

## What is Medicare?

Medicare is the federally funded health insurance program for people age 65 and older, or for people under age 65 who receive certain Social Security Administration (SSA) benefits or have end-stage renal disease or Lou Gehrig's disease.

## Medicare's 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 and vaccines, and some durable medical equipment like wheelchairs and walkers. Medicare Part B has a monthly premium.



**Part C** refers to Medicare Advantage plans that are managed by private insurance companies approved by Medicare. Part C plans combine Part A, Part B and sometimes Part D coverage and must cover medically necessary services.



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

## When should you enroll in Medicare?

You are eligible for Medicare when you turn 65 (or before age 65 if you receive certain SSA disability benefits). Generally, you should sign up for Medicare as soon as you are eligible.

### If you are retired and turning 65:

If you are retired and approaching age 65, or under age 65 but eligible due to a disability, you should enroll in Medicare Part A and Part B. In most cases, if you are drawing SSA benefits, you will be automatically enrolled in Medicare Part A and Part B. The coverage is effective the first day of the month you turn 65.

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

If you are not getting SSA benefits, contact SSA to enroll in Medicare Parts A and B during your initial enrollment period, a seven-month period that begins three months before your 65th birthday and continues for three months after your birthday month. (Consider contacting the SSA in the three months before your birthday to avoid any delay in coverage.)

**Take note:** If you are retired, you should sign up for Medicare Parts A and B as soon as you are eligible. Once you are eligible for Medicare, it becomes your primary coverage and is applied to your medical expenses before your state insurance. If you do not enroll in Medicare, you will pay most or all of your out-of-pocket medical expenses.

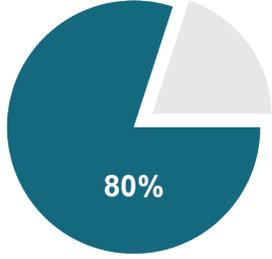
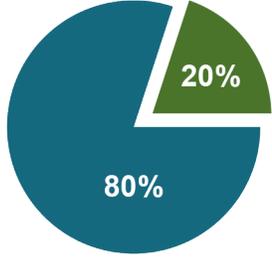
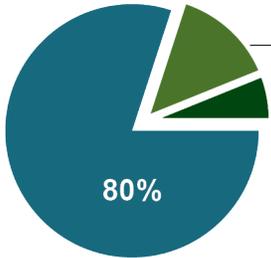
### If you are working and turning 65:

While you are working, your state health insurance remains your primary coverage, even after you are eligible for Medicare. You can choose to delay your enrollment in Medicare Part B (most active employees choose to enroll in Medicare Part A because there is no monthly premium). When you're ready to retire, contact the SSA a few months before your retirement date to enroll in Medicare Part B. Your employer must complete an SSA form verifying your employment so that you avoid the penalty for signing up for Medicare after age 65.

**Check your mail:** After you enroll in Medicare, SSA will mail your Medicare ID card to you. **Be sure to contact ERS** at (877) 275-4377. When prompted, say "Medicare number" to provide your Medicare information to a representative.

# Medicare and your State of Texas health insurance

Medicare and your State of Texas health insurance work together to cover 100% of most of your medical services. While you are still working, your Medicare coverage is secondary to your state health insurance. After you retire, Medicare becomes your primary coverage and your state health insurance is secondary. Learn how various plans in the Texas Employees Group Benefits Program (GBP) work with Medicare.

<p><b>Medicare coverage alone</b></p>	<p>Traditional Medicare covers 80% of covered services after you've met the annual deductible (\$233 for 2022).</p>	<p><b>Medicare pays</b></p>  <p>80%</p>
<p><b>HealthSelect Medicare Advantage Plan</b></p>	<p>HealthSelect<sup>SM</sup> Medicare Advantage Plan preferred provider organization (MA PPO) is a Medicare Part C plan administered by UnitedHealthcare<sup>®</sup>. It combines your Medicare Part A and Part B coverage with your ERS health plan and offers extra programs and services to promote health and wellness. Enrollment includes prescription drug coverage (see next page).</p> <p>HealthSelect MA PPO participants don't have to meet the \$233 annual Medicare deductible. You pay little to nothing out of pocket for most of health care services and can see any provider that accepts Medicare (check with your provider).</p>	<p><b>Medicare and HealthSelect MA PPO pays</b></p>  <p>80%</p> <p>20%</p>
<p><b>HealthSelect Secondary</b></p>	<p>HealthSelect<sup>SM</sup> Secondary is not a Medicare Advantage (Part C) plan and pays secondary to Medicare. It pays 70% of the 20% of your expenses that Medicare doesn't cover, and you are responsible for the remaining 30%.</p> <p>For example, if your bill for services is \$100, Medicare pays \$80, HealthSelect Secondary pays \$14 and you pay \$6. The plan has a \$200 annual deductible. Enrollment includes prescription drug coverage (see next page).</p>	<p><b>Medicare, HealthSelect Secondary and participant pays</b></p>  <p>80%</p> <p>HealthSelect pays 70%</p> <p>You pay 30%</p>

## Freedom of movement

You can switch between the HealthSelect Medicare Advantage plan and your previous non-Medicare Advantage health plan anytime. Visit [www.ers.texas.gov/Retirees/Health-Benefits-for-retirees](http://www.ers.texas.gov/Retirees/Health-Benefits-for-retirees) to view the Medicare Health Plans Comparison Chart.



HealthSelect MA PPO and HealthSelect Secondary participants are also enrolled in HealthSelect<sup>SM</sup> Medicare Rx Part D prescription drug plan.

With HealthSelect Medicare Rx, you pay a \$50 calendar-year deductible that starts every January 1. After you meet your deductible, you pay copays for your prescriptions. The copay amount is based on the type of medication and the quantity you order.

You can decline HealthSelect Medicare Rx coverage. If you do, you won't have prescription drug coverage through your state health insurance. ERS recommends you sign up for a private Part D plan within 63 days of ending your GBP prescription drug coverage. If you delay enrolling in Part D coverage, you may be subject to a penalty from the SSA.

## Medicare and your state health insurance: Coverage scenarios

### Split households

A split household has at least two people enrolled in a GBP health plan, with one who is enrolled in Medicare and the other not yet eligible. In these instances, the coverage for you and an enrolled dependent depends on your situation. Here are some common scenarios.

**You are retired and eligible for Medicare, but your dependent is not:** Elsa is retired and enrolled in Medicare Part A and Part B, but her spouse isn't eligible for Medicare.

- Elsa should provide ERS with her Medicare information and enroll in HealthSelect MA PPO.
- Elsa's spouse remains on his GBP health plan.

**You are retired and not yet eligible for Medicare, but your dependent is:** Paul is retired, but not eligible for Medicare. His spouse is enrolled in Medicare Part A and Part B.

- Paul will remain on his GBP health plan.
- Paul provides ERS with his spouse's Medicare information to enroll her in HealthSelect MA PPO.

**You are still working and have a covered dependent who is eligible for Medicare:** Lin is actively employed with a state agency and her spouse is eligible for Medicare. Both Lin and her spouse will remain on the same non-Medicare GBP health plan because active employees and their dependents aren't eligible for HealthSelect MA PPO or HealthSelect Medicare Rx. Her spouse can enroll in free Medicare Part A (which will pay secondary to his GBP plan), but delay his enrollment in Medicare Part B until Lin retires.

### Returning to work for a state agency or higher education institution

If you are a retiree returning to employment for a state agency or higher education institution, your state health insurance becomes your primary coverage and Medicare is secondary. While you are working, regardless if you keep your retiree benefits or elect to enroll in active employee benefits neither you nor your eligible dependents are eligible for HealthSelect MA PPO or HealthSelect Medicare Rx.

For example, if you and your spouse are enrolled in HealthSelect MA PPO and HealthSelect Medicare Rx, and you return to state employment, you both will be automatically removed from those plans and re-enrolled in the health and prescription drug plans you were in prior to your retirement.

## Your Medicare premiums

 <b>Part A</b>	 <b>Part B</b>	 <b>Part C</b>	 <b>Part D</b>
No monthly premium for most participants	Standard monthly premium of \$170.10	Varies by plan	Varies by plan

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 also determines if you are subject to the Income-Related Monthly Adjustment Amount (IRMAA), which generally affects about 7% of people with Medicare. For questions about how your Medicare premiums are calculated, contact the SSA toll-free at (800) 772-1213 or go to [www.ssa.gov](http://www.ssa.gov).

Your Medicare premium is automatically deducted from your SSA payment. If you aren't drawing your SSA benefit, you are 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 the SSA.

## Private Medicare Part C and D plans: What you should know

As you approach age 65, you may get information about non-ERS Medicare Part C and Part D plans—either private plans or group plans offered by a previous employer or spouse's employer.

You'll likely find that your coverage provided through ERS is as good as or better than most group or private plans; however, you can choose to enroll in a private Medicare Part C plan instead of an ERS Medicare Advantage plan.

If you enroll in a group or private Part C plan after you have enrolled in HealthSelect MA PPO, your enrollment in HealthSelect MA PPO will be canceled and you'll be enrolled in your previous, non-Medicare Advantage health plan.

You can choose to enroll in a group or private Part D or supplemental plan for prescription drug coverage instead of HealthSelect Medicare Rx. If you are enrolled in HealthSelect Medicare Rx and then enroll in a Part D plan not offered through ERS, your GBP prescription drug coverage will be canceled and you will only have coverage through your non-GBP Part D plan.

### Re-enrolling in your ERS Medicare Advantage or Medicare Rx plan

If you decide to cancel your non-GBP Medicare Part C or Part D coverage, contact the group or private plan to cancel the coverage. Then, contact ERS to re-enroll in HealthSelect MA PPO and HealthSelect Medicare Rx. ERS rules and guidelines determine when your coverage begins again—your coverage cannot be back-dated.

### If you enroll in a private or group Medicare plan: Two examples

Henry enrolls in HealthSelect MA PPO. He later enrolls in a Medicare Advantage Part C plan offered by his spouse's employer. ERS will be informed of his enrollment and Henry's coverage with HealthSelect MA PPO will be canceled. He will be enrolled in the ERS health plan he had previously.

Joaquin enrolls himself and his spouse in HealthSelect Medicare Rx. He then enrolls in a private Part D plan advertised on a flyer he got in the mail. ERS will be informed 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.

## Learn more

For questions about Medicare and your state health insurance, contact ERS toll-free at (877) 275-4377, Monday – Friday, 8 a.m. – 5 p.m. CT or online at [www.ers.texas.gov](http://www.ers.texas.gov). Get 24/7 access to automated information on your insurance and retirement benefits at (877) 275-4377 TDD: 711.