

# MEDICARE FACTS FOR STATE EMPLOYEES 2022

## **MEDICARE ENROLLMENT**

- 1. All state retirees must enroll in both Medicare Parts A and B when eligible for Medicare due to age 65 or Social Security Disability (do three to six months prior to age 65). Failure to do so results in major financial penalties of 10% additional Medicare premium per year for each year of delay (maximum of 120%) AND the State Health Plan will treat claims as if the retiree were enrolled in Medicare.**

One Exception for Enrollment: State retirees who continue to work, **but are eligible for continued health insurance through an employer**, could delay enrollment in Medicare Part B. **THIS IS NOT RECOMMENDED**, since an employee who does so could become cognitively impaired by a stroke or other medical condition, and their guardian might fail to enroll them in Medicare resulting in penalties

**Enrollment can be conducted online at the Social Security website, by phone call to Social Security, or by visiting your local Social Security Office.**

## **2. OPEN ENROLLMENT**

- Occurs annually during the month of October with the State Health Plan mailing hard postcards and a booklet outlining choices prior to October (look for the State Health Plan blue apple.**
- If you do nothing, you will automatically be enrolled in the Base Medicare Advantage Plan**
- If you wish to make a change from the Base Medicare Advantage Plan to Enhanced or the PPO 70/30 or add/delete dependents, you must take action.**
- Once you have selected an option, you are locked into that option for the upcoming calendar year with one exception: IF YOU ENROLLED IN A MEDICARE ADVANTAGE PLAN, YOU HAVE 90 DAYS BEGINNING JANUARY 1 TO RETURN TO TRADITIONAL MEDICARE AND THE PPO 70/30.**
- When you receive your new health insurance card, verify that it shows your correct information and whether it is the Base Medicare Advantage Plan or Enhanced Plan.**
- READ THE MEDICARE ADVANTAGE PLAN BOOK AND MATERIALS YOU RECEIVE. IF AN ERROR, CALL THE NUMBER ON YOUR CARD!**

- 3. State retirees do NOT need to enroll in Medicare Part D (prescription drug program) since the State Health Plan prescription drug benefit is considered equal to or better than Medicare Part D and our Medicare Advantage Plans include prescription drug benefits.**

NOTE: Medicare Retirees who qualify for Medicaid (low income, medical assistance program,) may qualify for subsidies to pay for Medicare Part D prescriptions and have lower co-pays than the State Health Plan.

4. **Medigap (Medicare Supplement Insurance) is generally not needed or recommended for state retirees. In addition, no one enrolled in a Medicare Advantage Plan can also be enrolled in a Medigap Policy.** The only time that state retirees with Traditional Medicare and the PPO 70/30 State Health Plan might benefit from a Medigap Policy is when the retiree knows in advance of Medicare's Annual Open Enrollment, that they anticipate having out-of-pocket costs in excess of \$40,000 during the coming year. Rather than buy a Medigap policy (\$200+ per month) create a savings account to pay out-of-pocket medical expenses.
  
5. **Medicare Advantage Plans Offered By State Health Plan**
  - **Replace Traditional Medicare and the State Health Plan PPO 70/30 option and pay hospital care, outpatient care (doctor office visits/procedures) and prescription drug coverage.**
  - **Offer the best value for most State retirees who do not have other retiree health insurance such as Tri-Care for Life (health benefits for career military retirees), federal government retiree health benefits, private employer retiree health benefits.**
  - **State retirees should generally only take the Medicare Advantage Plans offered through the State Health Plan**
  - **The Base Medicare Advantage Plans offer the best value for most retirees and are premium free**
  - **The Enhanced Medicare Advantage Plans offered through the State Health Plan have a monthly premium which changes annually.** These might be worth the extra premium for retirees scheduled for major surgery, have recently been diagnosed with cancer or major medical condition requiring expensive treatment, are scheduled for surgery or anticipate surgery in the next calendar year, undergoing cancer treatment, or having multiple major chronic medical conditions such as Chronic Obstructive Pulmonary Disease, Diabetes, Heart Failure, and similar conditions.
  - **Have a Silver Sneakers Program to help maintain your health and that can pay for physical activity programs at many Family Y's and or gyms.**

6. **Beware of Scams:**

NC State Treasurer Dale Folwell recently addressed the SEANC Retiree Council and noted that state retirees are being bombarded with calls and television ads from Insurance agents or brokers encouraging them to enroll in a Medicare Advantage Plan or a Medicare Supplement that often conflicts with what the state offers.

Here are some helpful tips to remember if you get these calls:

- **ASK IF THE PERSON YOU ARE SPEAKING WITH IS A NC LICENSED HEALTH INSURANCE AGENT!!!** (Toll free numbers from tv ads may have call centers without licensed NC Health Insurance agents.
- These insurance agents or brokers **ARE NOT** calling from your State Health Plan.
- You cannot be enrolled in two different Medicare Advantage or Medicare Prescription Drug Plans at the same time. Therefore, if you enroll in something other than the State Health Plan's Humana Group Medicare Advantage Plans, you will most likely be bumped out of your current Humana Group Medicare Advantage Plan and automatically enrolled into the Base PPO Plan (70/30) administered by Blue Cross NC, which may cost more.
- Plans featured on television **ARE NOT** the same as your State Health Plan coverage. Calling to enroll in a plan that you saw on television may **NEGATIVELY** impact your State Health Plan coverage.
- If you are terminated from the State Health Plan's Humana Medicare Advantage Plans due to enrollment in an individual plan, your State Health Plan coverage will not be canceled. You or a covered dependent will automatically default to the Base PPO Plan (70/30) administered by Blue Cross NC. This can result in significantly higher out-of-pocket costs, including premiums for covered Medicare-eligible dependents.
- Mailings from the State Health Plan will include the Plan's blue apple logo. Watch for it!

**BEFORE** you sign up for **ANY COVERAGE** outside the State Health Plan, check what impact it may have on your current plan benefits! Please reach out to one of the resources below:

**State Health Plan Eligibility and Enrollment Support Center**  
855-859-0966 (M-F 8AM to 5PM)

**Humana**  
888-700-2263 (M-F 8AM to 9PM)

- 7. Medicare retirees electing Traditional Medicare and the State Health Plan PPO 70/30 will receive a separate card for prescription drugs to take advantage of brand name drug discounts available under the Affordable Care Act.**
  - Program will save Medicare primary retirees some out-of-pocket expenses
  - Program saves the State Health Plan money
  - Program reduces unfunded liability for retiree health benefits

8. Web resources for Medicare Retirees:

NC State Health Plan:

[Home | NC State Health Plan \(shpnc.org\)](http://shpnc.org)

[2022 Retiree Benefits | NC State Health Plan \(shpnc.org\)](#)

[855-859-0966](tel:855-859-0966)

M-F 8AM to 5PM

NC State Health Plan Resource Directory for Medicare, Social Security and Other Resources: [Contact Us | NC State Health Plan \(shpnc.org\)](#)

NC Department of Insurance Seniors Health Insurance Information Program (SHIIP): <http://www.ncdoi.com/SHIIP/Default.aspx> or call 800-443-9354;

NC SMART: Also located in the NC Department of Insurance and can be used to file appeals when the health insurance company has denied your claim.

[Health Claim Denied? | NC DOI](#) or call: [855-408-1212](tel:855-408-1212)

U.S. Center for Medicare and Medicaid Services:

[Centers for Medicare and Medicaid Services | USAGov](#)

[Eldercare Locator \(acl.gov\)](#) and [www.benefitscheckup.org/](http://www.benefitscheckup.org/) (These two sites have a list of 2000 private/public programs for low-income retirees on Medicare)

FAIR HEALTH: [Welcome to FAIR Health | FAIR Health \(fairhealthconsumer.org\)](#)

Estimates out-of-network costs for some medical and dental procedures by zip code.

**NATIONAL MEDICARE REFORM PROPOSAL:**

The U.S. Congress has considered legislation to replace Medicare and Medicare Advantage Plans with private vouchers to purchase private health insurance policies and raise the age of Medicare eligibility to 67 or even older. These would have the following negative impacts on your health insurance benefits:

- Increase the unfunded liability for retiree health care by billions of dollars.
- **Could double** the out-of-pocket medical costs for seniors from 1/3 of costs to **2/3 of all costs** according to the non-partisan Congressional Budget Office.
- Result in adverse selection and lead to decreased support for traditional Medicare as younger, healthier retirees select vouchers to purchase private insurance in the future, leaving the sickest in Medicare.
- Reduce funding for Medicare Advantage Plans, thus reducing your health insurance benefits.