

What is Medicare?

Medicare is a federally-funded health insurance program administered by the Social Security Administration (SSA) and the Centers for Medicare and Medicaid Services (CMS) for people:

- age 65 or older,
- medically disabled, under the age of 65 or
- any age with end-stage renal disease.



Medicare is made up of four parts:

Part A helps cover hospitalization, skilled nursing facilities, hospice and home health care.

Part B helps cover medical services like doctor visits and outpatient care. Part B also covers some preventive services including screenings, vaccines, and some durable medical equipment like wheelchairs and walkers.

Part C, also known as Medicare Advantage plans, combines Part A, Part B and sometimes Part D coverage, and is managed by private insurance companies approved by Medicare. These plans must cover medically necessary services.

Part D helps cover outpatient prescription drugs. Part D also may help lower your prescription drug costs and protect against higher costs in the future.

Medicare Premiums

Part A	Part B	Part C	Part D
No monthly premium	Standard monthly premium is \$135.50	No monthly premium for full-time retirees*	No monthly premium for most

*Premiums for the Medicare Advantage Plans offered through ERS, are covered 100% for eligible full-time retirees and 50% for eligible part-time retirees (unless subject to tiered premiums).

Your premiums for Medicare Part B and Part D (if applicable) are based on your modified adjusted gross income reported on your most recent tax return. The SSA determines if you will be subject to the Income-Related Monthly Adjustment Amount (IRMAA), which affects fewer than 5% of people with Medicare. For inquiries about how your Medicare premiums will be calculated, contact the SSA toll-free at, (800) 772-1213 or visit www.ssa.gov.

Paying your Medicare premium

Your Medicare premium will be deducted from your SSA payment automatically. If you aren't drawing your SSA benefit, you'll be billed every three months or you can set up Medicare Easy Pay and have the premium deducted directly from a bank account.

If you need assistance paying your Medicare premium, contact SSA.

Enrolling in Medicare

If you're **retired** and approaching age 65, or under age 65 but eligible due to a disability, you'll want to enroll in Medicare Part A and Part B.

Automatic Enrollment in Part A and B

In most cases, if you're drawing SSA benefits, you'll be automatically enrolled in Medicare Part A and Part B. The coverage will be effective the first day of the month you turn 65.

If you're under age 65 and certified disabled by the SSA, you may be automatically enrolled in Medicare Part A and Part B after you've received Social Security Disability payments for 24 months.

When to Take Action

If you're **retired** and not receiving SSA benefits, you won't be automatically enrolled. Contact the SSA to enroll in Medicare Part A and Part B during your initial enrollment period – the three months prior to your 65th birthday, the month of your 65th birthday, and the three months after your 65th birthday. Consider contacting SSA during the three months prior to turning age 65 to avoid any delay in coverage for your Part B services.

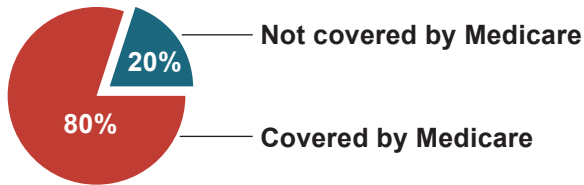
SSA will mail you your Medicare ID card. Be sure to provide ERS with your Medicare information.

Working Past Age 65

Your state health insurance will remain primary to Medicare so you can choose to delay your enrollment in Part B (most active employees tend to enroll in Part A because there is no monthly premium). Once you're ready to retire, contact SSA a couple of months before your retirement date to enroll in Medicare Part B. You'll need your employer to fill out a form (provided by SSA) to verify your employment and avoid the penalty for signing up after age 65.

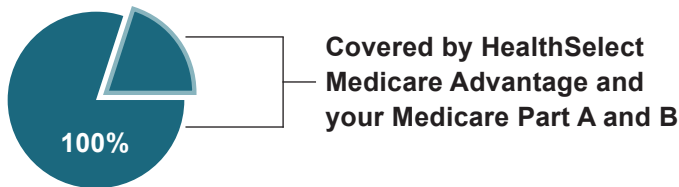
How much does Medicare cover?

After you retire and are eligible for Medicare, your state health insurance will no longer cover primary on your medical services, even if you are not enrolled in Medicare. Traditional Medicare covers 80% of covered services after you've met the \$185 deductible.



HealthSelect Medicare Advantage, a preferred provider organization (MA PPO), is a Medicare Part C plan offered through the Texas Employees Group Benefits Program (GBP) and administered by Humana. It replaces traditional Medicare and combines your Medicare Part A and Part B with your ERS health plan and offers extra services, such as wellness programs and lower out-of-pocket expenses – which helps save you money!

If you're enrolled in HealthSelect MA PPO you won't have to meet the \$185 deductible with Medicare and pay little to nothing out of pocket for most of your health care services. Also, you can see any provider as long as the provider accepts Medicare. However, it's important to find out if your provider is willing to bill Humana.



KelseyCare Advantage Medicare health maintenance organization (MA HMO) is another Medicare Part C offered by ERS to Medicare-enrolled retirees, surviving spouses and their dependents that live in select counties in the Houston area. It also works together with your Medicare Part A and Part B coverage to cover 100% of most of your medical services, and you pay no deductible.

HealthSelect of Texas Secondary is not a Medicare Part C plan and will cover secondary to Medicare. It pays 70% of the 20% Medicare doesn't cover and you'll be responsible for the remaining 30%. For example, if your bill is \$100, Medicare will pay \$80, HealthSelect Secondary will pay \$14 and you will pay \$6.



If you continue enrollment in a health maintenance organization (HMO) – Community First Health Plans, Scott & White Health Plan or KelseyCare powered by Community Health Choice, your coverage becomes secondary to Medicare. Your HMO plan will coordinate benefits with Medicare.

Freedom of Movement – you can switch between a Medicare Advantage plan and non-Medicare Advantage health plan at anytime, if you determine one plan may work better for you than the other. Visit www.ers.texas.gov/Retirees/Health-Benefits-for-retirees to view the Medicare Health Plans Comparison Chart.



If you're enrolled in HealthSelect of Texas, HealthSelect MA PPO or KelseyCare Advantage MA HMO, you will be enrolled in HealthSelect Medicare Rx, a Part D prescription plan, after you've provided ERS with your Medicare information.

You'll have to meet a \$50 calendar year deductible that starts every January 1, before your coverage begins. After you meet your deductible, you'll pay copays for your prescription drugs based on the tier your medication falls into – generic, name brand, or preferred.

You have the option to decline coverage with HealthSelect Medicare Rx, but ERS doesn't offer an alternative plan. If you decline HealthSelect Medicare Rx coverage, you won't have any prescription drug coverage through the state and we urge you to sign up for a private Part D plan within 63 days of losing your GBP prescription drug coverage. Otherwise, you may be subject to a penalty from the SSA, if you decide to enroll in Part D at a later date.

If you continue enrollment in an HMO, your prescription drug coverage is provided through the HMO.



Returning to work for a state agency

If you return to work for a state agency, your state health insurance will become primary to Medicare. While you're working you and your eligible dependents aren't eligible for HealthSelect MA PPO, HealthSelect Medicare Rx or KelseyCare Advantage MA HMO and will be enrolled in your previous health plan.

For example, if you and your spouse are enrolled in HealthSelect Medicare Advantage and you return to state employment, you both will be automatically removed from HealthSelect Medicare Advantage, and enrolled in the health plan you were enrolled in prior to retirement.

Split Households

A split household refers to a household of at least two people, with one enrolled in Medicare while the other isn't eligible for Medicare. The coverage you and your enrolled dependents are eligible for depends on your situation. Here are some common scenarios.

Scenario 1 - the retiree is eligible for Medicare, the dependent is not

Elsa is retired and enrolled in Medicare Part A and Part B but her spouse isn't eligible for Medicare.



Retiree

Elsa should provide ERS with her Medicare information and enroll in HealthSelect Medicare Advantage.



Dependent

Elsa's spouse will remain on his GBP health plan.

Scenario 2 - the retiree is not eligible for Medicare, the dependent is

Paul is retired and not eligible for Medicare Part A and Part B. His spouse is enrolled in Medicare Part A and Part B.



Retiree

Paul will remain on his GBP health plan.



Dependent

Paul should provide ERS with his spouse's Medicare information and enroll her in HealthSelect Medicare Advantage.

Scenario 3 - An active employee has a dependent who is eligible for Medicare

Lin is actively employed with a state agency and her spouse is eligible for Medicare Part A and Part B. Both Lin and her spouse will remain on the same non-Medicare health plan because active employees and their dependents aren't eligible for HealthSelect Medicare Advantage. Her spouse can delay his enrollment in Medicare Part B until Lin retires.



Active Employee

Lin will remain on her non-Medicare health plan.



Dependent

Lin's spouse will remain on the same non-Medicare health plan as Lin.

Private Medicare Part C and Part D Plans

When approaching age 65, you may start receiving information about non-ERS Medicare Part C and Part D plans - private plans, or group plans offered by a previous employer or spouse's employer. Your GBP coverage is as good as or better than a group or private Part C and Part D plans.



Enrolling in a private Medicare Part C plan

You have the option to enroll in a group or private Medicare Part C, instead of an ERS Medicare Advantage plan (like HealthSelect MA PPO or KelseyCare Advantage MA HMO), but you can't be enrolled in both at the same time.

If you enroll in a group or private Part C plan that isn't offered through ERS after you have enrolled in a GBP Medicare Advantage plan, your enrollment in your GBP Medicare Advantage plan will be canceled and you'll be enrolled in your previous, non-Medicare Advantage health plan.

Example

Henry enrolls in HealthSelect Medicare Advantage. Then, he enrolls in a Medicare Advantage plan (a Part C plan) offered by his spouse's employer.

Medicare will inform ERS of the enrollment and Henry's coverage with HealthSelect Medicare Advantage will be canceled. He will be enrolled in the ERS health plan he had previously.



Enrolling in a private Medicare Part D plan

You also have the choice to enroll in a group or private Part D or supplemental plan instead of the HealthSelect Medicare Rx plan, but you can't be enrolled in both at the same time. If you enroll in a Part D plan that isn't offered through ERS after you've enrolled in HealthSelect Medicare Rx, your GBP prescription drug coverage will be canceled. You will only have prescription drug coverage through your non-GBP Part D plan.

Example

Joaquin enrolls himself and his spouse in HealthSelect Medicare Rx. Then, he enrolls in a private Part D plan he saw advertised on a pamphlet he received in the mail.

Medicare will inform ERS of the enrollment and Joaquin's (and his spouse's) coverage with HealthSelect Medicare Rx will be canceled. They will no longer have prescription drug coverage through ERS.

Reinstating your ERS Medicare Advantage plan or HealthSelect Medicare Rx plan

If you enroll in a non-GBP Medicare Part C or Part D that doesn't meet your needs, contact the group or private plan and request to cancel the coverage. Then, contact ERS to re-enroll in your GBP Medicare Advantage plan and HealthSelect Medicare Rx. ERS rules and guidelines determine when your coverage begins again and cannot be back dated. Call ERS to find out your effective date when you re-enroll.



Always available online at www.ers.texas.gov

24/7 access to automated information on your insurance and retirement benefits:

(877) 275-4377, TDD: 711. Talk to a representative 7:30 a.m. to 5:30 p.m. CT, Monday through Friday.