

RETIREE HEALTH BENEFITS PROPOSED LEGISLATION
FREQUENTLY ASKED QUESTIONS

Below is a list of questions frequently asked during the Retiree Benefits meetings held in August and October, 2008. If you do not see your question answered here, please do not hesitate to call for help.

- **I am a state retiree under the age of 65. What does passage of this legislation mean to me?**
 - For under 65 retirees, passage of the legislation guarantees a subsidy of the premium from the state and guarantees the joint rating of the retiree medical plan with the active medical plan. Because of the guaranteed joint rating, under 65 retirees should expect to see annual premium increased of between 12-15%.

- **I am a state retiree over the age of 65. What does passage of this legislation mean to me?**
 - Passage of the legislation eliminated the state retiree plan for all retirees and dependants over 65. Those retirees and dependents need to secure coverage from a private vendor prior to January 1, 2010 if they want secondary coverage that pays on balances not paid by Medicare or for prescription drug coverage.

- **What is SHIBA/ How can they help retirees?**
 - SHIBA is the Senior Health Insurance Benefits Advisors program. SHIBA is a state and federally sponsored program whose purpose is to counsel Medicare eligible retirees or those that are close to eligibility, on the types of Medicare coverage available and to help find the plans that are best suited to each individual. SHIBA is a free service and does NOT sell a product. SHIBA representatives can be found in most local communities. Call toll free 800-247-4422 for more information.

- **I am an over 65 state retiree with a spouse under age 65. What happens to my spouse's medical coverage?**
 - Effective January 1, 2010, spouses under 65 will be allowed to stay on the state plan and receive the state subsidy until they reach age 65. Under the previous plan a spouse could only be covered on the plan if the retiree was enrolled.

- **Will I have to provide evidence of good health to enroll in a Medical Supplement or Medicare Advantage Plan?**
 - **No.** When the Retiree Medical plans ends, you will have a Special Enrollment Period during which you will be able to enroll in a Medicare Advantage or Medicare Supplement plans A,B,C,F, (including F with high deductible), K or L that is offered by any issuer without having to provide evidence of good health. This is called "guaranteed" issue.

- **Will I have to go through a pre-existing conditions waiting period on the Medicare Supplement or Medicare Advantage Plan I choose?**
 - You will not be subject to any pre-existing conditions waiting period because you have had continuous coverage under the State's Retiree Medical plan. **However, if you have a lapse in coverage for more than 63 days, you would be subject to any pre-existing conditions waiting period that might be contained in the Medicare supplement or Medicare Advantage plan in which you enroll.**

- **What are my options if I have End State renal Disease (ESRD)?**
 - Those who have ESRD cannot enroll in a Medicare Advantage plan. However, they are eligible to enroll in a Medicare Supplement plan. This restriction is set by CMS's (Centers for Medicare/Medicaid Services). The only exception would be if the retiree member develops ESRD while enrolled in the Retiree Medical plan. In this case, the retiree is eligible to enroll in a Blue Cross Medicare Advantage plan as long as there has been no break in coverage between the retiree plan and enrollment in the Medicare Advantage plan.

- **Now that the legislation has passed, when will I need to have other coverage?**
 - Coverage under the State's Retiree Medical plans for retirees and dependents age 65 or older will end December 31, 2009. Those plan members will have to enroll in a Medicare Supplement plan or a Medicare Advantage plan effective January 1, 2010 if they wish to have secondary coverage to Medicare.

However, retirees age 65 or older can drop the State's Retiree Medical plan coverage at any time and enroll in a Medicare Supplement or Medicare Advantage plan. Guaranteed issue will only be available for a Medicare Advantage plan. The same waiver of pre-existing conditions waiting periods would apply. **Keep in mind that if the Retiree drops coverage under the plan prior to passage of the proposed legislation, non-Medicare Eligible dependents cannot continue coverage on the plan.**

- **How many State retirees are drawing a PERSI retirement benefit, and how many of them are enrolled in the State's retiree medical plans?**
 - PERSI advised in September that there were approximately 13,250 State of Idaho retirees drawing PERSI benefits. At that time, there were only 3,100 retirees participating in the State's Retiree Medical plans.

- **What is the monthly premium for a Medicare Supplement or Medicare Advantage Plan?**
 - Most premiums for Medicare Supplement and Medicare Advantage plans vary. Rates are set by the carrier offering the coverage. The benefits comparison sheet included on the website has the 2009 rates for the four plans outlines on the comparison.

- **Where can I get information on available plans?**

- One of the best places to get information on all Medicare plans available is the Medicare website at www.Medicare.gov. Here you can see a side by side comparison of plan benefits and costs.

You can also contact the Senior Health Insurance Benefits Advisors program (SHIBA) in the Idaho Department of Insurance. Their toll free number is 1-800-247-4422. SHIBA has information on Medigap, Medicare Advantage and Medicare Part D plans sold in Idaho and would be happy to provide any assistance you might need.

- **What is the difference between a Medicare Supplement Plan and a Medicare Advantage Plan?**

- Medicare Supplement plans are run by private companies and fill in the gaps after Medicare has been billed. With Medicare alone there are deductibles and coinsurance amounts that are the member's responsibility. Medicare Supplements will pay part or all of these deductibles and coinsurance amounts. With a Medicare Supplement plan you can see any Medicare participating provider in the U.S. Those enrolling in a Medicare Supplement plan may have to purchase a separate Medicare Part D plan to obtain prescription coverage.

Medicare Advantage Plans are health plan options that are approved by Medicare but run by private companies and are part of the Medicare Program. These plans are responsible to provide all your Part A and Part B coverage and must cover medically-necessary services. They generally offer extra benefits, and many include Part D drug coverage. You may pay copayments for certain services and need to use certain providers to get the best benefit from the plan.

- **What if I become ill? Can Medicare Advantage plans or Medicare Supplement plans drop me?**

- **No.** Once you are enrolled in either a Medicare Supplement or Medicare Advantage plan they cannot drop you or charge you additional premium due to a change in your health.

- **Is there a lifetime maximum on the amount a Medicare Advantage plan or Medicare Supplement plan will pay?**

- There is no lifetime maximum on either of these two options.

- **What if I want to change to a different plan later, will I be able to do that?**

- Yes. You can choose to enroll in a Medicare Advantage plan each year during the Annual Election period from November 15 to December 31, or during the Open Enrollment period from January 1 to March 31. Your enrollment in a Medicare Advantage plan is guaranteed if you enroll during one of these periods. Certain exceptions to these periods are made due to special circumstances.

If you wish to enroll in a Medicare Supplement plan at a later date you will likely need to complete a health statement. The plan can choose to accept your application or deny your application based on this health statement.

- **Can I keep my Medicare Advantage plan or Medicare Supplement Plan if I move to another county or State?**
 - Enrollment in a Medicare Advantage plan requires that you continuously reside in that plan's service area. If you move to a new county check with your plan to see if this county is part of their service area. If you move out of the state you will become eligible for a special enrollment period and will need to enroll in a Medicare Advantage plan in **that** state.

Medicare Supplement plans do not have a service area and generally you can move and keep your same policy. Always check with your plan when you move.

- **What if I travel for several months out of the year, will Medicare Advantage plans or Medicare Supplements plans cover me while I am away?**
 - Medicare Advantage plans cover you for urgent care and emergency care out of your service area. Some Medicare Advantage plans have additional coverage for planned care out of your area. Check with your plan for details.

Medicare Supplement plans will cover your medical visits while traveling as long as you see a Medicare contracted provider.

- **When I enroll in a Medicare Advantage plan or Medicare Supplement plan can I enroll in a Medicare Part D plan from a different insurance company?**
 - Generally when you enroll in a Medicare Advantage plan you choose to get your prescription coverage (Part D), included with that plan. In some cases Medicare requires you to do so if you wish to enroll in a Part D plan.

Medicare Supplement plans do not include Medicare Part D. If you choose to enroll in a Medicare Supplement plan you may choose any Part D plan from any insurance company.

If you choose to not enroll in a Medicare Part D plan when you first become eligible, you must wait until the next Annual Election period (November 15 to December 31) to enroll and Medicare will assess you a late enrollment penalty. However, if you are covered under a qualifying prescription plan this penalty will be waived.

- **If I have VA benefits do I need to buy a Medicare Advantage plan or Medicare Supplement plan? Do I need Medicare Part D?**

- You do not need to have any other coverage if you have VA benefits. As long as you receive your care through the approved VA providers you are covered under the VA benefits. If you wish to see non-VA providers then you may want to have a Medicare Advantage plan or a Medicare Supplement plan to help with these costs.

The VA prescription plan qualifies as a replacement for Medicare Part D and you would not be penalized for not enrolling in a Medicare Part D plan. The VA does not cover all prescriptions and some people choose to enroll in a Medicare part D plan to help cover the costs of these prescriptions.

- **Why can't the State of Idaho get rates that are similar to those on a Medicare Advantage Plan such as the Blue Cross True plan or the Regence II Med Advantage Plus Rx's?**

- There are two major reasons for the rate variance. First, the State's retiree plan is a very small group and rates are blended with non-Medicare eligible members of the group. Blue Cross and Regence Medicare Advantage plans cover many more Medicare eligible members, as an example the Blue Cross True Blue plan covers 14,000 members. Pooling the rates across a much larger group of individuals spreads the rise, affording a lower individual rate.

Secondly, those insurers offering a Medicare Advantage plan receive a subsidy from the CMS Medicare for each individual enrolled in the advantage plan. The subsidy averages approximately \$700 per Medicare enrollee per month. This subsidy is not available to a group plan sponsored by an employer.

- **Will the State subsidy specified in the recently passed legislation increase each year, or remain at the dollar amount specified in the legislation?**

- The subsidy would remain at \$155 per retiree per month.

- **Will the State expand the number of insurance carriers offering Medicare Supplement or Advantage plans that retirees can use their Sick Leave to pay monthly premiums?**

- The State recognizes that there may be a need to add other companies offering Medicare Supplement or Advantage plans to the list of those for whom unused sick leave funds can be used to pay premiums. We will be working with PERSI to determine when and under what guidelines more companies can be added.

- **What if a retiree enrolls in a Medicare Advantage plan and CMS Medicare does away with advantage plans?**

- In the event that CMS Medicare were to discontinue any Medicare Advantage plan, those enrolled in the plan would have a special enrollment period in which to enroll in another Medicare Supplement plan with guaranteed issue. There would be no pre-existing waiting period enforced if the Medicare Eligible retiree had continuous coverage with the prior carrier.

- **If I do retire and not enroll immediately in the Retiree medical plan would I be able to enroll at a later date?**
 - Some retirees defer enrollment in the retiree medical plan at the time they retire. Deferring enrollment is not a declination of the coverage so they would have the opportunity to enroll in the plan at a later date, as long as they meet the eligibility requirements for participation in the plans.

- **How are Medicare eligible retirees living outside the state of Idaho currently covered?**
 - Those retirees living out of state are currently covered under the State's Retiree Medical plan. Medicare is the primary payer of their benefits and the State's Retiree Medical plan pays on balances not covered by Medicare

- **Is Blue Cross' Flex-Blue plan an option for those Medicare eligible retirees living outside Idaho?**
 - Those retirees and dependants age 65 and over who live outside Idaho have to purchase a Medicare Advantage or Medicare Supplement plan from a carrier in the state in which they reside.

- **Is Flex-Blue an option for those Medicare eligible retirees who travel often?**
 - A retiree enrolled in either Flexi-Blue or another Medicare Advantage plan such as True Blue or the Regence Blue Shield of Idaho Med Advantage plan have worldwide coverage out of State in the event of needed emergency care. Routine medical care, I.E. annual check-ups, routine lab tests, or elective procedures would not be covered outside their service area or out of state.