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Navigating Your State Health Plan Benefits and Medicare

Understanding Your State Health Plan Benefits at Retirement

2018

Presentation Overview

- State Health Plan Options
- Understanding Medicare
- Enrollment
- Medicare Advantage
- Plan Comparisons
- Important Information:
 - Disability
 - Re-Employment
 - Your Address



State Health Plan Options

State Health Plan Options for *Non-Medicare* Members

The State Health Plan offers 2 Preferred Provider Organization (PPO) plans for Non-Medicare members:

80/20 PPO Plan

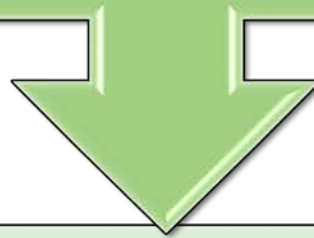
Pays 80% for most in-network services.

70/30 PPO Plan

Pays 70% for most in-network services.

State Health Plan Options for *Non-Medicare* Members

The Plan utilizes a third-party administrator or TPA that is responsible for the provider network and processing your medical claims. Our current TPA is Blue Cross and Blue Shield of NC. But your medical claims are paid by the state, not Blue Cross.



The Plan also utilizes a pharmacy benefit manager or PBM that is responsible for providing a pharmacy network and processing your pharmacy claims. Our current PBM is CVS Caremark. But your pharmacy claims are paid by the state, not CVS.

State Health Plan Options for Medicare Primary Members

UnitedHealthcare Group Medicare Advantage (PPO) Base Plan

Premium free for Medicare Primary qualified retiree; monthly premium for Medicare eligible spouse and/or dependents.

UnitedHealthcare Group Medicare Advantage (PPO) Enhanced Plan

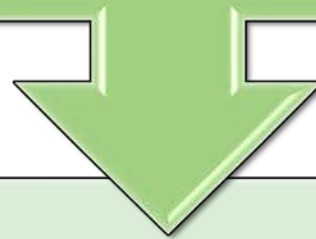
Monthly premium for Medicare Primary qualified retiree (\$66) and Medicare eligible spouse and/or dependents

70/30 PPO Plan Administered by Blue Cross NC

Premium free for Medicare Primary qualified retiree; monthly premium for Medicare eligible spouses and/or dependents.

State Health Plan Options for Medicare Primary Members

UnitedHealthcare is a Medicare Advantage Organization who contracts with the Centers for Medicare and Medicaid Services (CMS) to administer Medicare benefits on their behalf.



The Plan contracts with UnitedHealthcare to provide Group Medicare Advantage plan options to our Medicare Primary members which includes payment of claims.

Understanding Medicare

Original Medicare vs. Medicare Advantage Plans

Step 1

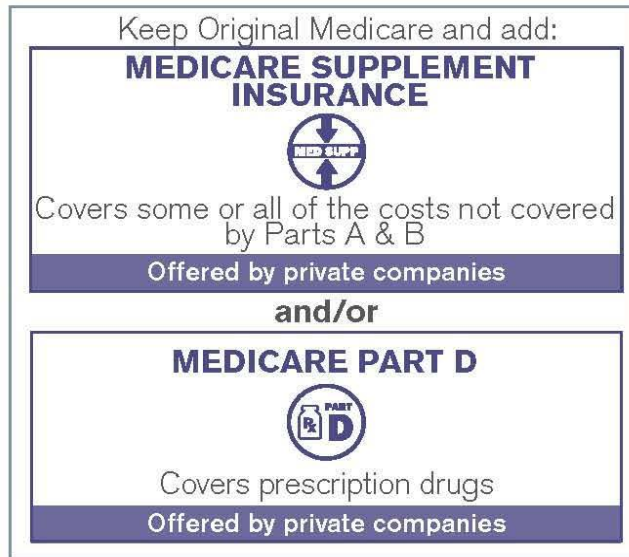
Enroll in Original Medicare when eligible.



Step 2

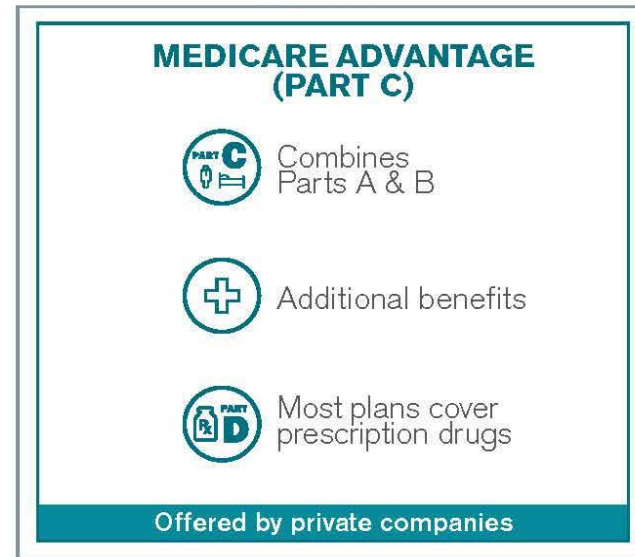
If more coverage is needed, there are additional options.

Option 1



or

Option 2



Medicare Parts A and B

- Medicare Part A and Part B must be in effect to be enrolled into a Medicare Advantage Plan.
 - Part A is typically premium free.
 - Part B has a monthly premium. The 2018 standard Part B premium is \$134 per month for new Medicare Part B enrollees but depending on income, may be as high as \$428.60 per month.
- If retiree has the 70/30 Plan and they do not elect Part B, SHP will process as if they have it and they will incur greater out-of-pocket costs.
- It is important to enroll in Medicare (Parts A and B) during the 3 months **BEFORE** their 65th birthday month. This will allow Medicare to then become effective the first day of their birthday month.

Income-Related Monthly Adjustment Amount (IRMAA)

- Members with higher income levels are required to pay an adjusted Medicare Part B premium plus an additional amount when enrolled in Medicare Part D prescription drug coverage. The additional amount is called Income-Related Monthly Adjustment Amount or IRMAA.
- Income level based on modified adjusted gross income, which is the total of your adjusted gross income and tax-exempt interest income.
- IRMAA is mandated by Federal law and each amount is deducted from your monthly Social Security payments (or direct billed if delayed Social Security).
- IRMAA will apply if individual income is over \$85,000 or if married (filing joint tax return) income is over \$170,000.
- When enrolled in an UnitedHealthcare Group Medicare Advantage plan, higher income members may be subject to Part D IRMAA in addition to their already higher Medicare Part B premium.

IRMAA amounts for 2018 Medicare Part D may range from \$13.00 to \$74.80 per month. IRMAA determination is based on IRS tax return from 2 years ago (2016)

Retirees - Enrolling in Medicare

- If you elected to start receiving Social Security benefits prior to turning 65, you will be automatically enrolled in Medicare. You should receive your Medicare card approximately 60 – 120 days before you turn 65.
 - If Medicare card not received by 60 days before your 65th birthday month, contact Social Security Administration.
- If you are not receiving Social Security benefits, **YOU WILL NEED TO TAKE ACTION TO ENROLL IN MEDICARE.**
 - May enroll by going to any local Social Security office.
 - May enroll by calling the Social Security toll-free number
 - 1-800-772-1213 (7 a.m. to 7 p.m.)
 - May enroll online through the Social Security website
 - www.socialsecurity.gov

New Retiree (65 or older) - Enrolling in Medicare

- If you worked beyond 65 and delayed electing Medicare Part B, **you will have to take action** to enroll into Medicare Part B for retirement.
 - You and the employer providing Employer Group Health coverage will need to complete a Social Security form verifying employment and health coverage.
 - CMS40B-E – Application for Enrollment in Medicare Part B (Medical Insurance)
 - CMS-L564E – Request for Employment Information
 - Mail or hand-carry completed forms to a local Social Security field office.
 - **Remember: Medicare Part B needs to become effective as of your retirement effective date.**
- Required forms may be found on the Social Security website or by calling Social Security.
 - Social Security toll-free number
 - 1-800-772-1213 (7 a.m. to 7 p.m.)
 - Social Security website
 - www.socialsecurity.gov

Enrollment

Contribution Status

Hired Before October 1, 2006

Hired On or After October 1, 2006

**5 Years of service
Non-contributory Plan
You pay 0% premium
For 70/30 Plan***

**5 < 10 Years of service
You pay 100% premium ****

**10 < 20 Years of service
You pay 50% premium ****

**20 Years of service
You pay 0% premium ***

*Partial contribution may be required for other plan options

**Premium rate based on state contribution

You will be auto-enrolled into a plan regardless of your contribution status. If you do not want coverage it is necessary to opt out during retirement process by calling 855-859-0966 or going online. Depending on your situation at the time of retirement, you will need to take this into consideration regarding your State Health Plan coverage.

Retirement and Health Plan Benefit Effective Date

The first month of retirement the retiree remains covered under their active agency. *

The **State Health Plan benefit effective date** is the first of the month following their retirement effective date.

For example: If the retirement date is January 1, then SHP benefit effective date is February 1.

* If Medicare eligible upon retirement date, Medicare will be primary the first month of retirement. **Important to have Medicare Part A and Medicare Part B in effect as of retirement date.**

Under 65 and Retiring?

Member

- Talk to your HR Department about your decision to retire
- Submit Retirement paperwork to State Retirement Systems

State Retirement Systems

- Approves retirement paperwork
- Notifies State Health Plan's Eligibility and Enrollment Support Center

State Health Plan

- Auto-enrolled in the same plan as an active employee along with any dependents.
- Occurs with at least 5 years of service whether or not member was enrolled in State Health Plan coverage as an active employee. If member was not enrolled in Plan coverage, auto-enrollment will be 70/30 Plan
- Ability to opt out of State Health Plan coverage as a retiree by calling Eligibility and Enrollment Support Center.

Approaching 65 and Planning to Continue Working

- Many State Health Plan members continue working after the age of 65.
- The State Health Plan mails you a Medicare eligibility letter prior to your 65th birthday. The letter asks to confirm eligibility for Medicare benefits.
 - Recommend enrolling in Medicare Part A
 - Recommend delaying enrollment in Medicare Part B if you remain actively working for the State.*
- The State Health Plan will be **primary coverage** and Medicare will be secondary as long as still actively working for the State.

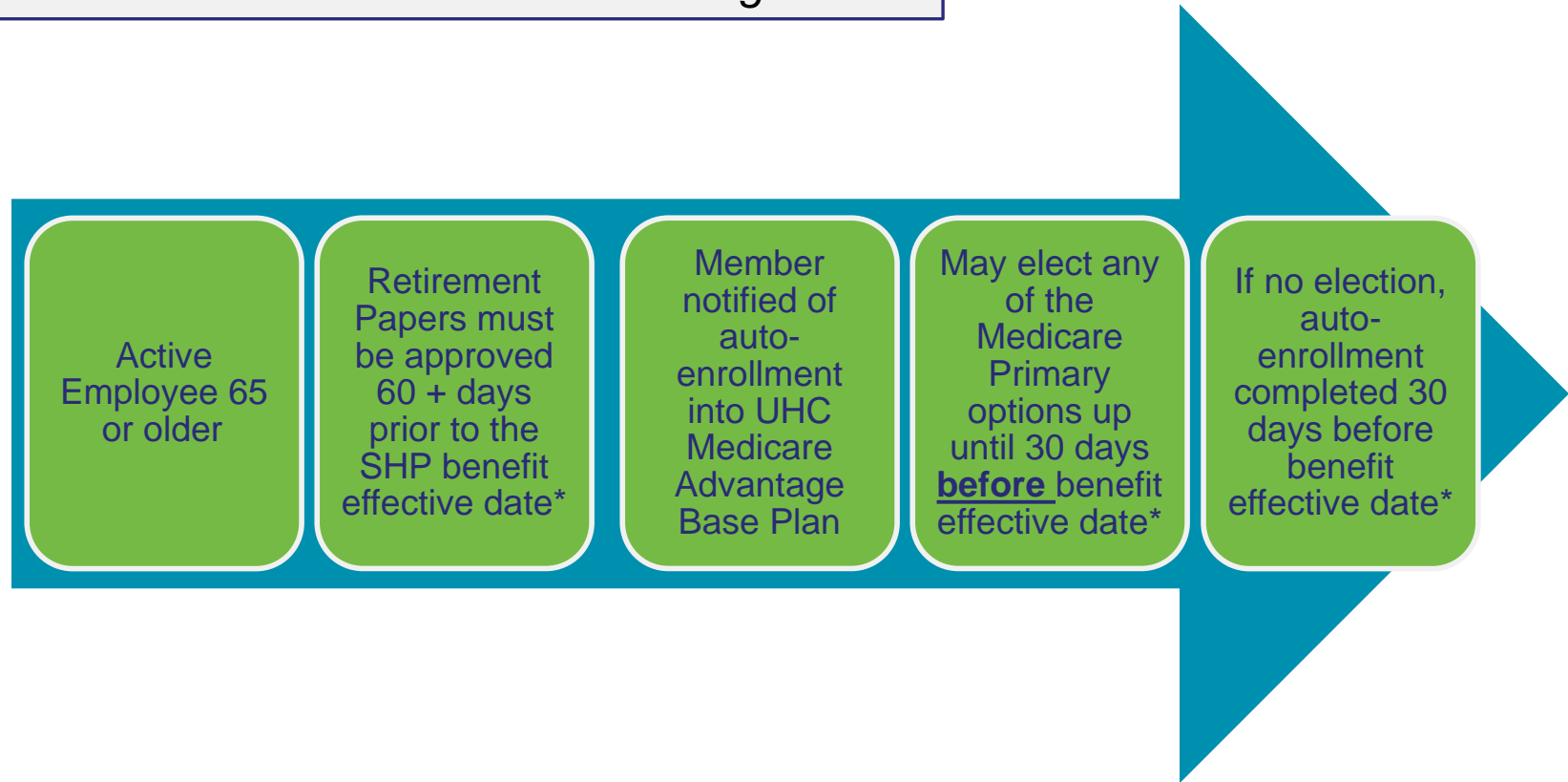
**Important Note: When you decide to retire, enroll in Medicare Part B so that it becomes effective the date of your planned retirement. You will need to contact Social Security Administration to enroll in Medicare Part B.*

Planning to Retire and are 65 or Older?

- Submit retirement paperwork 120 days before planned retirement date.
 - Allows for necessary communications to be sent regarding health plan options.
- Medicare Part A and Part B should be in effect as of anticipated retirement date.
- Any covered non-Medicare Primary dependents will be automatically enrolled into the health plan they were in as an active dependent.
- You may opt out of the retiree State Health Plan coverage during retirement process by calling Eligibility and Enrollment Support Center, 855-859-0966 or through the eEnroll system.

Medicare Primary: New Retirees

Retirement approved at least 60 days prior to effective date of retiree *health coverage*



**The SHP benefit effective date is the first of the month following the retirement effective date. For example: If the retirement date is January 1, the SHP benefit effective date is February 1.*

Medicare Primary: New Retirees

Retirement approved less than 60 days prior to effective date of retiree *health coverage*

Active employee 65 or older

Retirement papers processed and approved 59 days or less prior to retiree health coverage effective date.

Medicare Advantage Options Not Available

Will be auto-enrolled into the 70/30 plan 30 days before effective date.

Medicare Advantage Options

Although not auto-enrolled in a MAPDP plan, you are able to elect a MAPDP plan until the day before your benefit effective date.

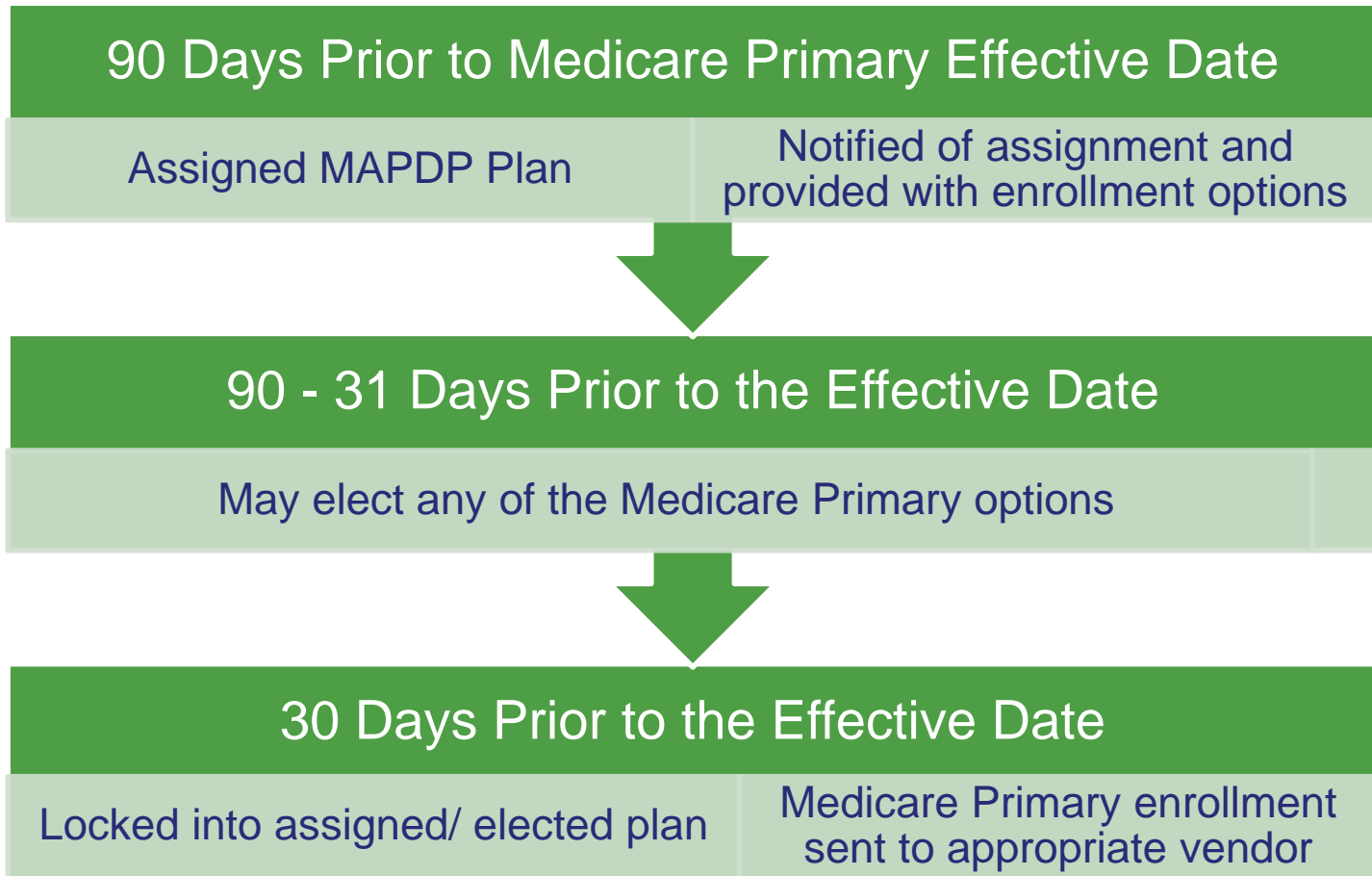
Enrollment Guidelines - *Families*

- Medicare Primary family members stay together.
- If spouse/dependents **are not** Medicare eligible:
 - They have the same options available to active employees/non-Medicare members. Their options are:
 - 80/20 PPO Plan
 - 70/30 PPO Plan
 - This is considered to be a “split family” situation where one or more members of the family unit are Medicare eligible while others are not and have different coverage options.

Auto-Enrollment for Medicare Primary Members

- Retirees aging into Medicare are automatically enrolled into UnitedHealthcare's Group Medicare Advantage **Base** Plan.
- If retiree wishes to select a different plan option other than the one to which assigned, he or she will need to call the Eligibility and Enrollment Support Center at 855-859-0966 or enroll through the eEnroll system.
- May opt out of the State Health Plan. Retiree can re-enroll during the next Open Enrollment period if they change their mind.

Medicare Primary: Retirees/Dependents turning 65 (Age-Ins)



Medicare primary effective date is first of the month you turn 65 **UNLESS** your 65th birthday is on the first of a month then Medicare primary effective date is first of the month preceding the 65th birthday month.

Medicare Advantage & 70/30 PPO

What are Medicare Advantage Plans?

- A Medicare Advantage Plan, like the UHC Medicare Advantage plans offered by the State Health Plan, are considered a **Group Medicare Advantage Prescription Drug Plan (MAPDP)**. They are:
 - A Medicare health plan choice, which may be an individual or group product.
 - Private companies, like UHC, contract with Medicare to provide your Medicare Part A and Medicare Part B benefits. Most include Medicare Prescription Drug Coverage, Part D.
- **With a Medicare Advantage Plan:**
 - You are still considered to be in the Medicare program.
 - You keep same rights and protections as Original Medicare.
 - They must cover all services Original Medicare covers.
 - Members must have both Medicare Part A and Medicare Part B and continue to pay Medicare premiums to be eligible for Medicare Advantage Plans.

What are Medicare Advantage Plans?

- Group Medicare Advantage Plans, like the UHC Medicare Advantage plans, are different than Individual Medicare Advantage Plans, which you can purchase yourself.
 - The UHC Medicare Advantage plans are customized for the State Health Plan.
- The UHC Medicare Advantage plans are considered National Preferred Provider Organization (PPO) plans. They offer:
 - Access to providers nationwide.
 - Access to additional benefits at a lower cost and include an open network.
 - **Copays or coinsurance remain the same**, regardless of who you see in- or out-of-network.
- Out-of-network providers must participate with Medicare and agree to accept and file claims on member's behalf.

Medicare Advantage Plan Perks

- The UHC Medicare Advantage Plans provide one ID card for medical services and prescription drugs.
 - **Remember**: You are still considered to be in the Medicare program.
 - You use your UnitedHealthcare ID card – **not** your red, white and blue Medicare card
- The UHC Medicare Advantage Plans also provide extra services not covered under Original Medicare.
 - Wellness programs/SilverSneakers®
 - Disease and Case Management
 - Nurse help line
 - Routine eye exams
 - Routine hearing exams
 - Hearing aids
 - Routine foot care



UHC Medicare Advantage Plans & Other Insurance

- With the UHC Medicare Advantage Plans there is no need for additional coverage.
 - Additional Medicare product coverage can cause you to be disenrolled from your State Health Plan UHC Medicare Advantage Plan.
 - If enrolled in a MAPDP, you cannot purchase a Medicare Supplement or Medigap plan without you terminating your MAPDP.
 - If already enrolled in another Medicare Advantage or Part D prescription drug plan, your coverage with those plans will terminate unless you elect not to enroll in one of the UHC Medicare Advantage Plans.

UHC Medicare Advantage Plans & Other Insurance

- TRICARE® for Life (TFL) (TRICARE® + Medicare)
 - TFL beneficiaries can enroll in Medicare Advantage plans and TFL will typically reimburse your copayments for services covered by TFL.
 - You cannot use Medicare or Medicare Advantage in a Military Treatment Facility, like a VA Hospital.
- Other Insurance
 - If covered by a Federal Employee Health Benefit Plan or another former employer's retiree group health plan, it is important to check with them to ensure enrollment into one of these Medicare Advantage plans will not disrupt coverage with them.
 - Individual cancer, hospital indemnity, dental, vision, long-term care insurance products will not have an effect on eligibility or coverage under a Medicare Advantage plan.

70/30 PPO Plan

- Members still have option to choose the **70/30 PPO Plan**
 - Administered by Blue Cross & Blue Shield of North Carolina (Blue Cross NC)
 - Supported by the Blue Cross NC Blue Options network of providers
 - Includes Traditional prescription drug coverage
 - It is not Medicare Part D prescription drug coverage but is considered to be creditable drug coverage
 - Original Medicare is Primary, State Health Plan coverage is **secondary**
 - Member would use 2 ID cards when seeking medical services
 - The red, white, blue Medicare card and Blue Cross NC 70/30
 - Copayments, coinsurance and deductible requirements under the 70/30 have to be met
 - Medical copayments do not apply to the deductible or coinsurance maximum out-of-pocket

Plans Comparison – Medical Benefits

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 70/30*
Network Providers	You can use in and out-of-network providers but must accept in Medicare and your insurance plan.		You pay less when you use Blue Cross NC provider network
Annual Medical Out-of-Pocket Maximum	\$4,000 (In and Out-of-Network)	\$3,300 (In and Out-of-Network)	Individual: \$4,388 In-network, \$8,776 Out-of-network
Annual Deductible	\$0	\$0	Individual: \$1,080 In-network Family: \$3,240 In-network
Primary Care Provider (PCP) – Office Visit	\$20 copay	\$15 copay	In-network: \$40
Specialist Office Visit	\$40 copay	\$35 copay	In-network: \$94
Urgent Care	\$50 copay	\$40 copay	\$100 copay
Inpatient Hospitalization	Days 1-10: \$160/Day Days 11+: \$0/Day	Days 1-10: \$150/Day Days 11+: \$0/Day	In-network: \$337 copay plus 30% coinsurance after deductible
Outpatient Surgery	\$250 copay	\$250 copay	In-network: 30% coinsurance after deductible
Ambulance	\$75 copay	\$75 copay	30% coinsurance after deductible

***When enrolled in the 70/30 Plan, cost-sharing amounts between you & the State Health Plan will vary. Medicare pays benefits first and then the 70/30 Plan may help pay some of the costs that Medicare does not cover.**

Plans Comparison – Medical Benefits, cont'd.

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 70/30*
Emergency Room	\$65 copay (Worldwide)	\$65 copay (Worldwide)	Individual: \$337 copay plus 30% coinsurance after deductible
Lab Services	\$40 copay	\$20 copay	If performed during PCP or Specialist office visit, no additional fee if in-network lab used.
Diagnostic radiology services (such as MRIs, CT Scans)	\$100 copay	\$100 copay	In-network: 30% coinsurance after deductible
Therapeutic Radiology Services (such as radiation treatment for cancer)	\$40 copay	\$10 copay	In-network: 30% coinsurance after deductible
Durable Medical Equipment (such as oxygen)	20% coinsurance	20% coinsurance	In-network: 30% coinsurance after deductible

**When enrolled in the 70/30 Plan, cost-sharing amounts between you & the State Health Plan will vary. Medicare pays benefits first and then the 70/30 Plan may help pay some of the costs that Medicare does not cover.*

Plans Comparison – Pharmacy Benefits

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 70/30*
Pharmacy Maximum	\$2,500 Individual	\$2,500 Individual	Individual: \$3,360 Family: \$10,080
Retail Purchase from an In-Network Provider			
Tier 1	\$10 copay per 31-day supply		\$16 copay per 30-day supply
Tier 2	\$40 copay per 31 day supply	\$35 copay per 31 day supply	\$47 copay per 30-day supply
Tier 3	\$64 copay per 31 day supply	\$50 copay per 31 day supply	\$74 copay per 30 day supply
Tier 4	25% coinsurance up to \$100 per 31-day supply		10% coinsurance up to \$100 per 30-day supply
Tier 5	N/A		25% coinsurance up to \$103 per 30-day supply
Tier 6	N/A		25% coinsurance up to \$133 per 30-day supply
Preferred Diabetic Testing Supplies	N/A		\$10 copay per 30-day supply

Plans Comparison – Pharmacy Benefits, cont'd.

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 70/30*
Maintenance Drugs from an In-Network Provider – Up To A 90-Day Supply			
Tier 1	\$24 copay	\$20 copay	\$48 copay
Tier 2	\$80 copay	\$70 copay	\$141 copay
Tier 3	\$128 copay	\$100 copay	\$222 copay
Tier 4	25% coinsurance up to \$300	25% coinsurance up to \$200	10% coinsurance up to \$300
Tier 5	N/A		25% coinsurance up to \$309
Tier 6	N/A		25% coinsurance up to \$399

**When enrolled in the 70/30 Plan, cost-sharing amounts between you & the State Health Plan will vary. Medicare pays benefits first and then the 70/30 Plan may help pay some of the costs that Medicare does not cover.*

Important Information

Disability

- If member becomes eligible for Medicare due to disability, it is very important for them to enroll in both Medicare Part A and Medicare Part B.
- Do not overlook accepting Medicare Part B. Many people fail to accept the offer to retroactively purchase Medicare Part B.
 - Read the AWARD Notice carefully.
- State Health Plan becomes SECONDARY to Medicare as of the Medicare eligibility date.
 - Claims will be reprocessed back to Medicare eligibility date.
 - The State Health Plan will reduce their claims by the amount that would have been paid under Medicare, paying the remaining claim amount under the terms of the health benefit plan.
- **As a result, if Medicare Part B is not taken, member will be responsible for the amount that would have been paid by Medicare Part B.**

Re-Employment and State Health Plan

- To comply with the Affordable Care Act, legislation was passed addressing non-permanent full-time employees.
 - A “newly eligible” category was created.
- Employing units are responsible for determining eligibility for the new category and includes non-permanent employees working at least 30 hours per week.
 - If re-employed retiree qualifies for the new category, employing units are required to cover as active employees.
 - May offer only the High Deductible Health Plan (HDHP); **OR**,
 - May offer coverage under Active Employee options (70/30 PPO or 80/20 PPO)
 - Re-employed retiree not required to enroll.
- Re-employed retiree will be terminated from Retiree Group Coverage under State Retirement Systems Division (SRS).
- Qualifying Life Event when state re-employment ceases
 - 30 days to enroll in State Health Plan under SRS.
 - If enrollment occurs before the effective date, would be able to enroll in a MAPDP.

Important Address Information

- P.O. Box Addresses: If you currently only have a P.O. Box address on record with the State Health Plan you will need to provide a physical address as well.
 - UnitedHealthcare is unable to process an enrollment with only a P.O. Box number on file.
 - Systems are able to store multiple addresses. We can retain the P.O. Box number for mailing purposes and will store the physical address separately.
- Please update through ORBIT or by calling the Eligibility and Enrollment Support Center at 855-859-0966.

Thank You!

Questions?



This presentation is for general information purposes only. If it conflicts with federal or state law, State Health Plan policy or your benefits booklet, those sources will control. Please be advised that while we make every effort to ensure that the information we provide is up to date, it may not be updated in time to reflect a recent change in law or policy. To ensure the accuracy of, and to prevent the undue reliance on, this information, we advise that the content of this material, in its entirety, or any portion thereof, should not be reproduced or broadcast without the express written permission of the State Health Plan.



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