

## PEBB Retiree 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

*Note: You may choose to purchase a Medicare Advantage plan from a private insurance company or enroll in one of the PEBB plans, if eligible for PEBB retiree coverage. PEBB offers Medicare Advantage plans with Group Health and Kaiser Permanente. If you do not live in an area that offers the Advantage plan, Group Health and Kaiser will enroll you in the Medicare coordination of benefits (COB) plans. Uniform Medical Plan (UMP) offers a Medicare COB plan.*

### 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

*Note: If you choose to enroll in the PEBB retiree coverage, you only need to enroll in Medicare Part D if you choose to enroll in the PEBB Medicare supplement plan (Premera Blue Cross Medicare Supplement Plan F). PEBB does not offer a Medicare Part D plan.*

## 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

*Note: You may choose to purchase a Medicare supplement plan from a private insurance company or enroll in the supplement plan PEBB offers, if eligible for PEBB retiree coverage. PEBB offers Premera Blue Cross Medicare Supplement Plan F. There is no prescription drug coverage with this plan so a Part D prescription drug plan is also needed unless you have other creditable drug coverage (e.g., VA)*

## What are my PEBB options when I become eligible for Medicare?

- All PEBB plans work with Medicare
- Medicare Parts A and B with the Group Health Medicare Advantage plan or Kaiser Senior Advantage plan (Medicare Part C plans)
  - The advantage plans include additional benefits not covered by Medicare (e.g. prescription, vision, hearing)
  - The advantage plans include prescription drug coverage (*you won't need to enroll in a Medicare Part D plan*)
  - Advantage plans manage all of the paperwork for claims with Medicare
- Medicare Parts A and B with coordination of benefits (COB) plan – UMP Classic Medicare plan. (Group Health and Kaiser will automatically enroll you in their COB plan if you do not live in an Advantage plan area)
  - The COB plans include additional benefits not covered by Medicare (e.g. vision, hearing)
  - The COB plans include prescription drug coverage (*you won't need to enroll in a Medicare Part D plan*)
  - You or your provider must submit claims to both Medicare and the COB plan
  - See the “How does Medicare work with PEBB retiree benefits” section below for how Medicare and COB plans coordinate payment
- Medicare Parts A and B with Premera Blue Cross Medicare Supplement Plan F
  - 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
  - Does not include prescription drug coverage so you may need a Medicare Part D plan
  - PEBB does not offer a Medicare Part D plan so you must shop for a Part D plan from a private insurance company. Refer to the “Medicare and You” handbook

## What do I need to know when on PEBB retiree benefits and Medicare?

- PEBB requires you and your enrolled dependents to enroll in and maintain enrollment in Medicare Part A and Part B, if entitled in order to enroll in and retain PEBB retiree coverage
- The Medicare Advantage and COB plans include creditable prescription drug coverage
- If you are not enrolled in Premera Blue Cross and you or your enrolled dependents enroll in Medicare Part D you may lose your PEBB coverage
- PEBB does not offer Medicare Part D plans

## How does Medicare work with PEBB retiree benefits?

If you're on Medicare and PEBB retiree benefits:

- Medicare pays first (primary payer) and PEBB coverage pays second (secondary payer)
- The primary payer (Medicare) pays up to the limits of its coverage
- The secondary payer (PEBB) only pays if there are costs the primary insurer didn't cover
- The secondary payer (PEBB) may not pay all of the uncovered costs

*Note: Medicaid and TRICARE never pay first for services covered by Medicare. They only pay after Medicare, employer group health plans, and/or Medicare supplemental insurance have paid.*

## 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

To sign-up for Medicare Part A and Part B:

- 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

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

- Once enrolled in Medicare, contributions cannot be made to an HSA. The three PEBB CDHP plans have an automatic HSA contribution from PEBB. You must change plans if you are in the CDHP and on Medicare. You have a 60 day window from your 65<sup>th</sup> birthday to make a PEBB plan change.
- The recommendation is that you change plans during the annual open enrollment prior to the year you or your covered spouse turn 65
  - If you wait to change plans when you enroll in Medicare mid-year you'll have to restart the out-of-pocket maximum and deductibles, possibly resulting in additional expense to you and your family

## What should I consider when choosing a plan to go with Medicare Parts A and B?

- Are the services you need covered?
- How much are premiums, deductibles and other costs?
- How much do you pay for services like hospital stays and doctor visits?
- Do your doctors and other health care providers accept the coverage? Are they part of the plans network?
- Do you need to purchase a Medicare Part D prescription drug plan? Does the plan cover the medications you are currently taking?
- Are you satisfied with the quality of care and services given by the plan?
- Are the doctors and other health care providers conveniently located?
- If you travel, are you covered in another state or outside the US?

## Resources

### PEBB Resources

For general information about PEBB coverage and PEBB eligibility:

- Visit the PEBB website: [www.hca.wa.gov/public-employee-benefits](http://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](http://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