

Information provided by NYS Civil Service

Medicare for Disability Retirees - September 2007

For employees of New York State agencies who are awarded a Disability Retirement

Disability Retirees Must Enroll in Medicare Parts A and B As Soon As Eligible or Risk Loss of Medical Benefits

If you or an eligible dependent becomes eligible for primary Medicare benefits before age 65 because of a disability, you or your dependent must enroll in Medicare Part A and Part B. This publication explains when you or your dependent must enroll.

Many State employees who are eligible for a disability retirement are also eligible for a Social Security Disability Insurance (SSDI) allowance, a monthly benefit paid to disabled individuals under the Social Security system. After 24 months of SSDI eligibility, you automatically become eligible for, and must enroll in, Medicare Parts A and B. If you do not enroll in Medicare Parts A and B when you are first eligible, your health insurance benefits will be drastically reduced. You will be responsible for the full cost of medical services that Medicare would have covered because the New York State Health Insurance Program (NYSHIP) will not provide any benefits for coverage available under Medicare.

What is SSDI?

SSDI is Social Security Disability Insurance. Disabled adults and children can apply to Social Security for SSDI and, if approved, will receive a monthly allowance (payment). Many State employees who retire with a disability retirement are eligible for SSDI benefits.

What is Medicare?

Medicare is a federal health insurance program administered by the Social Security Administration. The original fee-for-service Medicare plan has two parts: Part A, which is inpatient hospital insurance, and Part B, which is outpatient hospital and medical insurance.

Medicare Part D is the Medicare prescription drug benefit. If you enroll in Medicare Part D, you will not be reimbursed by New York State for the Medicare Part D premium, and your prescription drug benefits under NYSHIP may be reduced. See "Should I enroll in Medicare Part D?" on page 7 for more information about Medicare Part D and NYSHIP.

There also are Medicare Advantage plans, formerly Medicare Part C, which offer managed care options through local HMO plans and some private fee-for-service options. A Medicare Advantage plan replaces your original Medicare Parts A and B benefits and provides Medicare Part D prescription drug benefits.

NYSHIP offers several Medicare Advantage HMOs in areas of New York State to enrollees and dependents who are Medicare primary. Check the current Retiree *Choices* publication to see if any are offered in your area. If you or your dependent joins a NYSHIP Medicare Advantage plan, you receive all your Medicare and NYSHIP benefits from that plan.

Most Medicare Advantage HMOs are not part of NYSHIP. Be sure you understand how enrolling in a Medicare Advantage plan outside of NYSHIP will affect your NYSHIP benefits. If you or your dependent enrolls in a

Medicare Advantage plan that is not a part of NYSHIP, you may have very few or no benefits except the benefits available through that plan.

Information about SSDI and Medicare is available online at www.ssa.gov or by calling Social Security at 1-800-772-1213.

Who is eligible for Medicare?

In general, a person becomes eligible for Medicare at age 65. However, you become eligible before age 65 if you have been classified by Social Security as disabled for more than 24 months regardless of age, have end-stage renal disease (permanent kidney failure), or are diagnosed with ALS.

When is Medicare primary?

If you are eligible for Medicare, it is primary to your NYSHIP coverage (i.e., Medicare pays first) when you are no longer covered under NYSHIP as an active employee (e.g., you are covered as a retiree, vestee or dependent survivor). Medicare also is primary for any Medicare eligible covered dependents. Medicare rules for primary coverage are different when end-stage renal disease is the reason for eligibility; Medicare becomes primary to NYSHIP coverage only after the Medicare beneficiary has completed a 30-month coordination period. Then Medicare is primary regardless of the employee status of the insured.

Why do I need both Medicare Parts A and B and NYSHIP?

It's the combination of coverages that protects you. Your NYSHIP plan covers the Medicare Part A hospital deductible, and other medical expenses Medicare does not cover.

If you are not enrolled in Medicare Parts A and B when first eligible for primary coverage, you will be responsible for the expenses that Medicare would have paid. NYSHIP will provide only secondary coverage.

Who pays for my care when I am covered by both NYSHIP and Medicare?

When you become eligible for primary Medicare coverage, benefits are paid in the following order:

1. Medicare pays first.
2. NYSHIP (The Empire Plan or NYSHIP HMO) pays second.

Note: If you and/or your dependent also has coverage as an active employee under the group plan of an employer other than New York State, that plan pays first, Medicare second and NYSHIP third.

What happens to my NYSHIP benefits if I am eligible for Medicare, but not enrolled?

If you are an Empire Plan enrollee, this means you will not receive any benefits for coverage available under Medicare. You will be responsible for the full cost of medical services that Medicare would have covered.

If you are a NYSHIP HMO enrollee and fail to enroll in Medicare Parts A and B and do not have Medicare in effect when you first become eligible for primary Medicare benefits, you may have to pay for services you receive through your HMO. Contact your NYSHIP HMO to find out whether your HMO coordinates with Medicare or is a Medicare Advantage plan. An HMO that coordinates with Medicare supplements your Medicare benefits. Under a Medicare Advantage plan, you assign your Medicare benefits directly to the HMO.

Won't enrolling in Medicare Parts A and B be costly to me?

Not if you enroll on time. There is usually no cost to you for Part A. You pay for Part B, but the State reimburses you for the Medicare Part B premium, unless you receive reimbursement from another source. If you are on SSDI, the monthly premium for Medicare Part B is withheld from the SSDI allowance. The State adds the reimbursement amount to your monthly pension check or, if you do not pay premium via pension deduction, you will be reimbursed directly by either a reduction in your monthly premium bill or by a quarterly refund check.

If you don't enroll in Medicare Parts A and B when first eligible for primary Medicare benefits, your Part B premium generally will be higher when you do enroll later. The State will not reimburse you for any extra charges imposed by Social Security such as penalties for late enrollment in the Medicare program.

When do I enroll in Medicare Parts A and B?

If you leave New York State government service on a disability retirement, you must be enrolled in Medicare, the federal health insurance program administered by the Social Security Administration, as soon as you are eligible for primary Medicare benefits – even if you are not yet 65 years old. You must be enrolled in Medicare Part A and Part B. Otherwise you risk substantial loss of medical benefits normally covered under NYSHIP. Your dependents must also be enrolled in Medicare Parts A and B as soon as they become eligible for primary Medicare benefits.

How do I enroll in Medicare Parts A and B?

To enroll in Medicare Parts A and B, and to request information about Medicare benefits, contact your local Social Security office, or call Social Security at 1-800-772-1213. Contact Social Security at least three months before you are eligible for Medicare. When you have qualified for Social Security Disability Insurance (SSDI) benefits for 24 months, Social Security will send you a Medicare card with an option to decline enrollment in Part B. **Do not decline.** Without Part B you will have a serious gap in your coverage.

You may also receive information about the Medicare Part D prescription drug benefit. If you enroll in Medicare Part D, you will not be reimbursed by New York State for the Medicare Part D premium, and your prescription drug benefits under NYSHIP may be reduced. See “Should I enroll in Medicare Part D?” for more information about Medicare Part D and NYSHIP.

How do I start my Medicare Part B premium reimbursement?

Send a photocopy of your Medicare card to the NYS Department of Civil Service, Alfred E. Smith State Office Building, Albany, New York 12239, Attn: Retiree Unit. Include your name, Social Security number and a daytime phone number including area code. New York State will reimburse you for your Medicare Part B premium unless you receive reimbursement from another source.

The State will also reimburse you for the Medicare Part B premium for your Medicare eligible dependents.

What should I do if I'm eligible for Medicare but am not enrolled?

If you are already eligible for primary Medicare benefits, but not yet enrolled in both Part A and Part B, contact Social Security for Medicare Parts A and B immediately. If you missed your initial enrollment period for Medicare, ask for a special enrollment period. In some cases, Medicare will allow retroactive enrollment. New York State may reimburse for up to three years of retroactive Medicare Part B premium. If you are not allowed to enroll during a special enrollment period, you must enroll during the next general enrollment period between January 1 and March 31. Your Medicare coverage will begin the following July 1.

Social Security allowed me to turn down Part B when I became eligible for Medicare. What do I do now?

Social Security is not responsible for telling you the requirements of your employer's health insurance plan. You must follow the NYSHIP requirements for enrolling in Medicare.

NYSHIP requires you to be enrolled in both Medicare Part A and Part B as soon as you are first eligible for primary Medicare benefits. If you declined Medicare Part B when Social Security offered it to you, call Social Security right away. Ask how soon you can enroll in Part B and how to enroll. Send a photocopy of your new Medicare card, as soon as you receive it, to the Retiree Unit of the Employee Benefits Division, NYS Department of Civil Service, Alfred E. Smith State Office Building, Albany, New York 12239. Please include your name, Social Security number and a daytime telephone number including area code on all correspondence.

You may find it convenient to use the sample letter in the *NYSHIP General Information Book* for retirees of New York State Government or in the retiree publication *Welcome to the Employee Benefits Division*. For a copy of the *NYSHIP General Information Book* and/or a *Welcome to the Employee Benefits Division* booklet, call the Employee Benefits Division at 518-457-5754 or 1-800-833-4344. After processing your revised Medicare information, the Employee Benefits Division will reimburse you for the Part B Medicare premium in subsequent retirement checks or quarterly reimbursement checks (if you pay your health insurance premium directly to the State).

What must my dependents do to ensure full coverage?

A dependent (your spouse, domestic partner or child) who is covered under your NYSHIP policy must also be enrolled in Medicare Part A and Part B when first eligible for primary Medicare benefits. Your dependent is eligible for Medicare when he or she:

- regardless of age, has been classified by Social Security as disabled for more than 24 months, or
- regardless of age, has end-stage renal disease (permanent kidney failure), or
- is age 65 or older.

Your dependent must be enrolled in Medicare Part A and Part B when first eligible for primary Medicare benefits even if the dependent is working and has coverage through another employer's group plan. If your dependent does not have Medicare Part A and Part B in effect when first eligible, your dependent's NYSHIP benefits will be drastically reduced. The Empire Plan or your NYSHIP HMO will not provide any benefits for services that Medicare would have paid for if your dependent had enrolled in Medicare Parts A and B as required.

Send a photocopy of your dependent's Medicare card and provide your dependent's Social Security number to the NYS Department of Civil Service, Alfred E. Smith State Office Building, Albany, New York, 12239, Attention: Retiree Unit. Include your (the enrollee's) name, Social Security number, and a daytime phone number including area code. New York State will arrange to reimburse you for your dependent's Medicare Part B premium, unless you or your dependent receives reimbursement from another source.

Should I enroll in Medicare Part D?

Medicare Part D is the Medicare prescription drug benefit. Most NYSHIP enrollees and covered dependents should NOT enroll in Medicare Part D. If you enroll in Medicare Part D, your prescription drug benefits under NYSHIP may be reduced.

NYSHIP provides prescription drug benefits to you and your dependents under The Empire Plan or a NYSHIP HMO. You should not join a Medicare Part D plan unless you are eligible for the extra help from the Medicare Part D Low Income Subsidy. If you do enroll in a Medicare Part D plan, you will not be reimbursed by New York State for the Medicare Part D premium, and, your drug coverage under NYSHIP may be reduced. *If you receive prescription drug coverage through a union Employee Benefit Fund, contact the fund for information.*

Individuals with limited income and resources are eligible for prescription drug benefits at no cost or a reduced cost under the Medicare Part D Low Income Subsidy. If you qualify for this extra help from Medicare, your out-of-pocket cost for prescription drug benefits may be much lower through Medicare than under NYSHIP. Under these circumstances, you may want to consider joining a Medicare prescription drug plan.

If you are eligible for both Medicare and Medicaid, you may be required to enroll in Medicare Part D to keep your Medicaid benefits.

If you are approved for the Low Income Subsidy under Medicare Part D, contact the Employee Benefits Division for information about dropping your NYSHIP drug coverage and reducing your NYSHIP premium. Please provide the Employee Benefits Division with a copy of your Low Income Subsidy approval letter. If you have questions about the extra help or how to apply, call Social Security at 1-800-772-1213 or visit www.ssa.gov.

Who do I call if I have questions?

For more information, call the Employee Benefits Division at 518-457-5754 (Albany Area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) between 9 a.m. and 3 p.m. Eastern time, or visit the Employee Benefits Division's web site at www.cs.state.ny.us. Click on Benefit Programs then NYSHIP Online. Or, write to the Employee Benefits Division, NYS Department of Civil Service, Alfred E. Smith State Office Building, Albany, NY 12239. You can also learn more about coordinating NYSHIP and Medicare in your *NYSHIP General Information Book* and the publication *Medicare & NYSHIP for NYS Retirees*.