



Planning for Medicare Questions and Answers

What happens when I turn age 65?

When you turn 65, you may enroll in, or remain enrolled in, PERACare. PERACare includes health plans designed to supplement, coordinate with or replace Original Medicare. Your health plan options change when you turn 65 and become eligible for Medicare. PERACare's dental and vision plans do not change once you reach age 65; the plans and coverages are the same as they were when you were age 64.

I'm not eligible for the full Social Security benefit until age 66. When do I get Medicare?

Eligibility for Social Security changed several years ago, but eligibility for Medicare did not. You are still eligible for Medicare when you turn 65.

Most of my career has been in public service under PERA, so I won't have Medicare. What kind of health care coverage does PERA have for me?

First, let us correct one of the most common misconceptions we hear from PERA members. Every U.S. resident is eligible to enroll in Medicare Part B, which covers outpatient care and doctor's services, and everyone pays a monthly premium for Part B. The PERACare plans require that you be enrolled in Medicare Part B once you reach age 65.

Most PERA members also qualify for Medicare Part A, which covers inpatient hospital services. When you "qualify" for Medicare Part A it means you receive it for free. You only need 40 quarters (10 years) of Social Security-covered work to qualify for Medicare Part A. You also may qualify if you paid the Medicare tax for 10 years. Many members who do not qualify under their own Social Security eligibility qualify either through a spouse's or former spouse's work. You can also purchase Medicare Part A, but you don't need to if you are enrolling in PERACare. State law protects you by requiring PERA to provide a health plan with a

Part A (hospital) replacement benefit if you don't qualify for Part A. You pay no additional premium for this coverage.

Once I have Medicare, do I need another health plan?

While Medicare provides fairly comprehensive health care coverage, Medicare does not cover everything. For most services that it covers, you are likely to have out-of-pocket costs because of Medicare deductibles and coinsurance. Most individuals choose to purchase insurance that helps to supplement what Medicare does not cover or pay. PERACare offers five Medicare health care plans to retirees, and many retirees are enrolled in these plans.

Are the PERACare plans different when I'm on Medicare?

Yes and no. The health care plans are different for retirees on Medicare, but the dental and vision plans do not change. PERACare offers two Medicare Supplement plans through Anthem Blue Cross and Blue Shield (available to all retirees), and Medicare HMO plans with Kaiser Permanente, Rocky Mountain Health Plans, and Secure Horizons (available in their Colorado service areas). If you want combination coverage (you cover your spouse and one of you is pre-Medicare and the other is Medicare), your options are with Anthem and Kaiser Permanente (Denver/Boulder only). Note: Kaiser Permanente does not offer a Medicare plan in its Colorado Springs service area at this time.



Does Medicare cover prescription drugs now?

Effective January 1, 2006, prescription drug coverage became available through Medicare (Medicare Part D); however, all of the Medicare plans offered through PERACare provide a prescription drug benefit. If you want to enroll in PERACare you should not enroll in a separate Medicare Part D plan. See the *Creditable Coverage Notice 2008* for more detailed information.

How much are the Medicare plan premiums?

Most retirees are pleasantly surprised to see how much lower their health care premiums are once they reach age 65. Even with the cost of the Medicare Part B premium that everyone pays, the total premium costs for health care coverage are generally lower once someone enrolls in Medicare.

I won't receive a Social Security benefit. How do I pay my Medicare Part B premium?

Medicare will send you a bill for the Medicare Part B premium. You can either pay it quarterly to Medicare by check or set up monthly automatic deductions from your bank account. PERA also has an arrangement with Medicare where we can deduct the premium from your PERA benefit each month and pay it to Medicare for you. You would need to complete the *Medicare Part B Premium Deduction Authorization* form and send it to PERA with an unpaid bill from Medicare.

Does PERA help me pay for my coverage?

Yes, if you are a benefit recipient, PERA provides a subsidy based upon years of PERA service credit. The subsidy for Medicare-eligible retirees is up to \$115 per month. This subsidy is applied toward the PERACare health care premium and any remaining premium is deducted from your monthly benefit.

I haven't had health care coverage through PERA before. Can I enroll at age 65?

Yes, you can add health care coverage at age 65, as long as you were covered under another health care plan until you became eligible for Medicare. If you do not have existing health care coverage, you can enroll in PERACare during the open enrollment period after you turn 65.

Can I add dental or vision coverage at age 65?

Yes, you can add dental or vision coverage at age 65 if you are moving from another group plan to PERA's plan. If you do not have existing dental and vision coverage, you can add it during PERA's next open enrollment period after you turn 65.

I'm turning 65, but I also want to cover my spouse who is under 65. Can I do that?

Yes. You would be enrolling in what we call "combination coverage." You would need to enroll with a carrier that has both pre-Medicare plans and a Medicare plan—Kaiser Permanente (in Denver/Boulder) and PERA's Anthem plans. The premiums for combination coverage are in the *PERACare Combination Coverage Premium Information/Enrollment Form*.

For More Information on Medicare:

- Call Medicare toll-free at 1-800-MEDICARE (633-4227)
- Visit the Medicare Web site at www.medicare.gov
- Call Social Security toll-free at 1-800-772-1213

These questions and answers provide general information about Medicare and PERACare, PERA's health benefits program. Your rights, benefits, and obligations as a PERA benefit recipient are governed by Title 24, Article 51 of Colorado Revised Statutes and the Rules of the Colorado Public Employees' Retirement Association, which take precedence over any interpretations in this fact sheet.