Welcome to the World of Medicare!

Medicare is the federal health insurance program for everyone age 65 and older. There are over 50 million Medicare beneficiaries in the United States, and every day another 10,000 individuals turn 65 and enroll in Medicare. That’s a lot of retirees over the course of the year—and a lot of questions about Medicare.

We have compiled these frequently asked questions to help guide you through the process. While much of the information is taken from Medicare publications, this fact sheet primarily focuses on how PERACare works with Medicare.
Before you get started, there are three simple things to do if you want to enroll in a PERACare Medicare plan:

1. Contact the Social Security Administration and enroll in Medicare Part B at least three months before the month of your 65th birthday. Enroll in Medicare Part A if you are eligible to receive it at no cost.

2. Submit a completed PERACare Enrollment/Change Form—Medicare Coverage to Colorado PERA before your Medicare effective date. Include PERA’s Certification of Previous Health Care Coverage form if you are not already enrolled in a PERACare pre-Medicare plan.

3. Send PERA a copy of a Medicare entitlement/confirmation letter or a copy of your Medicare card.

What is Medicare?

Medicare is the federal health insurance program for individuals age 65 and older. Medicare also covers some disabled individuals under age 65. The Medicare program is administered by the Centers for Medicare & Medicaid Services (CMS), which is part of the federal Department of Health and Human Services.

Medicare has four different parts:

» Part A is hospital insurance
» Part B is medical (doctors) insurance
» Part C includes private plans that package Parts A, B, and sometimes D together
» Part D is prescription drug coverage

How do I find out about Medicare?

You can find out about enrolling in Medicare through the Social Security Administration, which is in charge of enrollments and determining premiums. Social Security’s booklet, Medicare (SSA Publication No. 05-10043), is a good starting point to learn about Medicare and how to enroll. You can view the booklet on Social Security’s website or call them for assistance. Once you are enrolled, contact Medicare for program information.

Are Medicare and Medicaid the same thing?

No. Medicare is the federal health care program for individuals over age 65. Medicaid is a state-run program that provides health care coverage for low income individuals. Each state has its own rules about eligibility and benefits. Some individuals can qualify for help under both Medicare and Medicaid (and are thus called “dual eligibles”).

PERA’s Turning 65—PERACare and Medicare Meetings

Go to PERA’s website at www.copera.org and click on “Meetings & Appointments” to locate a Turning 65—PERACare and Medicare meeting near you. If you are unable to attend a meeting, you may view the presentation online. From www.copera.org, go to the “Retirees” section and click on “PERACare for Retirees,” then select the “Turning 65—PERACare and Medicare” video.
Eligibility and Enrollment

Who can get Medicare?
You are eligible to enroll in Medicare when you turn age 65. People with certain disabilities may also be able to enroll prior to turning age 65. Unless you have employer-sponsored health care coverage, you should enroll in Medicare as soon as you are eligible.

Do I have to enroll in Medicare or is it automatic?
Automatic enrollment in Medicare will happen only if you are already receiving a Social Security benefit when you turn age 65. For anyone who is not receiving a Social Security benefit prior to age 65, enrollment requires action on your part. If you want to be in a PERACare health care plan once you turn age 65, you need to contact Social Security and enroll in Medicare at least three months before the month of your 65th birthday.

PERA will mail you an information packet about three months before your Medicare effective date, reminding you to sign up for Medicare early. Based on Medicare’s enrollment rules, if you wait to enroll during your birthday month or later, your Medicare coverage will be delayed and you could be without any health care coverage.

Even though I’m turning 65, I can still be covered in my spouse’s employer’s plan. Do I need to enroll in Medicare now or can I wait?
As long as you will be covered in an employer group health plan based on your spouse’s (or your own) current employment throughout your Initial Enrollment Period, you can wait to enroll in Medicare. You can sign up for Medicare during a Special Enrollment Period when employer coverage ends. Be sure to confirm with the employer plan that you can continue being covered in their plan.

I like my pre-Medicare PERACare plan. Can I keep it, rather than get Medicare?
No, once you turn age 65, you must move to a Medicare plan unless you are still working and have employer-sponsored health care coverage. If you do not enroll when first eligible, you may have a late enrollment penalty when you do enroll later on.

I’m turning age 65, but I also want to keep covering my spouse who is under age 65. Can I do that?
Yes, you could enroll in what we call “combination coverage.” You would need to enroll with a carrier that has both pre-Medicare and Medicare plans. Your choices are PERA’s Kaiser Permanente and Anthem Blue Cross and Blue Shield plans. See the PERACare Enrollment/Change Form—Combination Pre-Medicare and Medicare Coverage for premiums and more information.

Benefits Under Medicare

How can I find out what Medicare covers?
Medicare publishes its comprehensive handbook, Medicare & You, annually. You will receive a copy each October once you are enrolled in Medicare. You can request a copy by calling Medicare or you can view a copy on Medicare’s website. You can also view other Medicare information and publications on their website or you can call Medicare’s toll-free number with specific questions. Generally, Medicare covers doctors’ visits, hospital stays, and other services that are determined to be medically necessary and/or are provided for in federal legislation. Medicare operates much like health plans available to individuals before they turn age 65.

For more information about Medicare eligibility and premiums, contact Social Security at 1-800-772-1213 or visit www.ssa.gov.

For more information about Medicare benefits and coverage, contact Medicare at 1-800-633-4227 or visit www.medicare.gov.
Medicare Premiums

Does Medicare charge premiums?

Yes, once you turn age 65 and have Medicare, you will generally be paying some premium for your Medicare coverage. Most individuals pay a monthly premium for Medicare Part B. (You will also have a PERACare plan premium. See PERACare Premiums on page 6.) If your modified adjusted gross income as reported on your IRS tax return from two years ago is above a certain amount, you may pay an Income-Related Monthly Adjustment Amount (IRMAA) for Medicare Parts B and D. Because the IRMAA applies only to higher-income individuals, it affects less than 5 percent of people with Medicare.

Social Security determines your Medicare Part B premium and your IRMAAs, if any. They are based upon when you enroll and your earnings. The standard monthly Part B premium in 2017 is $134.

How do I pay my premiums to Medicare?

For most PERA retirees, the only Medicare premium that they need to pay will be for Medicare Part B.

Here’s why:

Part A Premiums—Most PERA retirees are eligible for premium-free Medicare Part A (hospital insurance). It is free if you are eligible to receive Social Security benefits. It is also free if you paid Medicare taxes for at least 10 years, or if you qualify through marriage to someone entitled to Social Security benefits. For the small number of PERA retirees who are not eligible for premium-free Medicare Part A, PERA provides a replacement hospital benefit in all of the PERACare Medicare plans so that they do not have to pay the Part A premium. (If you choose a private plan outside of PERACare and do not qualify for free Part A, you will need to pay the Part A premium to Social Security.)

Part B Premiums—Almost everyone has to pay a monthly premium for Part B. (Some low income individuals qualify for federal help to pay for their Part B premiums.) If you are receiving a Social Security benefit, your Medicare Part B premium will be deducted from your benefit. If you are not receiving a Social Security benefit, you must pay the Medicare Part B premiums directly to Medicare. Medicare will bill you quarterly for your Part B premium. You also have the option to contact Medicare to sign up for Medicare Easy Pay to have your Part B premium withdrawn from your bank account on a monthly basis.

Part B IRMAA—Medicare requires individuals with incomes greater than $85,000 (single) or $170,000 (married filing jointly) per year to pay an additional amount for Part B coverage. Social Security determines if you will be subject to a Part B IRMAA and will send you a letter notifying you of the amount, which can change every year. Your Part B IRMAA will be deducted from your Social Security benefit if you receive one. If you are not receiving a Social Security benefit, you must pay the Medicare Part B IRMAA directly to Medicare. You also have the option to contact Medicare to sign up for Medicare Easy Pay to have your Part B IRMAA withdrawn from your bank account on a monthly basis.

Part D Premiums—All of the PERACare plans include Part D prescription drug coverage as part of the PERACare premium. You should not sign up for or pay a separate premium to a private Part D plan if you choose a PERACare Medicare plan. (If you do sign up for a private Part D plan, your PERACare coverage will be canceled.)

Part D IRMAA—If you have a Part B IRMAA, you will also have a Part D IRMAA. Social Security will deduct your Part D IRMAA from your Social Security benefit if you receive one. If you are not receiving a Social Security benefit, you must pay the Medicare Part D IRMAA directly to Medicare.
Choosing a PERACare Medicare Plan

Once I have Medicare, do I also need a plan from PERACare?

Many individuals have both Medicare and another plan like PERACare, but many others have only Medicare. Since you have options available through PERACare, you should consider them carefully. As with any type of insurance purchase, you are deciding whether you want to pay monthly premiums for insurance, or have less insurance but realize that you will have higher costs if/when you are sick or need services.

How can I find out what the PERACare Medicare plans cover?

PERA’s 2018 Health Benefits Program–Medicare booklet describes the plans and benefits available through PERACare.

How should I decide on a plan?

PERACare offers you choices—Depending on where you live, you may have as many as six plan choices. The Anthem Blue Cross and Blue Shield Medicare Supplement plans are available to all retirees regardless of address. Rocky Mountain Health Plans is an option for anyone living in Colorado (except Baca County), and Front Range metro area residents have the additional options of Kaiser Permanente and UnitedHealthcare.

One important starting point—If you have a favorite doctor and want to keep seeing that doctor, check with him/her. If your doctor takes only Original Medicare, in order to stay with him/her, you would want to consider the Anthem Medicare Supplement plans. On the other hand, some doctors do not take Original Medicare at all; they choose to contract with health plans and only take patients enrolled in those health plans. Your doctor might participate with UnitedHealthcare, for example, but not with Original Medicare. You could keep seeing your doctor if you signed up for PERACare’s UnitedHealthcare plan (but not if you chose an Anthem Medicare Supplement plan). Your doctor knows what plans he/she works with, and can easily answer this question for you.

Once you have narrowed your choices based upon your doctor and the plans available where you live, you’ll want to think about the kinds of health care services that you are likely to use. All of the PERACare plans cover the same types of services. They all have coverage and benefits that meet or exceed the coverage in Original Medicare.

You might want to list the services you use, and then compare the copayments and/or coinsurance among the different plan options for those services. See PERA’s 2018 Health Benefits Program–Medicare booklet for detailed information about benefits and costs. You can estimate your total out-of-pocket costs for the year. You would then add that to the various plan premiums for the year to get a comparison of your options. By comparing the benefits and costs of the plans available to you, you can make an informed decision about the best choice for you.

For questions about PERACare eligibility, plans, and premiums, contact PERA at 1-800-759-7372 or visit www.copera.org.
Online Application for Medicare Part B:

1. Go to www.medicare.gov and click on the green “Apply for Medicare” button.
2. Scroll down and click on the blue “Apply for Medicare Only” button.
3. Click on “Start a New Application.”
4. Continue through the application by entering all of the necessary personal information.
5. Review the question about whether you are covered under a Group Health Plan and answer “No” if you are, or will be, covered under PERACare. PERACare is a retiree plan, not a group health plan. Answer “Yes” if you will continue coverage under an employer group plan beyond age 65.
6. Answer “Yes” to “Want to enroll in Medicare Part B” to enroll in any PERACare plan and to avoid any potential late enrollment penalties imposed by Medicare.

PERACare Premiums

What will a PERACare Medicare plan cost me?

Your total monthly premium cost will be your PERACare premium plus your Medicare Part B premium and any applicable IRMAAs (see Medicare Premiums on page 4). You do not pay Part A or Part D premiums when you are in a PERACare Medicare plan.

Your PERACare premium will depend upon the plan you choose and the subsidy you receive based on your years of service credit. PERACare premiums for retiree-only coverage with 20 years of service credit range from $37 to $287. If you are a DPS benefit structure retiree who does not qualify for free Medicare Part A, you will have a higher plan premium to cover your replacement hospital benefit.

How do I pay my PERACare premium?

PERA will determine your PERACare plan premium, subtract the subsidy amount to which you are entitled, and deduct the balance from your monthly PERA benefit each month. PERA deducts your premium from your January 31 benefit, for example, and pays it to your health plan on February 1 for your February coverage.

Some of the plans advertised seem less expensive than PERACare’s plans. Why would I choose a PERACare plan?

PERACare’s plans generally have better benefits and cover more costs than the individual plans that you see advertised. Compare the benefits and cost-share between your plan options “line-by-line,” consider your health care needs and the services that you use, and make the best decision for you. Depending upon the services that you expect to use, you might find that a lower premium, less comprehensive private plan is a good choice for you now. If your situation changes, you can choose PERACare any year during the annual open enrollment.