

## Medicare Information for SDCERA Health Plans

Fact sheet for active, deferred and retired members



If you enroll in an SDCERA-sponsored medical plan, you will receive your prescription drug benefit through the SDCERA plan and you do not need to enroll in a separate Medicare prescription drug plan.

Generally, when you reach age 65, you are eligible for Medicare through your work history, or the work history of a spouse (current, former or deceased). You may become eligible at an earlier age if you qualify for Social Security Disability benefits and have been receiving those benefits for at least two years. The Centers for Medicare and Medicaid Services (CMS) manage the federal Medicare program and coordinate enrollment. For information about the program, or to contact Medicare, visit [www.medicare.gov](http://www.medicare.gov), or call toll free at 800.633.4227.

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 health insurance plan. Additional information is available at [www.sdcera.org](http://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

The Social Security Administration (SSA) will automatically send you enrollment information approximately four months prior to your 65th birthday. 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.

Based on government rules, if you join an individual Medicare prescription drug plan (Part D), you will lose your eligibility to continue your current enrollment (or to initially enroll) in an SDCERA group medical plan.

It is probable that members will incur additional costs and/or penalty fees 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.

When you are enrolled in Medicare Parts A and 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. The supplement plan SDCERA currently offers is PacifiCare.
- 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.
- 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 Secure Horizons.

**When you are eligible, do not delay enrolling in Medicare, as it may result in either a delay in processing your SDCERA plan enrollment, or higher rate for your SDCERA plan coverage. Usually, if you continue to work after age 65, you should enroll in Medicare Part A, but SDCERA suggests enrolling in Part B after you terminate your employment. Contact your benefits office for details if you are still working at or after age 65.**

## 2009 plans and rates

Following are the SDCERA 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.

PLAN NAME	RATE	PLAN TYPE
PacifiCare Senior Supplement*	\$ 346.94	Medicare Supplement
Health Net Medicare HMO	\$ 321.35	Medicare HMO
Health Net Seniority Plus	\$ 273.30	Medicare Advantage
Kaiser Senior Advantage	\$ 274.50	Medicare Advantage
Secure Horizons**	\$ 230.11	Medicare Advantage

\*This is the only SDCERA Medicare plan available nationwide.

\*\*This plan is available to residents in California, Arizona and Nevada.

The rates shown are effective after the plan verifies your coverage in Medicare Parts A and 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 plan enrollment.

## 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, 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.sdcera.org](http://www.sdcera.org) or from SDCERA.

## SDCERA library of publications

### Booklets

- Disability Retirement
- Dividing Community Property
- Health Insurance Plans for Retired Members
- Retirement Plan
- Survivor and Beneficiary Information

### Fact sheets

- Considerations after Termination
- Considerations before Purchasing Service Credit
- Deferred Membership
- Disability Retirement
- Earning Service Credit
- Health Insurance Allowance
- Health Insurance Plans
- Health Insurance Reimbursement Program
- Medicare Information for SDCERA Health Plans
- Purchasing Service Credit
- Reciprocity
- Refunds
- Retirement Benefit Options
- Retirement Plan Summary
- Rollover/Transfer for Purchasing Service Credit
- Supplemental Benefit Allowance

The SDCERA health insurance allowance is not a vested or guaranteed benefit of SDCERA. The County Employees Retirement Law does not require SDCERA to provide any post-retirement health insurance payments or plans. The current health insurance allowance can be canceled, reduced or amended at any time and for any reason. SDCERA pays authorized health insurance benefits for eligible members on a nontaxable basis from an Internal Revenue Code Section 401(h) Trust.

The Trust is maintained as part of SDCERA and is funded by the County of San Diego on an annual basis.

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