

Medicare Information for SDCERA-sponsored Health Plans

Fact sheet for active, deferred and retired members



When you are eligible, do not delay enrolling in Medicare, as it may result in either a delay in processing your SDCERA-sponsored medical plan enrollment, or a higher rate for your SDCERA-sponsored plan coverage. Contact your benefits office for details if you are still working at or after age 65.

When you reach age 65 you may be eligible for Medicare through your work history, or the work history of a spouse (current, former or deceased). You may also become eligible at an earlier age if you qualify for Social Security disability benefits. For information about the program, enrollment deadline or to contact Medicare, visit www.medicare.gov or call toll free at 800.633.4227. You may also contact the Social Security Administration (SSA) at 800.772.1213.

Use this fact sheet to help you understand some basic information about Medicare and how to coordinate your enrollment in Medicare with an SDCERA-sponsored medical plan. There are several options once you become eligible for Medicare such as a Medicare supplement plan, an HMO Medicare plan and an HMO Medicare Advantage plan. Additional information is available at www.sdcera.org, or contact the SDCERA Call Center at 619.515.6800 or toll free at 888.473.2372 to request the *Health Insurance Plans* fact sheet.

General information

Generally, if you receive benefits from Social Security and are approaching age 65, you will automatically get Medicare Part A and Part B starting the first day of the month you turn age 65. If you are not receiving Social Security benefits, and you want to get Part B you will need to sign up for Part B during the initial enrollment period.

Medicare is available as follows:

- Part A** covers many major medical expenses including the costs of hospitalization. Usually, you will not be charged when you enroll in Part A because you or a spouse (current, former or deceased) paid Medicare taxes while working.
- Part B** covers physician office visits and most outpatient hospital services. You will usually pay a monthly premium for Part B.
- Part D** covers prescription drug benefits. If you enroll in an SDCERA-sponsored medical plan, you will receive your prescription drug benefit through the SDCERA-sponsored plan, and you do not need to enroll in a separate Medicare prescription drug plan.

If you decide to join a Medicare drug plan, your current SDCERA-sponsored medical and prescription drug coverage will end for you and all covered dependents.

You may incur additional costs and/or penalties for dual enrollment in an SDCERA-sponsored medical plan and a separate Medicare prescription drug plan. SDCERA is not responsible for any such expenses and/or costs associated with the initial enrollment or subsequent disenrollment of the separate Medicare prescription drug plan—regardless of whether the enrollment was accidental or intentional.

When you enroll in an SDCERA-sponsored Medicare plan, you will be sent a creditable coverage notice, which is evidence that the coverage you have through an SDCERA-sponsored plan is at least as good as the coverage through a Medicare prescription drug plan. This notice is important because it allows you to join a Medicare drug plan in the future (if that is your decision) without penalty.

SDCERA-sponsored Medicare health plan types

When you are enrolled in Medicare Part A and Part B, you may still have medical expenses that are not covered; therefore, you may enroll in an additional insurance plan. SDCERA offers three types of insurance plans that coordinate with Medicare:

- 1. A Medicare Supplement plan** allows you to use any physician or facility that accepts Medicare. The supplement plan covers the difference in costs between what Medicare pays on an authorized procedure and the actual cost of the procedure. You are responsible for paying for services that are determined to be an ineligible Medicare service or expense. The supplement plan SDCERA currently offers is UnitedHealthcare Senior Supplement.
- 2. A Medicare HMO plan** provides health care through an HMO network. You may go outside the network; however, you would be responsible for all co-payments or deductibles not covered by Medicare. The Medicare HMO plan SDCERA currently offers is Health Net Medicare HMO.
- 3. A Medicare Advantage plan** requires that your Medicare be assigned to a health plan. If you enroll in this type of plan you must receive all services through the plan's network of facilities and physicians. The Medicare Advantage plans SDCERA currently offers are Health Net Seniority Plus, Kaiser Senior Advantage and UnitedHealthcare Group Medicare Advantage (formerly known as Secure Horizons).

If you enroll in an SDCERA-sponsored medical plan, you will receive your prescription drug benefit through the SDCERA-sponsored plan. If you enroll in a separate Medicare prescription drug plan, your current SDCERA-sponsored medical and prescription drug coverage will end for you and all covered dependents.

2012 plans and rates

Following are the SDCERA-sponsored medical plans available for retired members and eligible dependents. All plans provide coverage in California service areas. Plans that provide coverage in other states are noted. Contact the carrier for more information about coverage and service areas. The rates shown are per person, per month and include an administrative fee of \$4.12 per month. Premiums for 2012 (below) were reduced by \$12.32 per month as a result of the Early Retiree Reinsurance Program proceeds.

PLAN NAME	RATE	PLAN TYPE
Health Net Medicare HMO	\$ 356.81	Medicare HMO
Health Net Seniority Plus	\$ 243.96	Medicare Advantage
Kaiser Senior Advantage	\$ 266.67	Medicare Advantage
UnitedHealthcare Group Medicare Advantage ¹	\$ 213.99	Medicare Advantage
UnitedHealthcare Senior Supplement ²	\$ 365.16	Medicare Supplement

¹ Formerly known as Secure Horizons. This plan is available to residents in California, Arizona and Nevada.

² This is the only SDCERA Medicare plan available nationwide.

The rates shown are effective after the plan verifies your coverage in Medicare Part A and Part B, which can take up to 90 days. (You may be charged higher non-Medicare rates and/or a surcharge during this period.) It is important that you provide SDCERA with a copy of your signed Medicare card or a letter from SSA stating the effective date of your enrollment in Medicare. Providing this information as soon as possible will help to eliminate delays in processing your SDCERA-sponsored medical plan enrollment.

Generally, enrollment will be effective the first day of the month following the date SDCERA receives your signed enrollment forms, and a copy of your signed Medicare card showing Part A and Part B coverage. If at any time you are no longer enrolled in Medicare Part B, you are subject to increased rates. SDCERA-sponsored medical plans meet the Centers for Medicare and Medicaid Services (CMS) creditable coverage guidelines.

Please note that you must notify SDCERA in the event that you lose coverage of Medicare Part B.

BOOKLETS

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Health insurance allowance

If you retired (or will retire) as a Tier I or Tier II member, you may be eligible for a monthly health insurance allowance and a reimbursement of \$93.50 for your Medicare Part B premium¹, which will help offset the cost of your monthly medical plan premium(s).

In addition to your membership classification and tier, you must also have at least 10 years of SDCERA service credit to be eligible for the minimum health insurance allowance amount, which is currently \$200 per month. If you have 20 or more years of SDCERA service credit at retirement, you are eligible for the maximum allowance, which is currently \$400 per month. If your retirement benefit is based on a disability, you may qualify with fewer than 10 years of service credit. The health insurance allowance is not a vested SDCERA benefit and is not guaranteed. Read more in the *Health Insurance Allowance* fact sheet available at www.sdcer.org or from SDCERA.

¹ *You must provide SDCERA with a copy of your Medicare card showing Part B coverage.*

This material is available in alternative formats upon request. Please contact 619.515.6800.

This fact sheet provides disclosure of certain terms and conditions of SDCERA membership and benefits available to members. It is designed to give you this information as simply and accurately as possible as of the date of issuance of this fact sheet. SDCERA is governed by the County Employees Retirement Law of 1937 (Government Code Section 31450 et seq.) as it has been adopted and implemented by the San Diego County Board of Supervisors and the SDCERA Board of Retirement. If there is any inconsistency between this fact sheet and the governing law, the law will govern. Decisions relating to the plan will be made after reference to the statutes and any resolutions, regulations and policies governing administration of SDCERA as they exist at the same time of the decisions.

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SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION
2275 RIO BONITO WAY, SUITE 200
SAN DIEGO, CA 92108-1685