



Peralta Retirees Organization

The Peralta Community College District's Retiree Organization

Health Insurance and Retirement

**Kaiser, CoreSource,
and Medicare**



Medicare Basics

- **Any retiree is eligible to enroll in Medicare at age 65**
 - Once you are 65 and retired you are **required** to enroll in Medicare to keep your lifetime medical benefits
- **PCCD will reimburse you for any costs associated with Medicare coverage**



Medicare Has Three Parts

- **Part A – Hospitalization**
 - Free if you are eligible
 - You have 40 quarters of coverage
 - If your spouse is at least age 62 and s/he has 40 quarters of coverage
 - If you are eligible to receive a Social Security pension you are eligible for free Part A
 - Monthly fee if you are not eligible
 - Premium varies from \$240-\$437 in 2019
 - PCCD reimburses you if there is any cost to you



Medicare Has Three Parts

- **Part B – Outpatient Coverage**
 - Doctor Visits, Lab Tests, etc.
 - Everyone pays a monthly fee that varies with income
 - In 2019 the usual Part B Premium is \$135.50
 - Individuals may have a higher premium depending on family taxable income (in 2017 for 2019-IRMAA)
Income-Related Monthly Adjustment Amount
 - AGI >\$85K-Single; \$170K-Couple
 - **PCCD reimburses you 100% of your cost**



Medicare Has Three Parts

- **Part D- Prescription Drug Coverage**
 - PCCD retirees do **NOT** sign up for Part D as Peralta's drug coverage is superior to Medicare's and you will be covered by Peralta's drug coverage
- **Be sure to decline Part D coverage**



Are You Under 65?

- **Your health insurance will not change until you turn 65**
 - Current benefits covered through Kaiser or CoreSource remain the same
 - You may change during open enrollment
- **Up to three months before you turn 65 you should enroll in Medicare Parts A and B**
 - To enroll call 1-800-772-1213 or visit your local Social Security office.
 - You may also be able to enroll online.
 - www.socialsecurity.gov/medicareonly



Are You 65 or Older?

- **Age 65 and eligible for Medicare Part A for free?**
 - You should already have signed up for Part A
 - If you have not done so, you should do so immediately
- **Not eligible for Medicare Part A for free?**
 - You should wait until you sign up for Part B
- **You should sign up for Medicare Part B three months before the month you retire (or thereafter)**
 - Do it as soon as possible
 - Have it start June 1 (if you are retiring in May)
 - After eight months there is a penalty for late enrollment



Medicare and Kaiser

- **Senior Advantage** is Kaiser's integration of Medicare with District coverage
- **PCCD will not reimburse you for Medicare if you do not enroll in Senior Advantage**
 - There is some enhancement of benefits as a result of being in Senior Advantage
 - Under Affordable Care Act, you will be charged a monthly fee for Medicare D if your AGI exceeds threshold amount (\$85K-single; \$170,000-married)
 - Must be paid when billed
 - District and union have agreed PCCD will reimburse
 - PRO and District have agreed PCCD will reimburse all retirees



Medicare and CoreSource Traditional

- Medicare becomes your *primary* coverage
- CoreSource becomes your *secondary* coverage
- Caremark will continue to provide drug coverage
- Co-pays and deductibles will remain the same
 - CoreSource will pick up all your costs not paid by Medicare after you pay your deductible and co-pays
 - Generally true even if you are out-of-network if provider takes Medicare



Medicare and CoreSource Light

- Medicare becomes your *primary* coverage
- CoreSource becomes your *secondary* coverage
- Caremark will continue to provide drug coverage
- Co-pays and deductibles will remain the same *in network*
 - CoreSource will pick up all your costs not paid by Medicare after you pay your deductible and co-pays *as long as your provider is in the Blue Cross network*



Medicare and CoreSource Light

- **Out of Blue Cross Network**

- If Medicare covers procedure they pay 80% of negotiated rate-you pay 20% after a deductible

- Part B - Currently \$185; Part A - depends on length of hospital stay

- \$1364 deductible for each hospitalization benefit period

- **In Blue Cross Network**

- CoreSource will pick up all your costs not paid by Medicare after you pay your deductible and co-pays



CoreSource Light vs. Traditional

- **Light – no premium**
- **Traditional – premium based on the difference in cost between Light and Traditional**
 - Premium can change every year
 - Out of state network change after 7/1/13
- **Enrollment in Medicare should reduce cost of Traditional premium**
 - **Currently \$0**



Open Enrollment

- **Annually in May**
- **District should provide info about cost of CoreSource Traditional**
- **Retiree may change coverage for following fiscal year: July 1-June 30**
 - Under special circumstances it is possible to change at other times (qualifying event).



Medicare and CoreSource: Billing

- **Billing is usually ‘seamless’**
 - Provider bills Medicare
 - Medicare notifies the provider what it is paying
 - Medicare has its own deductible, co-pays and agreed upon fees for various services
 - Your provider bills CoreSource for the balance unpaid by Medicare based on Medicare’s fee schedule
 - CoreSource pays the balance
 - A few providers do not want to do this second billing
 - You must submit Medicare EoB to CoreSource with provider’s invoice
 - “Crossover” issue



Services Covered by PCCD But Not by Medicare

- **For certain services Medicare has no approved providers (e.g., Chiropractic)**
 - You or the provider (if in Blue Cross network) may bill CoreSource without first billing Medicare
- **If you do not use a Medicare approved provider (e.g., Travel Doctor, Psychotherapy)**
 - You must bill Medicare before CoreSource will process
 - Medicare will not pay—sends notice denying payment
 - Submit letter of rejection with bill and claim form to CoreSource
 - CoreSource will pay as if it were primary



Medicare is Free to PCCD Retirees

- PCCD reimburses you for Medicare premiums
- PCCD uses a 'third party' to make reimbursements
 - Pension Dynamics
 - Monthly payments
 - Direct Deposit required



Paying for Medicare B

- **Even if you are eligible for Medicare Part A you must still pay for Part B**
 - Premium deducted from Social Security check
 - Mandatory if you get one
 - Premium taken out of STRS check
 - Pay monthly or quarterly directly to Medicare
- **Medicare will notify you in December of each year what your premium will be**
- **PCCD will reimburse you monthly**



Reimbursement Procedure

- Premium taken out of Social Security or pension check
 - Mail Pension Dynamics
 - Request for reimbursement form
 - Link on PRO website
 - <http://www.peraltaretirees.org/Docs/resource.htm>
 - Copy of letter from Medicare indicating the monthly premium or a copy of January 'stub' showing new monthly fee has been deducted
 - Must be done only once per year (unless there is a change)
 - Direct payers must submit copies of invoices monthly/quarterly



Medicare A Reimbursement

- **If you must pay for Medicare A**
 - Reimbursement procedure is same as for Medicare B
 - Monthly payment by individual
 - Submit copies of Medicare invoices monthly
 - Include Request for Reimbursement form
 - Link on PRO website
 - Reimbursement schedule same as for Medicare B



Medicare D Reimbursement

- **If you are enrolled in CoreSource or Kaiser you should decline to enroll in Medicare D**
- **When you enroll in Kaiser Senior Advantage, Kaiser will enroll you in Medicare D**
 - Subject to Income-Related Monthly Adjustment Amount (IRMAA)
 - Income must be > \$85K (single) or \$170K (couple)



Medicare D Reimbursement

- **District has agreed to reimburse.**
 - If you are receiving Social Security IRMAA will be deducted from your SS check
 - If not, you must pay the bill directly to the Centers for Medicare and Medicaid Services
 - You should include evidence of the amount you paid when you submit your request for reimbursement of other Medicare payments



PCCD Reimburses Monthly

- **Reimbursement Schedule**
 - January fees reimbursed in February, etc.
- **Direct Deposit of reimbursements required**
 - You must submit a form and bank info to set up
 - Link on PRO website



Important Documents

- **You should keep:**
 - A copy of the union's contract with Peralta that is in force on your date of retirement
 - A copy of the Summary Plan Description (SPD) in force on your date of retirement
 - Document which describes covered and excluded benefits
 - **District may not change those benefits in future**
 - It is a good idea to save all EoB notices received from CoreSource or Medicare



Resources

- **PRO**
 - <http://www.peraltaretirees.org/>
- **Social Security**
 - www.ssa.gov/
- **Medicare**
 - www.ssa.gov/pgm/medicare.htm
- **Pension Dynamics Forms**
 - Reimbursement Form and Direct Deposit Form
 - <http://web.peralta.edu/benefits/>
 - <http://www.peraltaretirees.org/Docs/dirdepfm.pdf?alias=www.pswbenefits.net/peraltaretirees>



Questions

