

Medicare for Disability Retirees

February 2003

For former employees of New York State agencies
who take Disability Retirement

Disability Retirees Must Enroll in Medicare As soon as Eligible Or Risk Loss of Medical Benefits



When do I enroll in Medicare?

If you leave New York State government service on a Disability Retirement, you must be enrolled in Medicare, the federal health insurance program administered by the Social Security Administration, as soon as you are eligible – even if you are not yet 65 years old. You must be enrolled in Medicare Part A and Part B. Otherwise you risk substantial loss of medical benefits normally covered under the New York State Health Insurance Program (NYSHIP). Your dependents must also be enrolled in Medicare as soon as they become eligible. New York State will reimburse you for the cost of the Medicare Part B premium unless you receive reimbursement from another source.

Many State employees who are eligible for a Disability Retirement are also eligible for a Social Security Disability Insurance (SSDI) allowance, a monthly benefit paid to disabled individuals under the Social Security system. After 24 months of SSDI eligibility, you automatically become eligible for, and must enroll in, Medicare Parts A and B. If you do not enroll in Medicare Parts A and B when you are first eligible, your health insurance will be drastically reduced. You will be responsible for the full cost of medical services that Medicare would have covered because NYSHIP will not provide any benefits for coverage available under Medicare.

If you become eligible for Medicare before age 65 because of a disability, you must enroll in Medicare. This flyer explains when you or your dependent must enroll in Medicare and answers many questions, such as:

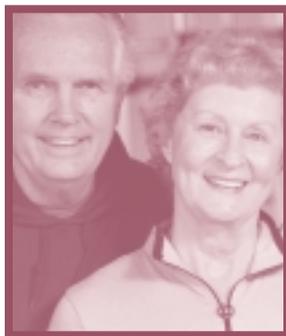
What must my dependents do to ensure full coverage? Page 1

Who is eligible ? Page 2

When does NYSHIP require me to enroll in Medicare? Page 3

Won't enrolling in Medicare cost me money? Page 3

What if I apply for SSDI and the Social Security Administration turns me down? Page 4



What must my dependents do to ensure full coverage?

A dependent (your spouse, domestic partner or child) who is covered under your NYSHIP policy must also be

enrolled in Medicare Part A and Part B when first eligible. Your dependent is eligible for Medicare when he or she:

- regardless of age, has been classified by Social Security as disabled for more than 24 months, or
- regardless of age, has end stage renal disease (permanent kidney failure), or
- is age 65 or older.

Your dependent must be enrolled in Medicare Part A and Part B when first eligible even if the dependent is working and has coverage through another employer's group plan. If your dependent does not have Medicare in effect when first eligible, your dependent's NYSHIP benefits will be drastically reduced. The Empire Plan or your NYSHIP HMO will not provide any benefits for services that Medicare would have paid for if your dependent had enrolled as required.

Send us a photocopy of your dependent's Medicare card. We will arrange to reimburse you for your dependent's Medicare Part B premium, unless you or your dependent receives reimbursement from another source.

Answers to Some Frequently Asked Questions About



Who is eligible?

In general, a person is eligible for Medicare when he or she has been classified by Social Security as disabled for more than 24 months regardless of age or has end stage renal disease (permanent kidney failure) or is

age 65 or older. You and your dependents must be enrolled in Medicare when first eligible in order to maximize health insurance coverage.

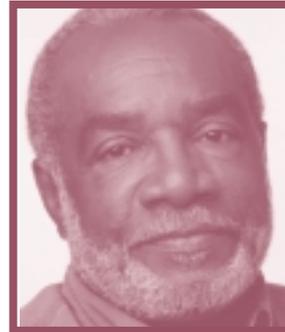
It is especially important that disability retirees realize that this requirement may apply before the age of 65. The requirement also applies to a dependent (spouse, domestic partner or child) who is covered under your NYSHIP policy and becomes eligible for Medicare benefits. That dependent also must be enrolled in Medicare Parts A and B when first eligible.



How do I enroll in Medicare?

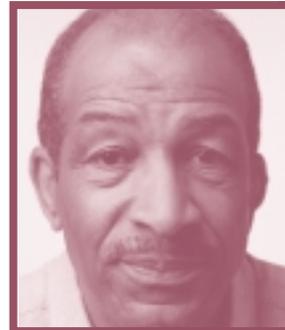
To enroll in Medicare, and to request information about Medicare benefits, contact your local Social Security Office, or call Social Security at 1-800-772-1213. Contact Social Security three months

before you are eligible for Medicare. When you have qualified for Social Security Disability Insurance (SSDI) benefits for 24 months, Social Security will send you a Medicare card with an option to decline enrollment in Part B. Do not decline. Without Part B you will have a serious gap in your coverage.



Why do I need both Medicare and NYSHIP?

It's the combination of coverages that protects you. Your NYSHIP plan covers the Medicare Part A hospital deductible (\$840 per hospital stay in 2003), prescription drugs and other medical expenses Medicare does not cover.



What is SSDI? What is Medicare?

SSDI is Social Security Disability Insurance. Disabled adults and children can apply to Social Security for SSDI and, if approved, will receive a monthly allowance (payment). Many State

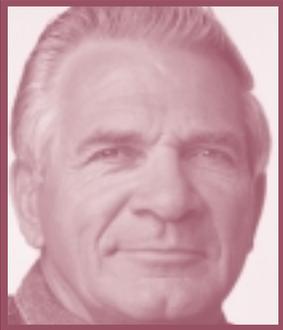
employees who retire with a Disability Retirement are eligible for SSDI benefits.

Medicare is a federal health insurance program administered by the Social Security Administration. "Original" fee-for-service Medicare has two parts: Part A, which is hospital insurance and Part B, which is medical insurance.

Information about SSDI and Medicare is available on the Web at www.ssa.gov.

Asked Questions

out Disability Retirement, Medicare & SSDI



If I continue NYSHIP coverage while in vested status or retire from New York State government, when does NYSHIP require me to enroll in Medicare?

NYSHIP coverage (pays first, before NYSHIP). If you are not enrolled in Medicare Part A and Part B when first eligible, your benefits under the Empire Plan or your HMO will be drastically reduced. For Empire Plan enrollees, that means you will not receive any benefits for coverage available under Medicare. You will be responsible for the full cost of medical services that Medicare would have covered. For HMO enrollees who fail to enroll in Medicare and fail to have Medicare in effect when they become eligible, that means you may have to pay for service you receive from your HMO.

NYSHIP requires you to be enrolled in Medicare Parts A and B as soon as you are first eligible for Medicare coverage that is primary to your

Contact your HMO to find out whether your HMO coordinates with Medicare under a Cost Contract or a Medicare+Choice plan. Generally, under a Cost Contract, the HMO supplements your Medicare benefits. If you choose to receive treatment outside the HMO, you still qualify for Medicare benefits. Under a Medicare+Choice plan, you assign your Medicare benefits directly to the HMO. You will not receive any Medicare benefits if you choose to receive care outside your HMO.



Won't enrolling in Medicare cost me money?

Not if you enroll on time. There is usually no cost to you for Part A. You pay for Part B (\$58.70 a month in 2003), but the State reimburses you for the Medicare Part B premium, unless you receive reimbursement from

another source. If you are on SSDI, the monthly premium for Medicare Part B is withheld from the SSDI allowance. The State adds the reimbursement amount to your monthly pension checks or, if you do not receive a pension, reimburses you directly.

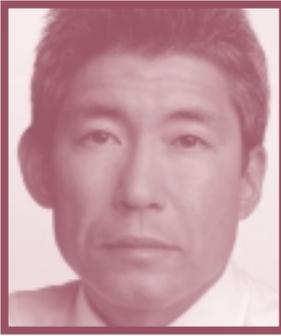
If you don't enroll in Medicare when first eligible, your Part B premium generally will be higher when you do enroll later. The State will not reimburse you for any extra charges imposed by Social Security as penalties for late enrollment in the Medicare program.



What should I do if I'm eligible for Medicare but not enrolled?

If you are already eligible for Medicare, but not yet enrolled in both Part A and Part B, contact Social Security for Medicare Parts A and B immediately. If you missed

your initial enrollment period for Medicare, you must enroll during the next general enrollment period between January 1 and March 31. Your Medicare coverage will begin the following July 1.



Social Security allowed me to turn down Part B when I became eligible for Medicare. What do I do now?

NYSHIP requires you to be enrolled in both Part A and Part B of Medicare as soon as you are eligible. If you declined Medicare Part B when Social Security offered it to you, call Social Security right away. Ask how soon you can enroll in Part B and how to enroll. Send a photocopy of your new Medicare card, as soon as you receive it, to the Retiree Unit of the Employee Benefits Division, NYS Department of Civil Service, The State Campus, Albany, New York 12239. Please include your name, Social Security number and a daytime telephone number (including area code) on all

correspondence. You may find it convenient to use the sample letter in your NYSHIP General Information Book for retirees of New York State Government. After processing your revised Medicare information, the Employee Benefits Division will reimburse you for the Part B Medicare deductible in the next retirement check or quarterly reimbursement check (if you pay your health insurance premium directly to the State).

Social Security is not responsible for telling you the requirements of your employer's plan. You must follow the NYSHIP requirements for enrolling in Medicare.



Who pays for my care when I am covered by both NYSHIP and Medicare?

When you become eligible for Medicare coverage, benefits are paid in the following order:

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

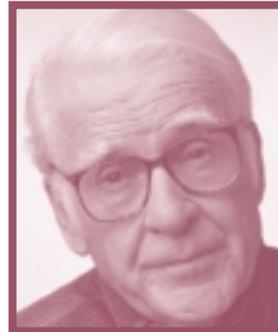
Note: If you and/or your dependent also has coverage as an active employee under the group plan of an employer other than New York State, that plan pays first, Medicare second and NYSHIP third.



What if I apply for SSDI and the Social Security Administration turns me down?

If you applied for SSDI and the Social Security Administration determined you to be ineligible, please send a photocopy of this determination as soon as possible to the Retiree Unit of

the Employee Benefits Division, NYS Department of Civil Service, The State Campus, Albany, New York 12239. Your NYSHIP benefits will continue until you become eligible for Medicare coverage.



Who do I call if I have questions?

For more information call the Employee Benefits Division at 518-457-5754 (Albany Area) or 1-800-833-4344 (U.S., Canada, Puerto Rico, Virgin Islands) between 9 am and 3 pm Eastern time, see the Employee

Benefits Division's Web site (www.cs.state.ny.us) or write to the Employee Benefits Division, NYS Department of Civil Service, The State Campus, Albany, NY 12239. You can also learn more about coordinating NYSHIP and Medicare in your NYSHIP General Information Book.

Medicare for Disability Retirees is published by the Employee Benefits Division of the State of New York Department of Civil Service. The Employee Benefits Division administers the New York State Health Insurance Program (NYSHIP). NYSHIP provides your health insurance benefits through the Empire Plan or an HMO approved for participation in NYSHIP.



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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). Click on Employee Benefits 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).



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