Medicare FAQ  *(Frequently Asked Questions)*

**Question:** I’m going to be turning 65 soon and eligible for Medicare but I have County Health Insurance; what do I need to know and what do I do?

**Answer:** Retirees who become eligible for Medicare have some choices to make regarding their health insurance coverage. There are some basic things you need to know before making your decisions.

**What do I need to know A: Enroll in Medicare or do not enroll in Medicare:**

While you are not required to enroll in Medicare, you need to be aware that if you do not enroll when you are first eligible (within Medicare’s 7-month Initial Enrollment Period) you may pay a higher premium for late enrollment if signing up later during Medicare’s General Enrollment Periods or Special Enrollment Periods. Medicare does have an annual open enrollment period; this year it is from November 15, 2010 to December 31, 2010.

In most cases, Retirees automatically receive a packet from Medicare up to 3 months prior to their 65th birthday. This packet contains information, an Initial Enrollment Questionnaire and the “red, white and blue card” (your Medicare Identification card) that shows effective dates of the 1st of the month of your 65th birth month and reflects enrollment in both Part A & Part B.

Note: If you do not receive this packet and you do want to enroll in Medicare, call Social Security at 800-772-1213 for information about your eligibility and to sign up. You may also visit the Medicare website (www.medicare.gov) to enroll or obtain information.

If you want Medicare you must fill out and return the questionnaire you receive, to make sure your medical bills get paid correctly and on time, sign the ID card then make your decision regarding keeping or dropping your County Health Insurance.

**What do I need to know B: Keep County Insurance or Drop County Insurance**

Retirees may continue to use County insurance while they are enrolled in Medicare. You will be eligible for a coordination of benefit and a decrease in the premium for your County Medical insurance, but only if you enroll in both parts A and B of Medicare, and you report the Medicare to SBCERS. Unless your Medicare enrollment coincides with an SBCERS Open Enrollment period, you will not be eligible to change to a different County medical plan (such as a Medicare Advantage type of plan) although you may wish to consider this option during the next annual Open Enrollment.

When you have your Medicare A & B card in hand, you will need to contact your SBCERS Benefit Specialist. You will be asked to supply a copy of the Medicare card and complete a Subscriber Change form indicating your election to either continue or cancel County insurance. We will make the requested change for the first of the month following our receipt of these items, or on the effective date of your Medicare, whichever occurs later. We cannot process insurance changes retroactively.
If you’ve chosen to keep County Medical insurance, you will need to report the changes to your medical providers. Medicare will now be your primary insurance, and your County medical plan will be secondary. Providers will bill Medicare and in turn, Medicare will coordinate with your County plan for secondary payment after Medicare pays claims.

Be aware that your County Medical insurance plan provides prescription drug coverage that is considered “creditable” by Medicare. This means that the benefits are as good, or better than, Medicare standards, and means that you don’t need a separate Medicare D (prescription drug) plan. Having creditable coverage also means that, should you drop your County Medical (and the included prescription coverage) at some point in the future, you will not be penalized upon joining a Medicare D plan, for not having joined when you were first eligible.

If you’ve chosen to drop your County medical insurance, you must be aware that you will not be eligible to continue with any dental or vision insurance in which you may be participating for as long as you don’t have a County medical plan. If you elect to drop your County insurances, you will be asked to complete Subscriber change forms to cancel each insurance plan. Upon processing your cancellation request, SBCERS will automatically enroll you in the alternate Healthcare benefit program, the Healthcare Reimbursement Arrangement (HRA). See page 24 of your Open Enrollment Guide for additional information about your HRA benefit.

County Retirees are permitted to re-enroll (or enroll) in the future during Open Enrollment. You may participate in all insurance offerings in the future if you drop or decline all insurance plans. If however, you drop or decline dental insurance while you are participating in a Medical insurance plan, you are not permitted to enroll in dental insurance in the future.

You may also wish to consider purchasing a private Medicare Supplemental plan to compliment your Medicare, or a private Medicare Advantage Plan. Contact the HICAP (Health Insurance Counseling and Advocacy Program) office (800-434-0222) or your State Department of Insurance for free assistance in finding appropriate plans.

**ACTION PLAN**

**A:** Not enrolling in Medicare: No action required by SBCERS, or

**B:** Enrolling in Medicare and no longer want County Medical insurance:

✓ Complete and submit Change Forms to SBCERS for cancellation of ALL County Insurances.
✓ Your SBCERS Benefit Specialist will automatically enroll you in the HRA program, or

**C:** Enrolling in Medicare and want to continue County Medical insurance at reduced premium:

✓ Complete and submit Change Form to SBCERS for County Medical plan to reflect coordination of benefit with Medicare and trigger premium reduction. Do this at least 30 days in advance of the effective date of your Medicare, or as soon as possible, and
✓ Provide copy of Medicare A&B Card along with Change form to SBCERS, and
✓ Supply both cards to providers, so that Medicare can be billed first.