

How Medicare Works With Your Health Benefits

Topics:

1. [Why enroll in Medicare?](#)
2. [District plans for Medicare retirees](#)
3. [Medicare and your District health plan](#)
4. [When to enroll in Medicare](#)
5. [Dependent spouse or/domestic partner](#)
6. [Why not enroll in Part D?](#)
7. [Income-based premium for Part D](#)
8. [Why not cover adult dependent children to age 26?](#)
9. [Medicare contact number and website](#)
10. [LAUSD Benefits Administration and website](#)

Frequently Asked Questions

1. Why is Medicare enrollment required for retiree benefits?

Medicare is the national health insurance program for retirees who are age 65 or older. LAUSD retirees are required to enroll in Medicare Part A (hospital care) and Medicare Part B (physician services and outpatient hospital care) at age 65 to retain their District-paid health benefits. The District realizes lower premium costs for Medicare retirees compared to premiums for active employees and retirees under age 65. Medicare retirees, however, must pay Medicare Part B premiums.

2. What plans are available for Medicare retirees?

District Medicare retirees may enroll in two types of plans—Medicare Advantage plans or Anthem's Exclusive Provider Organization (EPO) plan. The three Medicare Advantage plans are HMO plans. They include Kaiser Senior Advantage, Seniority Plus (HealthNet), and SecureHorizons by UnitedHealthCare. Anthem EPO plan subscribers have a choice of doctors and medical facilities within Anthem's provider network.

3. How does Medicare interact with the District's plans?

District and Medicare benefits work together to provide medical coverage for retirees. The Medicare Advantage plans provide comprehensive medical, hospital, and prescription coverage with low co-pays and deductibles. There is no separate accounting of Medicare covered services and payments.

The Anthem EPO plan for 2011 uses Medicare payments to cover 80% of approved medical costs and then pays the 20% not covered by Medicare. In the event that Medicare does not cover a medical procedure but Anthem does, the Anthem responsibility is 80% of approved costs and the retiree pays the remaining 20%. Anthem bills Medicare for each medical service. Prescription coverage is included. The annual deductible is \$300.

4. When should I enroll in Medicare?

The initial enrollment period when you turn age 65 is three months before and three months after your 65th birthday. Enrolling before your 65th birthday will ensure that your coverage begins on the day you turn 65. If you miss the six-month initial enrollment window, you will need to enroll during Open Enrollment, which is between January 1 and March 31 of each year. Late enrollment will have an adverse effect on your District-paid medical coverage.

5. Will my dependent spouse/domestic partner need to apply for Medicare at age 65?

Yes, your dependent spouse/domestic partner (who is not a District employee) must enroll in Medicare Part A and Part B at age 65 and submit proof of enrollment to the District. If the dependent spouse/domestic partner does not qualify for premium-free Medicare Part A, they must submit a confirmation letter of ineligibility from CMS to Benefits Administration. For specific information, go to <http://benefits.lausd.net> and click on the *Medicare Requirement* link at the bottom of the web page.

6. Why will the District terminate my benefits if I apply for Medicare Part D prescription coverage?

LAUSD Medicare retirees may not enroll in Part D coverage because the District receives a Retiree Drug Subsidy (RDS). This subsidy allows employers to provide drug coverage as affordable as Medicare's prescription coverage. With the subsidy, taxpayer dollars are saved because retirees do not enroll in Part D. Per District guidelines, the consequence of a retiree who enrolls in Part D is loss of their District-paid medical and drug coverage.

7. Why are some retirees in Medicare Advantage plans required to pay an income-based premium for Part D?

Even though LAUSD retirees do not enroll in Medicare Part D, Part D prescription coverage is part of Medicare Advantage Plans. Retirees with modified adjusted gross income levels above \$85,000 received an invoice for a monthly premium adjustment for Part D. The premium is based on a sliding scale. Retirees must pay the designated amount, despite not having enrolled in Part D. Failure to pay the income-based Medicare Part D premium will result in the loss of Medicare D benefits and cancellation of District-paid medical and drug coverage.

Medicare retirees in the Anthem Blue Cross EPO plan are currently not subject to the premium adjustment.

8. Why were retirees in Medicare Advantage plans not offered medical coverage for their older non-student dependents to age 26?

Retiree-only health plans are exempt from the Patient Protection and Affordable Care Act which extends coverage to all dependents to age 26, regardless of student status, place of residence, or

marital status. The District's Medicare Advantage plans--Kaiser Senior Advantage, SecureHorizons, Senior Plus--are retiree only plans.

9. **Medicare - 1.800.MEDICARE (1.800.633.4227); website:**

<http://www.medicare.gov>

10. **LAUSD Benefits Administration - 213.241.4262; website: <http://benefits.lausd.net>**

-