



STATE HEALTH BENEFIT PLAN
MEDICARE POLICY CHANGE – JULY 1, 2009

In order to avoid increased premiums on July 1, 2009, retirees need to enroll in Medicare Part B during the Medicare General Enrollment window between January 1, 2009 and March 31, 2009

- Beginning July 1, 2009, Medicare eligible retirees and their eligible covered spouses who do not enroll in Medicare Part B will pay higher premiums
- The higher premiums can be avoided by enrolling in Medicare Part B during the Medicare General Enrollment window between January 1 and March 31, 2009
- Late Enrollment Penalties (LEP) assessed to retirees during the 2009 Medicare General Enrollment period will be paid by SHBP. SHBP will continue to pay the LEP penalties on behalf of retirees to whom those penalties apply
- All retirees including those for whom SHBP is paying the LEP are still responsible for paying CMS directly for the regular Part B monthly premiums
- Attachment V must be completed in order to authorize SHBP to pay the penalties directly to CMS on your behalf; failure to submit this form means that you are responsible for the LEPs. SHBP will pay the LEPs only for retirees who enroll for Medicare Part B during the January 1 and March 31, 2009 Medicare General Enrollment window
- Once you are enrolled in Medicare Part B, Medicare will be considered your primary coverage and SHBP coverage will be your secondary coverage
- SHBP's coordination of benefit (COB) methodologies with Medicare differ between plan options, so please check your Summary Plan Description to see how your benefits will be coordinated
- Attachment III lists the proposed premiums for July 1, 2009. These premiums will not be considered final until the DCH Board approves them in April, 2009, but we do not expect them to differ significantly
- Due to the mid-year change in Medicare coverage and/or premiums, SHBP anticipates that many retirees will want to go ahead and enroll in one of the least expensive options including the Medicare Advantage options. SHBP will allow a mid-year special enrollment in order to allow you to switch options. Please complete the attached form if you would like to switch options effective July 1, 2009. Your next opportunity to change options will be during your annual Retiree Option Change Period (ROCP)

(More information on the back)

Required Steps

- ✓ Enroll in Medicare Part B during the Medicare General Enrollment window January 1 – March 31, 2009 (see Attachment II for resources)
- ✓ Submit your Medicare documentation to SHBP by May 15, 2009
- ✓ Submit your Late Enrollment Penalty permission form (if applicable) to SHBP by May 15, 2009
- ✓ Submit your enrollment form (Attachment IV) to SHBP by May 15th if you are switching coverage options. Your new coverage will be effective July 1, 2009