

**IMPORTANT STATE HEALTH BENEFIT PLAN (SHBP)
MEDICARE INFORMATION for RETIREES/DEPENDENTS
WHO ARE ELIGIBLE FOR MEDICARE BECAUSE OF AGE OR DISABILITY**

General Accounting Standards Board (GASB) Rules require that public entities account for the cost of their Other Post-Employment Benefits (OPEB), which includes retiree health care coverage. The last Georgia OPEB valuation is \$16.4 billion in unfunded liability for retiree health care. In order to maintain a fiscally sound status and avoid adverse impact to the State bond ratings, the SHBP has implemented strategies that reduce this liability.

General Medicare Information/Medicare Policy

When you become eligible for Medicare because of reaching age 65 or disability, you should enroll in Medicare. Medicare is the federal insurance and includes Parts A - hospitalization, B - provider services and D - prescription drugs. It is important that you purchase Part B coverage, even if you are not automatically entitled to Medicare Part A because you or your spouse have not paid Medicare taxes for the appropriate number of work quarters. Part B coverage can be purchased when you become eligible for Medicare if you have resided in the United States for a minimum of five years. If you are not automatically entitled to Medicare Part A under your own work record, you may be eligible under a spouse or former spouse. You should contact the Social Security Administration if you are not sure.

SHBP Medicare Policy requires all retirees and their eligible spouses age 65 and over to enroll in one of the four SHBP Medicare Advantage PPO options offered by CIGNA (in an alliance with Humana) and UnitedHealthcare, in order to continue to receive the state contribution toward the cost of their SHBP premiums. We will refer to these options as the MA PPO options. To enroll in a SHBP MA PPO option, you must at least have Medicare Part B coverage.

- Enrollment in Medicare allows you the opportunity to change your health care options
- Mail copies of your Medicare card by the first of the month prior to the month in which you or your spouse become eligible for Medicare
- Premiums increase significantly if you or your eligible spouse are not enrolled in Medicare or have not submitted proof of your Medicare coverage to SHBP. Premiums will be adjusted once Medicare information is received and enrollment in one of the SHBP MA PPO options has been processed
- SHBP does not refund difference in premiums for non-timely submission of Medicare information
- When you or your eligible spouse turn age 65 and enroll in Medicare Part B the SHBP will automatically transfer the person (retiree or spouse) to the MA PPO Standard option with your current healthcare vendor, *if SHBP has the Medicare information on file*
- Effective January 1, 2011 enrollment in the MA PPO option is OPTIONAL for Medicare eligible retirees and their Medicare eligible dependents under age 65.
- If you or your eligible dependent have End State Renal Disease (ESRD) please contact SHBP for additional information regarding MA PPO enrollment.

SHBP MEDICARE ADVANTAGE (MA) PLAN BENEFITS

- The Centers for Medicare & Medicaid Services (CMS) is the authorizing Federal agency for all MA plans. *Enrollment in any of the SHBP MA plans is subject to CMS approval.*
- You will continue to pay both your Medicare Part B and your SHBP premiums
- These plans include Medicare Part D; therefore, you cannot enroll in a separate Medicare Advantage or Medicare Part D Plan. Doing so will cause you to permanently lose your SHBP coverage.
- CIGNA (in an Alliance with Humana) and UHC each offer the Standard and Premium MA PPO options
- Custom plans are designed to limit your out-of-pocket expenses and to provide enhanced benefits over standard Medicare
- There is a medical out-of-pocket expense limit under the Standard and Premium MA PPO options for covered services (does not include co-pays prescription drugs)
- Both options have low premiums, are national plans and provide benefits for hearing aids, vision, and podiatrist

- You can see any provider that accepts Medicare
- Drugs listed on the MA PPO option formulary are determined by CMS, not SHBP
- If all family members not eligible for the SHBP MA PPO option, the non-eligible individual(s) may select from one of the other SHBP options under the same vendor as the retiree. All non-MA PPO family members will be in the same option and all MA PPO family members will be in the same MA PPO (Standard or Premium)

Note: If CMS denies enrollment in the MA plan for reasons beyond your control, you will be returned to your Medicare Parts A and B coverage automatically and will be enrolled by SHBP into one of the other non MA plans and pay the higher rate until CMS approves enrollment. Enrollment in a Medicare Part D plan is not automatic and you must enroll within 60 days of the loss of coverage to not pay a penalty. Open Enrollment for Part D plans is November 15 through December 31 if you miss the enrollment deadline.

SHBP NON-MEDICARE ADVANTAGE PLAN BENEFITS

- You may enroll in one of the SHBP non-MA PPO options *but will pay the entire cost of the premium*
- You will NOT receive a discount for any part(s) of Medicare (Parts A, B and D) coverage you have.
- You can decide later to enroll in a SHBP MA PPO option and coverage under the MA PPO will be effective the first of the month following your request (subject to CMS approval)

RETIRED AND TURNING 65

- SHBP will automatically request that CMS approve enrollment in the MA Standard Plan under your current vendor for the covered SHBP member with Medicare coverage (if you have Medicare Part B and SHBP has this information). Anyone not MA eligible and covered under the contract will keep his/her current option under the current vendor
- If you wish to select another option or prefer the MA PPO Premium option, you have 31 days from the date of your Medicare coverage to make a different selection. Call the SHBP Call Center at (404) 656-6322 or (800) 610-1863 for instructions on how to enroll.
- The vendor you are currently covered under will mail you a packet of information explaining the MA PPO option approximately 3 month prior to you turning 65. You may request a packet from both vendors by calling **Humana at (800) 942-6724 or UnitedHealthcare at (877) 755-5343**
- You will remain in your current plan until approved by CMS and your premium will increase if approval is delayed or denied

NEW RETIREES WHO ARE 65 OR OLDER

- Your SHBP premiums will increase significantly if SHBP does not have Medicare information on file the month you retire.
- If you are enrolled in the High Deductible Health Plan (HDHP) when you retire, you will be charged a Late Enrollment Penalty (LEP) by Medicare as the HDHP is not considered credible coverage
- You will have to call the vendor to request a packet of information about the MA PPO option as this information will not automatically be sent.

REMINDERS:

- You will have 31 days from the date you become eligible for Medicare to make a change in options
- No refunds can be given for non timely submission of Medicare information to SHBP
- If you enroll in another Medicare Advantage plan or a Medicare Part D plan after enrolling in a SHBP MA option, you will lose your SHBP coverage permanently
- You may drop SHBP coverage at any time but will not be able to enroll at a future date
- You may drop to single coverage at any time
- Medicare information, address changes, changes in covered dependents eligibility etc. must be mailed to SHBP

NOTE: CMS requires a physical address for all participants. If the only address SHBP has on file is a post office box, your request for enrollment will be denied by CMS.

**MAIL ALL CORRESPONDENCE TO SHBP AT
P.O. Box 1990, Atlanta, GA 30301-1990**