

IMPORTANT SHBP MEDICARE INFORMATION and POLICY CHANGES for RETIREES at AGE 65

General Accounting Standards Board (GASB) rules now require that public entities account for the cost of their Other Post-Employment Benefits (OPEB), which includes retiree health care coverage. The latest Georgia OPEB valuation is \$16.4 billion in unfunded liability for retiree health care. In order to maintain a fiscally sound status and avoid adverse impact to the State bond ratings, SHBP is required to implement strategies that reduce this liability.

- At age 65, premiums are based on the parts of Medicare coverage you have reported to SHBP
- Premiums increase significantly if you are not enrolled in Medicare; therefore it is imperative you enroll when you first become eligible
- Enrollment in Medicare allows you the opportunity to change your health care options
- Mail copies of your Medicare card (Parts A and B) – if enrolling in the MA plan or (Parts A, B and D) to pay the lowest premium and keeping your current coverage. Premiums will be adjusted once Medicare information is received and processed by SHBP

It is important that you purchase Part B coverage, even if you are not automatically entitled to Medicare Part A because you or your spouse have not paid Medicare taxes for the appropriate number of work quarters. Part B coverage can be purchased at age 65 if you have resided in the United States for a minimum of five years. If you are not automatically entitled to Medicare Part A under your own work record, you may be eligible under a spouse or former spouse. You should contact the Social Security Administration if you are not sure. Coverage under Part B allows you to enroll in Part D. You will receive reduced SHBP premiums based on your Medicare Part B and D enrollment.

RETIREE MEDICARE ADVANTAGE (MA) OPTION AND STEPS TO ENROLL

- Retirees who are enrolled in Parts A & B are eligible for the Medicare Advantage (MA) plan with very low premiums
- Your current health plan vendor will send you an application and packet outlining the MA plan. If you wish to enroll in the MA plan, you must complete and return the application **to your health plan vendor**
- The application will be forwarded to Center of Medicare Services (CMS) for verification of eligibility to enroll in the plan
- CMS will advise SHBP of your start date into the MA plan and your premiums will be adjusted at that time
- You will remain in your current plan until approved by CMS and due to no Part D coverage your premium will go up if approval is delayed or denied
- If denied MA coverage, enroll in Part D if your enrollment period is valid to reduce SHBP premium.
- Open Enrollment for Part D plans is November 15 through December 31 if you miss enrollment deadline
- Submit your SHBP Enrollment Form to SHBP preferably 45 days prior to turning 65 if you are switching coverage options

SHBP MEDICARE ADVANTAGE PLAN BENEFITS

- These plans include Medicare Part D; therefore, it is not necessary to enroll in Medicare Part D
- CIGNA and UHC each offer this product
- Custom plan designed to limit SHBP retirees out-of-pocket expenses and to provide enhanced benefits over standard Medicare
- Medical out-of-pocket expense limit of \$1,000 for covered services (does not include prescription drugs)
- Has a low premium
- Provides benefits for hearing aids, vision, podiatrist
- Provider must accept Medicare Reimbursement and agree to the terms and conditions of CIGNA and or UnitedHealthcare
- These plans are national
- If you or your spouse are not eligible for the MA plan because of age, the non eligible individual will be enrolled in the HRA option under the vendor you have selected

Medicare Part B Policy Change - July 1, 2009: Retirees and/or their spouses who do not have Medicare Part B as of July 1, 2009, will pay significantly higher premiums.

Impacts: All retirees and covered dependents who are 65 years or older who are not enrolled in Medicare Part B

Note: If you or your covered dependent(s) are 65 or will soon reach age 65, you may be impacted by this policy change. You are advised to enroll for Medicare as soon as eligible to avoid a huge premium increase.

Retiree Policy Change - January 1, 2010: All current and future retirees and spouses age 65 or older will be required to enroll in one of the Medicare Advantage options offered through CIGNA and United Healthcare (UHC) in order to continue to receive the (approximately) 75 percent state subsidy.

Impacts: All retirees and covered dependents age 65 or older or who are eligible for Medicare due to a disability.

Note: If you or your covered dependent(s) are 65 or will soon reach age 65, you may be impacted by this policy change. You are advised to enroll for Medicare as soon as eligible to avoid a huge premium increase. You may want to consider enrolling in the MA plan at age 65 to avoid having to enroll in a Part D plan for 2009. For plan year 2009 you must have Medicare Parts A & B to qualify for a MA plan.