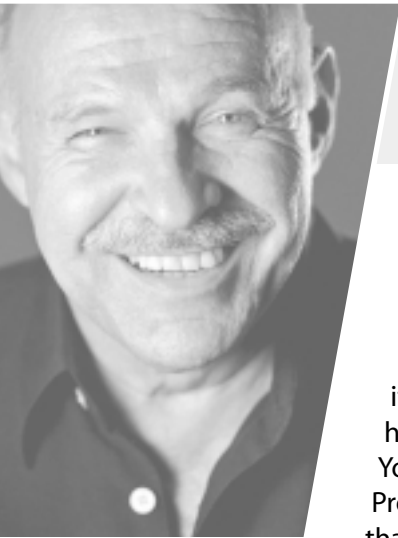


Medicare & NYSHIP



Important Health Insurance Information for Retirees, Vestees, Dependent Survivors, Preferred List Enrollees and their Enrolled Dependents covered under the New York State Health Insurance Program (NYSHIP) through New York State Agencies and Participating Employers





Medicare and the New York State Health Insurance Program

When you are no longer an active employee and become eligible for Medicare, it is the combination of your health benefits under the New York State Health Insurance Program (NYSHIP) and Medicare that provides you with the most complete coverage. To avoid a

reduction in your overall level of benefits, it is important to understand how NYSHIP and Medicare work together as well as NYSHIP's requirements for enrollment in Medicare. Please read the following information about Medicare and NYSHIP carefully.

The New York State Health Insurance Program

The New York State Health Insurance Program (NYSHIP) provides health insurance benefits to New York State employees and retirees and their eligible dependents and to those of Participating Employers. NYSHIP offers coverage under The Empire Plan or through HMOs that participate in NYSHIP. As a retiree, your rights under NYSHIP, for the most part, remain the same as when you were an active employee. For example, you may change options, change between individual and family coverage, and add/delete dependents, as permitted under NYSHIP rules.

Under NYSHIP, The Empire Plan and most HMOs coordinate benefits with Medicare. Therefore, NYSHIP requires retirees, vestees, dependent survivors and Preferred List enrollees to be enrolled in Medicare Parts A and B when first eligible for Medicare coverage that is primary* to NYSHIP.

NYSHIP also requires your dependents to be enrolled in Medicare Parts A and B when first eligible for primary Medicare coverage.

Since NYSHIP requires enrollment in Medicare Parts A and B, NYSHIP reimburses the Medicare Part B premium for you and your Medicare eligible dependents. (See page 7 for details.)

This report has important health insurance information about Medicare and NYSHIP. Do not depend on Social Security, Medicare, an HMO or another employer for information on NYSHIP requirements.

Participating Employer enrollees: Ask your agency Health Benefits Administrator when NYSHIP will no longer be your primary coverage.

Medicare

Medicare is the federal health insurance program for people age 65 and older, disabled and receiving Social Security Disability Insurance (SSDI) for 24 months, with end-stage renal disease or with amyotrophic lateral sclerosis (ALS). It is administered by the Centers for Medicare & Medicaid Services (CMS).

As soon as you, as a NYSHIP retiree, vestee, dependent survivor or Preferred List enrollee, become eligible for Medicare coverage that pays primary* to NYSHIP, your NYSHIP coverage becomes secondary to Medicare Parts A and B. The Empire Plan and most NYSHIP HMOs** coordinate benefits with Medicare and will not pay for any hospital and medical expenses that Medicare would cover.

The same rule applies to each dependent (spouse/domestic partner or child) covered under your NYSHIP policy. As soon as your dependent is eligible for primary Medicare coverage, The Empire Plan and most NYSHIP HMOs** will not pay for any expenses for the dependent that Medicare would have covered.

Therefore, you and each of your covered dependents must have Medicare Parts A and B in effect by the first day of the month in which each of you reaches age 65 (or, if the birthday falls on the first of the month, in effect on the first day of the preceding month) or before reaching age 65 if Medicare eligible because of disability, end-stage renal disease or amyotrophic lateral sclerosis (ALS).

Note: The requirement to enroll in Medicare Part A and Part B applies if you live in one of the 50 United States or Puerto Rico, Guam, the U.S. Virgin Islands, Northern Marianas or American Samoa.

Since NYSHIP becomes secondary to Medicare Parts A and B as soon as you are eligible for primary Medicare coverage, if you fail to enroll in Medicare or are still in a waiting period for Medicare to go into effect, you will be responsible for hospital and medical expenses that Medicare would have covered if you had enrolled on a timely basis.

The responsibility is yours: To avoid a reduction in your benefits, you must make sure that you and each of your dependents are covered under Medicare Parts A and B when first eligible, even if you also have coverage through another employer's group plan.

*A health insurance plan provides "primary" coverage when it is responsible for paying health benefits before any other group health insurance.

**See Medicare and your NYSHIP HMO on page 8.

Eligibility for Medicare

You and your dependents are eligible for Medicare when you:

- are age 65 or older, or
- regardless of age, have been receiving Social Security Disability Insurance (SSDI) benefits for 24 months, or
- regardless of age, have end-stage renal disease (permanent kidney failure requiring dialysis or kidney transplant) and have completed Medicare's waiting period of up to 3 months and 30-month coordination period, or
- have amyotrophic lateral sclerosis (ALS) and are receiving Social Security Disability Insurance (SSDI) benefits

You and your dependents each must enroll in Medicare Parts A and B as soon as each of you becomes eligible for any of these reasons. (Unlike NYSHIP, Medicare does not offer family coverage.) When you are eligible, Medicare becomes primary to NYSHIP for you; NYSHIP remains primary for your dependents until they are eligible for Medicare.

Medicare Parts A and B Coverage

Together, Parts A and B are known as the original Medicare plan, which is a fee-for-

service plan. NYSHIP requires you and your dependents to enroll in Parts A and B.

Medicare Part A covers inpatient care in a hospital or skilled nursing facility, hospice care and home health care.

Medicare Part B covers doctors' services, outpatient hospital services, durable medical equipment and some other services and supplies not covered by Part A.

Medicare Part C

Medicare Part C, or Medicare Advantage, offers managed care options through local HMO plans and some private fee-for-service options. A Medicare Advantage plan replaces your original Medicare Parts A and B benefits and provides Medicare Part D prescription drug benefits. (See page 3.)

NYSHIP offers several Medicare Advantage HMOs in areas of New York State to enrollees and dependents who are Medicare primary. Check the current *Health Insurance Choices* publication to see if any are offered in your area. If you or your dependent joins a NYSHIP Medicare Advantage plan, you receive all your Medicare and NYSHIP benefits from that plan.



Eligibility for Medicare (cont.)

Most Medicare Advantage HMOs are not part of NYSHIP. Be sure you understand how enrolling in a Medicare Advantage plan outside of NYSHIP will affect your NYSHIP benefits. If you or your dependent enrolls in a Medicare

Advantage plan that is not a part of NYSHIP, you may have very few or no benefits except the benefits available through that plan.

Medicare Part D

Medicare Part D is the Medicare prescription drug benefit effective January 1, 2006. If you enroll in Medicare Part D, your prescription drug benefits under NYSHIP may be reduced.

NYSHIP provides prescription drug benefits to you and your dependents under The Empire Plan or a NYSHIP HMO. You should not join a Medicare Part D plan unless you are eligible for the extra help from the Medicare Part D Low Income Subsidy. If you do enroll in a Medicare Part D plan, you will not be reimbursed by New York State for

the Medicare Part D premium. And, your drug coverage under NYSHIP may be reduced. *If you receive prescription drug coverage through a union Employee Benefit Fund, contact the fund for information.*

Individuals with limited income and resources are eligible for prescription drug benefits at no cost or a reduced cost under the Medicare Part D Low Income Subsidy. If you qualify for this extra help from Medicare, your out-of-pocket cost for prescription drug benefits may be much lower through Medicare than under NYSHIP. Therefore, you should consider joining a Medicare prescription drug plan.

If you are eligible for both Medicare and Medicaid, you may be required to enroll in Medicare Part D to keep your Medicaid benefits.

If you are approved for the Low Income Subsidy under Medicare Part D, contact the Employee Benefits Division for information about dropping your NYSHIP drug coverage and reducing your NYSHIP premium. (See page 11 for contact information.) If you have questions about the extra help or how to apply, call Social Security at 1-800-772-1213 or visit www.ssa.gov.





Why do I need Medicare Parts A and B when I already have NYSHIP health insurance coverage?

It's the combination of coverages under Medicare Parts A and B and NYSHIP that protects you.

If you are in The Empire Plan or in a NYSHIP HMO that coordinates with Medicare, your NYSHIP plan becomes secondary (pays after Medicare). Your NYSHIP plan covers much of the Medicare Part A and Part B deductible and coinsurance amounts and some other medical expenses Medicare does not cover. For example, hearing aids are not covered under Medicare Part A or Part B, but The Empire Plan offers an allowance for hearing aids. Also, Empire Plan benefits are available worldwide while Medicare does not pay for medical services outside the United States.



So I should stay in NYSHIP after enrolling in Medicare?

Yes, you should stay in NYSHIP. If you drop out of NYSHIP, you won't have secondary coverage. The State will no longer reimburse you or your dependents for the monthly premium for Medicare Part B, a cost that usually increases annually. If you decide to re-enroll in NYSHIP, you will have a three-month waiting period. And, if you die during the period your NYSHIP coverage is cancelled, your dependents will not have the right to NYSHIP coverage as dependent survivors.



I am in a coordination period due to end-stage renal disease. Is NYSHIP or Medicare my primary insurer during this time?

NYSHIP provides your primary health insurance coverage during Medicare's coordination period unless you were Medicare-primary when diagnosed with end-stage renal disease. At the end of the coordination period, Medicare becomes the primary insurer and NYSHIP the secondary coverage.



If I return to work for New York State, must I be covered under Medicare?

Not necessarily. If you return to work for New York State or your former Participating Employer in a benefits-eligible position after retiring, NYSHIP is primary for you as an active employee, and in most cases for your dependents, regardless of age. You may choose to postpone enrolling in Medicare Part B until you leave the payroll.



Medicare Enrollment

When you need Medicare Parts A and B

If under age 65 at retirement:

After you retire or leave the payroll as a vestee, Medicare Parts A and B coverage must be in effect on the first day of the

month in which you/your dependent turns age 65. Or, if the birthday falls on the first of the month, Medicare must be in effect on the first day of the preceding month.

Although Medicare allows you to enroll up to three months after your 65th birthday, NYSHIP requires you to have Medicare Parts A and B in effect on the first day of the month in which you are eligible for Medicare coverage that is primary to NYSHIP.

Social Security may automatically mail a Medicare card to you about three months before you become eligible for Medicare. It will show both Part A coverage and Part B coverage, with an option to decline Part B. **Do not decline! Be sure to enroll in Part B.** If you do not receive a card, call Social Security.

If under age 65 and disabled: If you or your dependent becomes Medicare eligible before age 65 because of disability, end-stage renal disease or amyotrophic lateral sclerosis (ALS), Medicare must be in effect as soon as you or your dependent is eligible for Medicare coverage that is primary to NYSHIP.

If you or your dependent is under age 65 and eligible for Medicare because of end-stage renal disease, contact Medicare at the time of diagnosis. Be sure you have Medicare in effect as soon as you complete Medicare's 30-month coordination period.

If under age 65 and receiving Social Security benefits: If you or your dependent is already receiving Social Security Retirement benefits or Social Security Disability Insurance benefits before age 65, Social Security may automatically mail a

Medicare card to you about three months before you become eligible for Medicare. It will show both Part A coverage and Part B coverage, with an option to decline Part B. **Do not decline! Be sure to enroll in Part B.** If you do not receive a card, call Social Security.

If over age 65 at retirement: When you retire or leave the State payroll as a vestee, if you or your dependent is already age 65 or over, or Medicare eligible because of disability, **NYSHIP will no longer be the primary insurer beginning the first day of the month following a "runout" of 28 days after the last day of the last payroll period for which you were paid.** NYSHIP becomes secondary to Medicare at that time, even if you fail to enroll.

If you or your dependent is over age 65 when you retire or leave State service as a vestee, apply for Medicare Part A and Part B three months before leaving the payroll (or as far ahead of your retirement date as possible). Explain to Social Security that you did not sign up for Medicare Part B at age 65 because you still have primary coverage through your employer group plan with New York State. You will not be charged Medicare's late enrollment penalty.

Participating Employer enrollees: If you/your dependent is 65 or over when you retire from active service or leave the payroll as a vestee, NYSHIP will no longer be your primary insurer beginning the first day of the month after the end of the month in which your employer group coverage ends. Ask your agency Health Benefits Administrator when your employer group coverage ends.

How to apply for Medicare: Visit your local Social Security office or call Social Security at 1-800-772-1213.

Information about applying for Medicare is also available on the web at www.ssa.gov. Medicare accepts applications online under certain circumstances. Teletypewriter (TTY) is available for callers using a TTY device because of a hearing or speech disability: 1-800-325-0778 for TTY Only.

General Enrollment Period

If you do not enroll in Medicare Parts A and B when you are first eligible, you must enroll during the next general enrollment period between January 1 and March 31. Your coverage will begin the following July 1. NYSHIP will not reimburse you for any extra charges (above the usual base cost) imposed by Social Security as penalties for late enrollment in the Medicare program.

Your benefits will be drastically reduced until you have Medicare in effect.



I'm 62 and retired. My spouse is going to be 65 soon. What do we have to do?

Since you are no longer actively employed, Medicare becomes primary to NYSHIP for your spouse at age 65, while NYSHIP remains primary for you until you reach age 65 or otherwise become eligible for Medicare. Social Security should automatically mail a Medicare card to each of you about three months before your 65th birthday(s). Do not decline Medicare Part B. If you do not receive a card, call Social Security. (See page 11 for contact information.) The State will automatically reimburse you for your and your spouse's Medicare Part B premium.



What if I and/or my spouse also have coverage through an employer other than New York State?

Group coverage you have as an active employee (not as a retiree) is primary to Medicare. To avoid a reduction in your NYSHIP benefits, even if you also have coverage through another employer's group plan, you or your dependent must be enrolled in Medicare Parts A and B when first eligible. If you or your spouse is actively employed, the other employer's plan pays first, Medicare second, and NYSHIP third.



What if I'm retired and my dependent is an "active employee"?

If your spouse/domestic partner is an active employee of New York State or a Participating Employer, is age 65 or over, and is enrolled in NYSHIP as your dependent (rather than in his or her own right as an employee), your spouse/domestic partner has your "retiree" coverage in NYSHIP and must be enrolled in Medicare Parts A and B when first eligible. Medicare will pay primary to NYSHIP, and you will be eligible to receive reimbursement for the Medicare Part B premium on his or her behalf, unless reimbursement is received from another source.



How about coverage under Workers' Compensation, or COBRA?

You or your dependent must be enrolled in Medicare Parts A and B if you are receiving Workers' Compensation benefits and are no longer on the payroll as an active employee. If you are continuing coverage in NYSHIP under COBRA, contact the Employee Benefits Division for information when you become eligible for Medicare. Special rules apply.



Medicare Part B Reimbursement

You pay for Medicare Part B, but NYSHIP reimburses you for the usual (base) cost of Medicare Part B, unless you receive reimbursement from another source.

If you have family coverage under NYSHIP, you will also be reimbursed for the Part B premium for any dependent eligible to receive primary coverage from Medicare, provided the dependent is not reimbursed by another source.

You are not eligible for the Medicare Part B premium reimbursement when NYSHIP is primary.

How reimbursement works, in most cases

Social Security deducts the Medicare Part B premium, which usually changes yearly, from your monthly Social Security check. If you are not receiving a Social Security check, you pay the Medicare Part B premium directly to Social Security. New York State adds the same amount to your monthly State pension check.

If you are paying for NYSHIP coverage by making direct payments each month to the Employee Benefits Division, instead of by pension deductions, reimbursement is made as a credit that reduces your monthly payments. If the Medicare credit is greater than your monthly premium, you will receive a quarterly refund check from the Office of the State Comptroller.

If you live permanently outside the United States or outside Puerto Rico, Guam, the U.S. Virgin Islands, Northern Marianas or American Samoa, you are not required to enroll in Medicare Part B and NYSHIP will not reimburse your Medicare Part B premium.



Should I apply for reimbursement?

The Employee Benefits Division's enrollment files are programmed to recognize the 65th birthday and automatically begin reimbursement for the usual (base) cost of original Medicare Part B when Medicare becomes primary to NYSHIP coverage **at age 65** for retirees, vestees, dependent survivors, and enrollees covered under Preferred List provisions. The Division also begins the Part B reimbursement automatically for spouses who become 65 years old after January 1, 2000.

However, the reimbursement is not automatic for **spouses who became 65 years old before January 1, 2000**. The reimbursement also is not automatic for a **domestic partner** or for any enrollee or covered dependent who is **under age 65** and eligible for Medicare because of disability, end-stage renal disease or amyotrophic lateral sclerosis (ALS). **You must notify the Employee Benefits Division** in writing and send a photocopy of the Medicare card to begin the reimbursement in these cases. Please also include the NYSHIP enrollee's identification number and the request for a monthly credit. You may find it convenient to use the sample letter in the *NYSHIP General Information Book* for Retirees.



What about Medicare Part A?

There is usually no cost for Medicare Part A. If there is a charge for your Medicare Part A coverage because you did not meet the Social Security eligibility requirements, you may keep NYSHIP as your primary coverage and you do not need to enroll in Medicare Part A. Please send a copy of the statement you receive from Social Security confirming your ineligibility for Medicare Part A at no cost to the Employee Benefits Division.

Claims Coordination

Order of payment

When you or your dependent becomes eligible for primary Medicare coverage, claims are paid in the following order:

1. Medicare pays first (primary)
2. NYSHIP (Empire Plan or HMO) pays second (secondary)

Note: If you and/or your dependent also have coverage as an active employee of an employer other than New York State, that plan pays first, Medicare second, and NYSHIP third.

If Medicare denies your claim because your Medicare coverage is not yet in effect, you are responsible for those expenses.

Medicare and your NYSHIP HMO

If you are enrolled in a NYSHIP HMO, contact your HMO to find out if benefits will change when Medicare is primary. Find out from your HMO or the NYSHIP *Health Insurance Choices* guide how your HMO coordinates with Medicare:

- **Benefits available outside the NYSHIP HMO**
If your HMO coordinates coverage with Medicare, you can choose to receive treatment outside the HMO and still use your original Medicare Parts A and B coverage. You will be responsible for Medicare's deductibles, coinsurance and other charges. Most NYSHIP HMOs coordinate coverage with Medicare Parts A and B.
- **No Benefits outside the NYSHIP HMO**
In a Medicare Advantage plan, the Medicare Advantage HMO replaces your original Medicare coverage. If you enroll in a NYSHIP Medicare Advantage HMO, all your Medicare and all your NYSHIP benefits must be received from that plan.

Medicare and The Empire Plan

Providers (such as hospitals, doctors and laboratories) who accept Medicare are required by federal law to submit claims to Medicare for Medicare-primary patients. After Medicare

processes the claim, The Empire Plan considers the balance for secondary (supplemental) coverage.

For hospital inpatient expenses, the hospital will file claims first with Medicare and then with The Empire Plan (Empire BlueCross BlueShield). You should not be billed for any charges covered under either program. For hospital outpatient expenses, you are responsible only for The Empire Plan hospital outpatient copayment, if any, in addition to any separate bills for doctor's services. (See medical/surgical benefits below.) When a hospital does not submit claims directly to Empire BlueCross BlueShield after receiving primary payment from Medicare, it is your responsibility to submit the claim.

For medical/surgical or mental health/substance abuse expenses, you have no claims to file if you are enrolled in The Empire Plan's **Medicare Crossover** program. (See below.) Medicare Crossover is the process by which Medicare, as primary insurance carrier, automatically forwards Medicare Part B medical claims to a secondary carrier for processing. United HealthCare (for The Empire Plan medical/surgical expenses) or ValueOptions as administrator for GHI (for The Empire Plan mental health/substance abuse expenses) will send you an Explanation of Benefits that will show you what Medicare paid, what The Empire Plan paid, and the amount you are responsible for paying. If the provider participates in The Empire Plan, you are responsible only for up to your copayment, if any.

Retirees, vestees and dependent survivors who become Medicare eligible at age 65: You are automatically enrolled in The Empire Plan's Medicare Crossover in the state where you reside unless you decline by contacting The Empire Plan at 1-877-7-NYSHIP (1-877-769-7447) and choosing United HealthCare.



Claims Coordination (cont.)

Dependents are *not* automatically enrolled in Medicare Crossover but may request it by contacting United HealthCare and ValueOptions. If you or your dependent becomes Medicare-primary before age 65 because of disability, end-stage renal disease or

amyotrophic lateral sclerosis (ALS), you are not automatically enrolled in Medicare Crossover but may request it if The Empire Plan is your secondary coverage.

If Medicare is your primary coverage but your secondary coverage is from a source other than The Empire Plan, sign up for Medicare Crossover with your secondary plan, not with The Empire Plan. Notify United HealthCare and ValueOptions not to enroll you in The Empire Plan's Medicare Crossover. It is your responsibility to submit claims to The Empire Plan for processing as your third coverage.



Will The Empire Plan send me an Explanation of Benefits?

You should receive an Explanation of Benefits (EOB) showing that both Medicare and The Empire Plan processed the claim. If you do not receive this EOB,

submit a claim to The Empire Plan carrier for secondary payment. Be sure to include supporting bills, receipts and Medicare's Summary Notice.

Please see your *NYSHIP General Information Book* and *Empire Plan Certificate* for details on how to file claims, including deadlines.



How can I be sure Medicare sent my claim to The Empire Plan for payment?

Medicare will send you an Explanation of Benefits that will note whether or not your claim was sent to The Empire Plan. If

the Medicare EOB does not have this note, submit your claim to United HealthCare (for medical/surgical services) or to ValueOptions (for mental health/substance abuse services).



Do I have to file a claim with The Empire Plan if I receive services that Medicare does not cover?

If you receive services (such as hearing aids) from a provider who does not participate in The Empire Plan, and these services are covered under The Empire Plan but not under Medicare, it is your responsibility to file a claim with the appropriate Empire Plan carrier for Basic Medical or non-network benefits.

You do not have to file a claim if you receive services from a provider who participates in The Empire Plan.

Expenses outside the United States

Medicare does not cover medical expenses for services outside the United States (except Puerto Rico, Guam, the U.S. Virgin Islands, Northern Marianas and American Samoa). NYSHIP pays as your primary insurer. If you are in The Empire Plan and will be traveling temporarily outside the United States, file claims directly with The Empire Plan carriers. If you are enrolled in an HMO, check with your HMO before you travel about requirements for authorizing treatment outside the service area.

If you will be residing permanently outside the United States, you must notify the Employee Benefits Division in writing. The State will discontinue your Medicare Part B reimbursement.

Write if Medicare status changes

If Medicare eligibility ends for you or your dependent (because, for example, you move outside the United States or your dependent dies), you must write to the Employee Benefits Division. You must also notify us of a divorce. If you receive

Continued on pg. 11

Continued from pg. 9

reimbursement for the Medicare Part B premium for yourself and/or dependent when not eligible, you will be required to return the amounts that were paid incorrectly. If you move back to the United States temporarily for medical care, contact us about resuming your Medicare premium reimbursement temporarily.

If you have questions

If you have questions about Medicare and NYSHIP or if you need a NYSHIP publication mentioned in this booklet, please call the Employee Benefits Division at (518) 457-5754 or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands). Call Monday through Friday between 9 a.m. and 3 p.m. Eastern time. You may also check our web site at www.cs.state.ny.us. Or write to: The Employee Benefits Division, State of New York Department of Civil Service, Albany, NY 12239.

Information in this flyer is provided to help you have the most complete health insurance coverage possible. Care has been taken to ensure accuracy. However, the HMO contracts and the certificate of insurance from The Empire Plan carriers with amendments are the controlling documents for benefits available under NYSHIP.

If you have questions about Medicare eligibility or enrollment, contact Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778. Or, check the web site, www.ssa.gov.

For Medicare benefits, call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Medicare's web site, www.medicare.gov, also has information.

It is the policy of the State of New York Department of Civil Service to provide reasonable accommodation to ensure effective communication of information in benefits publications to individuals with disabilities. These publications are also available on the Department of Civil Service web site (www.cs.state.ny.us). Check the web site for timely information that meets universal accessibility standards adopted by New York State for NYS agency web sites. If you need an auxiliary aid or service to make benefits information available to you, please contact the Employee Benefits Division at (518) 457-5754 (Albany area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands).

Medicare & NYSHIP is published by the Employee Benefits Division of the State of New York Department of Civil Service. The Employee Benefits Division administers NYSHIP. NYSHIP provides your health insurance benefits through The Empire Plan or a NYSHIP HMO.



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 This publication was printed using recycled paper and environmentally sensitive inks.