

## **MEDICARE BENEFIT SUMMARY FOR RETIRED FACULTY PRIOR TO AND AFTER JANUARY 2, 1999 (updated for 2010)**

Medicare Eligible - Coverage effective the first day of month in which you turn 65 years of age, unless the birthday falls on the 1<sup>st</sup> day of the month making Medicare effective the first day of the preceding month. This age eligibility does not rise even though the full retirement age for Social Security benefits is now slowly increasing to age 67 (full retirement age is calculated from your year of birth beginning with the year 1938). Contact Social Security approximately 3 months prior to your 65<sup>th</sup> birth month to begin the process of applying for Medicare.

If you turn 65 while still actively working for the State System, Medicare Part A will be considered a secondary carrier. Member will need to waive Medicare Part B rights until retirement occurs.

There is a 10% penalty, compounded on an annual basis, for individuals who do not enroll in Medicare Part B on their effective date, unless their rights have been properly waived.

Eligibility for Medicare may occur earlier if the member receives social security disability or under certain medical conditions.

**MEDICARE PART A - FEDERALLY MANDATED (NO PREMIUM REQUIRED).** Medicare Part A (no premium) covers hospital charges except for ineligible services, deductible and co-insurance. Highmark's Medicare Compliment Plan (premium paid by State System) covers the Medicare Part A deductible and co-insurance.

### **2010 Breakdown for Medicare Part A**

Hospital deductible is \$1,100 for 2010. Co-insurance amounts are as follows: **\$275 a day for 61<sup>st</sup>-90<sup>th</sup> days of hospitalization, \$550 a day for the 91<sup>st</sup> -150 days of hospitalization (lifetime reserve hospital days) and, \$137.50 a day for 21<sup>st</sup> -100<sup>th</sup> day of extended skilled nursing care services each benefit period.** These co-insurances are covered under the Medicare Complement Plan. The above deductibles and co-insurances change on an annual basis and typically become effective January 1.

### **MEDICARE PART B - FEDERAL INSURANCE (PREMIUM REQUIRED)**

Medicare Part B covers physician, outpatient hospital, certain home health, surgical services and some durable medical equipment. After the annual Medicare Part B deductible is satisfied the plan will begin to pay 80% of the covered services and the Medicare Complement Plan (premium paid by State System) covers the 20% co-insurance. Medicare Part B's annual deductible is an eligible expense under Major Medical.

One of the main differences when you become eligible for Medicare Part B is that the services incurred at the doctor's office, i.e. visits for colds, flu, rashes, and etc., are eligible under Medicare Part B and not Major Medical.

## 2010 Breakdown for Medicare Part B

Premium is **\$96.40 or \$110.50\*** a month per person (\$96.40 in 2009, \$96.40 in 2008, \$93.50 in 2007, \$88.50 in 2006, \$78.20 in 2005, \$66.60 in 2004, \$58.70 in 2003, \$54.00 in 2002, \$50.00 in 2001, \$45.50 in 1999/2000, and \$43.80 in 1997-98) and is deducted from the social security check.

The **annual deductible is \$155** (eligible under Major Medical). Medicare Part B pays 80% of the charge and the Medicare Complement pays 20%.

The premium for Medicare Part B is adjusted (increased) annually. The effective date for the increase has always been January 1. Medicare Part B's premium is taken directly from the Social Security check. The State System pays for the Medicare Complement plan and Major Medical (RX coverage) plans.

\* If your income is above \$85,000 (single) or \$170,000 (married), then your Medicare Part B premium may be higher than \$96.40 or \$110.50 per month (see end of document for additional details).

Those faculty (and spouses) who retired prior to January 2, 1999 retains the enrollment options of either Medicare Part B or Basic Medical-Surgical under Highmark. Those **who retired after January 2, 1999 MUST ENROLL UNDER MEDICARE PART B.**

## 2010 Medicare Part D

Those retired faculty members who qualify for health benefits under the Collective Bargaining in retirement through the PASSHE are **NOT TO ENROLL UNDER MEDICARE PART D**, the current Major Medical plan qualifies as a creditable program which carries a better benefit level than Medicare Part D. The PASSHE will continue this plan for its retirees and be given a subsidy from the federal government for retaining a plan equal to or better than federal government's plans.

The following lists some preventive services offered under Medicare – to review specifics hold the control key down and right-click with your mouse:

- **Cardiovascular Screening**
- **Smoking Cessation (Counseling to quit smoking)**
- **Cancer Tests**
  - **Breast Cancer Screening (Mammograms)**
  - **Cervical and Vaginal Cancer Screening (Pap Test and Pelvic Exam)**
  - **Colon Cancer Screening (Colorectal)**
  - **Prostate Cancer Screening (PSA)**
- **Shots**
  - **Flu**
  - **Pneumococcal**
  - **Hepatitis B**
- **Bone Mass Measurements**
- **Diabetes Screening, Supplies, and Self Management Training**
- **Glaucoma Tests**
- **One-time "Welcome to Medicare" Physical Exam**
- **Medical Nutrition Therapy**
- **Abdominal Aortic Aneurysm (AAA)**
- **Other Health Information**

For more specific details and questions about Medicare, please go to **[www.medicare.gov](http://www.medicare.gov)**.

Medicare Part B's premium can be adjusted based on your annual income. The following is information that has been taken from Medicare's web site which explains how Social Security/Medicare will calculate each individual's rate of premium for Medicare Part B. For complete details and information go to [www.medicare.gov](http://www.medicare.gov).

The below chart was taken from CMS's 2010 Medicare update:

The chart below shows the Part B monthly premium amounts based on income. These amounts change each year. There may be a late enrollment penalty.

You Pay	If Your Yearly Income is	
	<i>Single</i>	<i>Married Couple</i>
\$110.50*	\$85,000 or less	\$170,000 or less
\$154.70	\$85,001-\$107,000	\$170,001-\$214,000
\$221.00	\$107,001-\$160,000	\$214,001-\$320,000
\$287.30	\$160,001-\$213,000	\$320,001-\$426,000
\$353.60	Above \$213,000	Above \$426,000

Please review the Medicare document at the end of this information that provides an explanation of who will and will not continue to pay the standard Medicare Part B premium rate at the 2009 level.

\*Some will continue to pay the 2009 Part B premium of \$96.40 in 2010. If you have any questions about your Part B premiums based on income, call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

If you are not yet receiving Social Security but are turning 65 and eligible for Medicare, you do need to enroll in Medicare. Medicare will bill you for the Medicare Part B premium.

Updated 11/2009 – effective 1/2010

## Medicare Part B Premium Costs in 2010

The Part B premium is increased each year, if necessary, to fund about 25% of the projected cost of Part B. In 2010, most people will continue to pay the 2009 Part B premium of \$96.40, even though the 2010 standard monthly Part B premium is \$110.50.

### **Why will most people continue to pay \$96.40 for their Part B premium?**

Most people have their Part B premium deducted from their monthly Social Security benefit check. In 2010, Social Security benefits won't include a cost-of-living adjustment (COLA), which means Social Security benefit checks won't increase. However, the Social Security Act protects most people from having a decrease in their Social Security benefits from one year to the next because of an increase in the Part B premium. This means that most people who have the Part B premium deducted from their Social Security benefit check will continue to pay \$96.40 each month.

### **Who will pay \$110.50 (or more) for their Part B premium?**

In 2010, the following people aren't protected and will pay the standard \$110.50 or more for their Part B premium:

- People who get Part B beginning January 1, 2010, or later (new enrollees) will pay the increased premium.
- People with incomes above certain amounts will pay the premiums listed in the table above. (Chart listed in document could not be cut and pasted – go to bottom of the next page and click on the Medicare link for charts)

### **Who will pay \$110.50 (or more) for their Part B premium? (continued)**

- People who have Part B but don't get Social Security benefits will pay the increased Part B premium. States that pay the Part B premium on behalf of people with Medicaid will pay the increased Part B premium.

## For more information about your Part B premium

Call Social Security at 1-800-772-1213 if you have questions about your Part B premium or COLA. TTY users should call 1-800-325-0778. You can also visit [www.socialsecurity.gov](http://www.socialsecurity.gov).

★ CMS Product No. 11444 November 2009

Additional Information from Medicare site:

Most Medicare beneficiaries will continue to pay the same \$96.40 Part B premium amount in 2010. Beneficiaries who currently have the Social Security Administration (SSA) withhold their Part B premium and have incomes of \$85,000 or less (or \$170,000 or less for joint filers) *will not* have an increase in their Part B premium for 2010.

For all others, the standard Medicare Part B monthly premium will be \$110.50 in 2010, which is a 15% increase over the 2009 premium. The Medicare Part B premium is increasing in 2010 due to possible increases in Part B costs. If your income is above \$85,000 (single) or \$170,000 (married couple), then your Medicare Part B premium may be higher than \$110.50 per month. For additional details, see our FAQ titled:

### **2010 Part B Premium Amounts for Persons with Higher Income Levels.**

In 2010:

- New Part B beneficiaries will pay \$110.50 (because they did not have the premium withheld from their Social Security benefit in the previous year).
- Beneficiaries who do not currently have the Part B premium withheld from their Social Security benefit will pay \$110.50.
- **Higher-income beneficiaries** pay \$110.50 plus an additional amount, based on the income-related monthly adjustment amount (IRMAA).