

PEBB Employee Health Plans and Medicare

What are the different parts of Medicare and what do they cover?

Medicare Part A – Hospital Insurance

- Helps cover inpatient care in hospitals
- Helps cover care in a skilled nursing facility, hospice, and home health care
- For most retirees there is no premium for Medicare Part A – Contact Medicare with questions

Medicare Part B – Medical Insurance

- Helps cover doctors' and health care providers' services, outpatient care, durable medical equipment, and home health care
- Helps cover some preventive services to help maintain your health and to keep certain illnesses from getting worse
- There is a premium for Medicare Part B – Contact Medicare with questions

Medicare Part C – Medicare Advantage

- Medicare-approved private insurance plans
- Most Medicare Advantage plans cover Medicare prescription drug coverage (Medicare Part D)
- Some Medicare Advantage plans include additional benefits
- Advantage plans manage all of the paperwork for claims with Medicare
- There is a premium for Medicare Part C

Medicare Part D – Prescription Drug Coverage

- Helps cover the cost of prescription drugs
- May help lower your prescription drug costs and help protect against higher costs
- Part D plans are run by Medicare-approved private insurance companies
- There is a premium for Medicare Part D

What is Medicare Supplement Insurance (Medigap)?

- A Medicare supplement plan or Medigap plan can help pay for some of the health care costs that Medicare Part A and B don't cover, such as copayments, coinsurance and deductibles
- Each supplement plan is identified by a letter A through N. All plans offer the same basic benefits and some offer additional benefits
- Supplement plans do not offer prescription drug coverage, so you will also need to purchase a Part D Medicare prescription drug plan

I'm age 65, still working and covered by my employer's health plan. When should I enroll in Medicare?

If you are age 65, still working and enrolled in PEBB benefits through your employer:

- You may choose to sign up for Medicare Part A at age 65 since most people do not pay a premium for Part A and Part A may help pay some costs not covered by your PEBB health plan
- You may choose to wait to sign up for Medicare Part B while covered by PEBB benefits as an employee since there is a premium for Part B and benefits may be of limited value while enrolled in a group health plan. If you are not working more than 3 months after turning age 65, use caution make sure you aware of the initial enrollment timelines to enroll in Part B. The Medicare Initial Enrollment Period trumps any Special Enrollment Period. Contact Social Security for advice
 - Medicare will not penalize you for delaying enrollment in Medicare Part B when covered by employer-sponsored health care
- You also have the option to choose to decline employee benefits to enroll in Medicare instead

How and when to apply for Medicare?

If you are receiving benefits from Social Security or the Railroad Retirement Board (RRB):

- In most cases, you will automatically get Medicare Part A and Part B starting the first day of the month you turn 65
- If you automatically get Medicare and wish to turn down enrollment in Part B while you're covered by PEBB benefits as an employee you must contact Social Security

To sign-up for Medicare:

- Contact Social Security three months before you turn 65 (*if you worked for a railroad, contact RRB to sign up*)
- The initial enrollment period begins three months before the month you turn 65, includes the month you turn 65, and ends three months after the month you turn 65 (a seven month period)
- If you wait until the last four months of the initial enrollment period to sign up your coverage will be delayed. Be very careful of this initial enrollment window if you plan on retiring during the initial enrollment window. In some cases you are better off enrolling in Part B if you are only working one or two months past your birthday

What happens if I'm turning 65 and I'm enrolled in a CDHP/HSA?

- Once enrolled in Medicare (Part A and/or Part B), contributions cannot be made to an HSA. The three PEBB CDHP plans have an automatic HSA contribution from your employer. You must change plans if you are in the CDHP and on Medicare. You have 60 days from the date you get Medicare to change plans. It is recommended that you apply to change your plan prior to your 65th birthday
- The recommendation is that you change plans during the annual open enrollment prior to the year you turn 65
 - If you wait to change plans when you get Medicare mid-year, the out-of-pocket maximum and deductibles will restart, possibly resulting in additional expense to you and your family

How does Medicare work with PEBB employee benefits?

If you're on Medicare and PEBB employer-sponsored benefits:

- PEBB coverage pays first (primary payer) and Medicare pays second (secondary payer)
 - There are circumstances in which Medicare would be the primary payer even when you are enrolled in employer-sponsored benefits. Review the *Medicare and Other Benefits: Your Guide to Who Pays First* on the Medicare website for an explanation of those circumstances
- The primary payer (PEBB coverage) pays up to the limits of its coverage
- The secondary payer (Medicare) only pays if there are costs not covered by the primary payer that are within the Medicare-approved amounts
- Complete the Initial Enrollment Questionnaire (IEQ) to let Medicare know that you have other employer-sponsored group health coverage. This will insure that your medical bills are paid correctly and on time
 - Medicare will send you the form when you contact Social Security about 3 months before you turn 65. The form may also be completed on-line at MyMedicare.gov

Note: Medicaid and TRICARE never pay first for services covered by Medicare. They only pay after employer group health plans and Medicare.

Resources

PEBB Resources

For general information about PEBB coverage and PEBB eligibility:

- Visit the PEBB website: www.hca.wa.gov/public-employee-benefits
- Call PEBB Customer Service: 1-800-200-1004

For specific benefit questions, verifying your doctor or other provider contracts with the plans, verifying a plans drug formulary, ID cards, and claims:

- Visit the plan's website
- Call the plan

Plan website and phone information is available on the PEBB website and in the front of the *Retiree Enrollment Guide*

Medicare Resources

For general or claim specific information about Medicare:

- Call Medicare: 1-800-MEDICARE
- Visit the Medicare website: www.medicare.gov
- Refer to the "Medicare & You" handbook available on the Medicare website or by calling and requesting a copy

For information on Medicare Part A or B eligibility, entitlement, and enrollment; replacement Medicare cards; change of name or address; premium questions; and to report a death:

- Call Social Security : 1-800-325-0778