding his or her retirement
3. Received Service Retirement from CalPERS and/or CalSTRS
4. Retirees maintain medical coverage with CalPERS (Member only or Member + Spouse/DP)
5. District provides monthly subsidy to cover the cost of medical benefits in the period of time between retirement and eligibility for Medicare coverage. Subsidy varies between bargaining units
6. District monthly subsidy ends upon the retiree's Medicare eligibility

Note: Dependent (excludes children) follow retiree choice and eligibility

The ABCs and D of Medicare

A. Medicare Part “A” (Hospital Insurance) - MANDATORY for District Retirees and/or Spouse/DP 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

B. Medicare Part “B” (Medical Insurance) - MANDATORY for District Retirees and/or Spouse/DP age 65 or older

- Every retiree must apply for, obtain and maintain coverage under Part B of Medicare
- 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

- Must affirmatively request for Medicare enrollment for **Parts A & B** with SSA Office 90 days **prior** to retirement if age 65 or older or upon Medicare eligibility at age 65 (post retirement).

The ABCs and D of Medicare cont...

C. Medicare Part “C” (Medicare Advantage) – MANDATORY
for District Retirees and/or Spouse/DP insured under the
CalPERS HMO Plans (Kaiser/Blue Shield/Anthem BC/Health
Net/Sharp/UHC)

- 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.

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.*

IMPORTANT: 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 remain covered under the CalPERS medical plan as primary until you qualify. However, you must provide ANNUAL certification from SSA showing proof of Medicare ineligibility to retain BASIC coverage beyond age 65.

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.
- 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.**



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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).**



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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
 - 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 65th Birthday or your coverage will be dropped. The CalPERS medical plan is your **PRIMARY** coverage.



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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 .

Enroll in Medicare Part A and B

DO NOT enroll in Medicare Part D



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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 65th 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 15th** 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) Officially, CalPERS is the Plan Administrator, not FHDA
- 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**.
 - ✧ 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 31st deposit is to pay for the August premium.



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QUARTERLY MEDICARE PART B PREMIUM REIMBURSEMENT FOR PRE-'97 RETIREES

1. Premium for Medicare Part B is prepaid by the members
2. To initiate the request for Medicare Part B premium reimbursement for the first time, you must notify the District Benefits Unit no later than the first day of the month that you became eligible for Medicare. Documentation is mandatory.
3. Annual Obligation: To request Medicare Part B premium reimbursement, Retirees and/or Spouse/DP must provide proof(s) of Medicare Premium Part B payment to the District no later than March 15th annually
4. Reimbursement is not retroactive. No exceptions!
5. Quarterly Medicare Part B premium reimbursements is provided in arrears by the District. EFT deposits are scheduled for the following timelines via SECOVA:
 - Q1 (January – March): April 15th
 - Q2 (April – June): July 15th
 - Q3 (July – September): October 15th
 - Q4 (October – December): December 31st



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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:

- ✓ 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

SURVIVORS:

- Must notify the District within 31 days from the date of life qualifying event (LQE) to enroll under the surviving spouse plan
- District contributions towards health/Medicare ends at the end of the month of LQE for the entire family
- Survivors may continue the same medical plan with CalPERS via self-pay
 - CalPERS offsets the FULL monthly premium against the survivor annuitant pension fund
- Survivors may purchase dental and dental coverage with the District by prepaid quarterly (EFT pulls)

What do I need to complete and return to the Benefits Unit?

DEADLINE: 5pm, Friday, June 20, 2014

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 July 2014 Retiree Monthly Contribution towards health



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SSA and CMS WEBSITES

- ✧ Official Social Security web site: 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.



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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



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Contacts Information

- ✧ **CalPERS Online:** For more information on health benefits and programs, visit CalPERS at www.calpers.ca.gov
- ✧ **CalPERS By Phone:** Call 1-888-CalPERS or (888-225-7377) Monday through Friday, 8:00 a.m. to 5:00 p.m.
- ✧ **Benefits Unit:**
 - Phone: 650-949-6224
 - Fax: 650-949-6299
 - Email: MyBenefits@fhda.edu
 - WEBSITE: <http://hr.fhda.edu/benefits/>



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THANK YOU