

## **MEDICARE AND YOUR CITY OF BOSTON HEALTH INSURANCE**

Medicare is a federal health insurance program for retirees age 65 or older and certain disabled people. The Medicare program is managed by the Centers for Medicare and Medicaid Services.

### **Do I have to enroll in Medicare?**

**Mandatory Medicare:** Effective July 1, 2011, Chapter 69, the Acts of 2011 mandated that all cities and towns require retirees age 65 and older to apply for Medicare Parts A & B and, if eligible, to transfer to a Medicare plan in order to continue their health insurance coverage. This includes:

- Retirees
- Retiree spouses
- Medicare-eligible dependent children (disabled)
- Surviving spouses

**You are required to enroll in Medicare Parts A & B if you are eligible for Medicare Part A for FREE.**

### **How do I know if I'm eligible for Medicare?**

You could be eligible for Medicare Part A for free if:

- You have paid into Social Security through your work history and earned 40 credits in the Social Security system.
- You have a current spouse, former spouse, or deceased spouse who paid into Social Security through their work history, earned 40 credits in the Social Security system and you were married for at least ten years.
- You paid the Medicare tax (employees hired after July 1, 1986 have paid the Medicare tax). You have Military service that counts.

**This list is not comprehensive: Even if you think you are not eligible for Medicare, you must go through the process of applying through Social Security. If you have under 40 credits, please obtain a letter from SSA stating your credits.**

### **What is Medicare?**

#### **Medicare Part A (Original Medicare - Hospital Inpatient Insurance):**

- Helps cover 80% of all covered costs for inpatient hospital care, skilled nursing facility rehabilitation care, hospice, and home health care. This is not long term care, limits apply.

#### **Medicare Part B (Original Medicare - Medical Out-Patient Insurance):**

- Helps cover doctors' services, diagnostic tests, PT/OT, and durable medical equipment.
- You may pay the standard monthly Medicare Part B premium (80% of covered costs).
- Higher Part B premiums (IRMAA - income-related monthly adjustment amount) may apply to some retirees based on income levels. The more money you make, the higher the premium.
- If you collect a Social Security check, your premium will be withheld from your Social Security check.
- If you do not collect a Social Security check, you will be billed quarterly for your premium. You must pay this invoice or you will lose your Medicare and your Medicare plan through the City.

Your Part B payment does not come out of your pension check. **You pay this directly to the federal government.**

## City of Boston – Medicare Plans

- Upon becoming eligible for Medicare, a retiree or her/his spouse is required to enroll in Medicare Parts A & B and transfer to a Medicare plan with the City of Boston. These plans are designed to cover the 20% Medicare does not. The coverage includes Prescription Drug Coverage and a Part D plan, but only on a premium.

The City currently offers six Medicare plans:

- BCBS MA Medex 2 with Blue Medicare Rx/PDP
- BCBS MA Medicare HMO Blue
- BCBS MA Managed Blue for Seniors
- Harvard Medicare Enhance with Aetna/SilverScript PDP
- Tufts Medicare Preferred HMO
- Tufts Medicare Preferred Supplement/PDP

## What if I'm covering a spouse, and one of us is eligible for Medicare and the other is not?

**"One Over, One Under":** If retiree is only covering one member (spouse/dependent), and the retiree/spouse/dependent is eligible for Medicare, the Medicare-eligible member must enroll in a Medicare plan, and the non-Medicare member must enroll in individual non-Medicare coverage.

## What if I'm still covering children on my plan and turn 65?

Chapter 32B Permits

**Family Exemption:** If a retiree is covering 2+ members (spouse/dependents) who are not eligible for Medicare, he/she may continue coverage in the non-Medicare family plan.

If a retiree and/or spouse is eligible for Medicare, he/she can defer Medicare Part B enrollment until the youngest dependent reaches age 26 (or is removed from the policy earlier).

If a retiree or spouse enrolls in Medicare A & B, The City will refund 100% of the Part B premium until your dependent ages off the plan (age 26). **A copy of the Medicare card is required to qualify for reimbursement.**

## What if I'm told by Social Security that I will be charged a Late Enrollment Penalty (LEP)?

**Late Enrollment Penalty (LEP):** For retirees and their spouses who defer enrollment in Medicare Part B after turning age 65 due to Family Exemption status, the City will pay the Late Enrollment Penalty directly to Medicare for the retiree and spouse upon enrollment in a Medicare plan through the City. In order for this to happen, the retiree must communicate with HBI.

## Medicare Part B Refund

Annually in July, the City will refund 50% of the amount you paid for your Medicare Part B premium. This occurs once you and/or your spouse are enrolled in a City of Boston Medicare Supplement. The refund is issued in your July pension check for the previous calendar year. The City will automatically refund you based on the standard monthly premium amount.

If you paid more (Income Related Monthly Adjustment Amount, IRMAA), **you must submit proof of payment no later than the last business day in April each year.** Proof of payment may be the Social Security Form SSA-1099, Medicare Easy Pay payment printout, or copies of Social Security billing statements showing payments.

### What if I'm ineligible for Medicare?

If you are ineligible for Medicare (you have earned less than 40 credits and Part A is not free), you must provide proof through a letter on Social Security letterhead stating that you are not eligible for Medicare Part A for free. Ineligible members may remain enrolled in a non-Medicare plan.

### Applying for Medicare Tips

As early as three months before your 65<sup>th</sup> birthday, you should contact your local Social Security Administration in one of the two following ways:

- Create your own account on [ssa.gov](http://ssa.gov)
- Call your local SSA office and ask their policies on if Walk-ins are permitted or a phone appointment is needed.
- Once enrolled in Medicare, you must continue to pay your Part B premium. Failure to pay this premium will result in the loss of your City of Boston health insurance coverage.

### Paying for Medicare:

- If you receive Social Security or Railroad Retirement Board (RRB) benefits, the Medicare Part B (Medical Insurance) premium will be automatically deducted from your benefit payment.
- If you do not get these benefit payments and sign up for Part B, you'll get a bill called a "Notice of Medicare Premium Payment Due" (CMS-500). **There are 3 ways to pay these bills:**
  1. Pay by check or money order and mail your Medicare premium payments to the address on the Medicare premium bill.
  2. Pay by credit card. Complete the bottom portion of the payment coupon on the Medicare bill and mail it.
  3. Create a medicare account on [medicare.gov](http://medicare.gov). Sign up for Medicare Easy Pay, a free service that automatically deducts your premium payments from your savings or checking account each month.

Please stay in communication with the HBI office to make sure all necessary components of applications are completed.