



**FOOTHILL-DE ANZA**  
**Community College District**

**Office of Human Resources and Equal Opportunity**



# **Welcome to the 2016 Health Benefits Retirement Orientation**

**Presented by  
Christine Vo, Benefits Manager**

**This is a summary presentation only.**

*In the event of discrepancies, health plan Evidence of Coverage documents and /or Insurance Certificates will prevail.*

Visit <http://hr.fhda.edu/benefits/>  
for complete information.

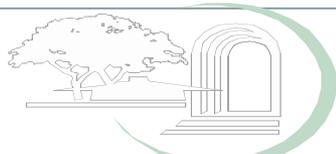


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# AGENDA



- ❖ Qualifications
- ❖ Types of Retirees
- ❖ Preparation for Retirement
- ❖ Medicare Eligibility and Enrollment
- ❖ How Medicare Impact You as a Retiree?
- ❖ AB528
- ❖ Retirees Responsibilities
- ❖ Monthly CalPERS Premium Variance Reimbursement
- ❖ Quarterly Medicare Part B Premium Reimbursement
- ❖ Survivors Benefits



## **Type I (Service Retirees from CalPERS and/or CalSTRS)**

- **Age 55** and employed at least **10 years of service** preceding retirement
- Qualified for Life-Time medical benefits provided by the District
- Coverage extended to the whole family to include (Medical/Dental/Vision)
- Must enrolled in CalPERS Health Program
- Eligible for monthly CalPERS premium variance and Quarterly Medicare Part B premium reimbursement

## **Type II (Participants – Not retired from CalPERS and/or CalSTRS)**

- Must attain **20+ years of service regardless of age**
- Restricted to only ACE, CSEA, Confidential, and Teamsters members
- Qualified for Life-Time medical benefits provided by the District
- Coverage extended to the Retiree + Spouse/DP, exclude Dependent Children to include (Medical/Dental/Vision)
- Retirement health benefits continuation with CalPERS is not possible unless you are deemed as an annuitant with either CalPERS and/or CalSTRS
- Alternative options are available via **Covered CA** or you may select a plan of your choice and the monthly reimbursement will be made similar to CalPERS equivalent plan

**Important: Dependents follow retiree choice and eligibility**



## Type III – Bridge to Medicare Plan Participants

- Age 55 or older
- Rendered service to the District as a permanent employee for 15 or more years (time spent on a leave of absence without pay or in layoff status shall not counted towards the service retirement) immediately preceding his or her retirement
- Received Service Retirement from CalPERS and/or CalSTRS
- Retirees maintain medical coverage with CalPERS (Member only or Member + Spouse/DP)
- No dental and/or vision care
- District provides monthly subsidy to cover the cost of medical benefits in the period of time between retirement and Medicare eligibility. Subsidy varies between bargaining units: 2.8% (Retiree) or 5.6% (Retiree + SP/DP)
- District monthly subsidy ends upon the retiree's Medicare eligibility
- Voluntary Employee Beneficiary Association (VEBA) Trust – TBD for retirees who are 65+

Note: Dependent (excludes children) follow retiree choice and eligibility



# Preparation for Retirement



1. Must apply for CalPERS or CalSTRS Service Retirement **90 days** prior to the date of separation. NO EXCEPTIONS!
  
2. Must apply for Medicare Part A (if you have not done so at age 65) at least **90 days** prior to the date of separation if age 65 or older at the time of retirement
  - The District will certify your prior coverage to enable penalty-free premium imposed by CMS due to late enrollment



# The ABCs and D of Medicare



- A. Medicare Part “A” (Hospital Insurance)** - MANDATORY for District Retirees and/or Spouse/DP age 65 or older
  - ✓ Enroll only if SSA determined you are eligible for premium-free
  
- B. Medicare Part “B” (Medical Insurance)** - MANDATORY for District Retirees and/or Spouse/DP age 65 or older
  - ✓ Every retiree must apply for, obtain and maintain coverage under Part B of Medicare
  - ✓ 2016 Monthly Medicare Part B Standard Premium is **\$121.80** (subject to change every January 1<sup>st</sup>)
  - ✓ If your modified adjusted gross income (MAGI) as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay more. Monthly premium ranged from **\$170.50 to \$389.80**
  
  - ◆ Must affirmatively request for Medicare enrollment for **Parts A & B** with SSA Office 90 days **prior** to retirement if age 65 or older or upon Medicare eligibility at age 65 (post retirement).



# The ABCs and D of Medicare Cont....



- C. Medicare Part “C” (Medicare Advantage)** – MANDATORY for District Retirees and/or Spouse/DP insured under the CalPERS HMO Plan (Kaiser)
- ◆ To join a Medicare Advantage Plan, you must have both **Parts A & B**. You must also reside within the **service area** of the Medicare Advantage Plan.
- C. Medicare Part “D” (Prescription Drugs Plan)** – *CalPERS will enroll you directly under “CalPERS Medicare Part D” program. You do not need to enroll Medicare Part D with SSA.*
- ◆ To join Medicare Prescription Drug Plan, you must have (1) **Medicare Parts A & B**, and (2) **live in the service area** of the Medicare drug plan you want to join.
  - ◆ CalPERS Prescription Drugs Benefits provided through private Rx plans by PBMs and TPA such as **CVS Caremark**
  - ◆ IMPORTANT: Medicare Part D standard premium is picked up by CalPERS , but Part D MAGI premium is not reimbursed by CalPERS or FHDA. Depending on your income, the additional surcharge may ranged from **\$12.70 to \$72.90/month**.



# When and How to Apply for Medicare?



- 1) For persons who are turning 65: To enroll in Medicare, you must call SSA at 1-800-772-1213 during your **Initial Enrollment Period** (a seven-month window around your 65<sup>th</sup> birthday).
  - ✓ Make an appointment with SSA within three (3) months before your 65<sup>th</sup> birthday
  - ✓ For Actives: Apply for only Medicare Part A. Delay Part B enrollment until 90 days before your retirement
  
- 2) For person who are 65 or older and have just retired: To enroll in Medicare, you must call SSA at 1-800-772-1213 during your **Initial Enrollment Period** that begins when your group health insurance ends.
  - ✓ Make an appointment with SSA within three (3) months before your retirement date
  - ✓ For Retirees: Apply for **both** Medicare Parts A & B when eligible. You must apply three months (3) months prior to your birthday for both Parts A & B at the same time, waive both Parts C & D
  
- 3) For person who are older than 65: To enroll in Medicare, you must call SSA at 1-800-772-1213 between **January 1 and March 31**. This window is called **General Enrollment Period**. Medicare coverage for persons enrolling during the General Open Enrollment Period will begin on **July 1**.



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# Medical Benefit Transition

## FROM BASIC TO MEDICARE SUPPLEMENT PLAN

If you are 65+ (and/or if your dependent is 65+), apply for Medicare three months before you retire by contacting SSA at

**800-772-1213** or **ONLINE** at [www.ssa.gov](http://www.ssa.gov)

Enroll in Medicare Parts A and B only

**DO NOT** enroll in Medicare Part D



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## ARTICLE 19 FACULTY AND REGULAR RETIREES (EXCEPTIONS)



- ① If you have **never contributed into Social Security**, you **must** check with the local Social Security Administration Office to verify eligibility. If eligible, the retiree **must** sign up for both Medicare Part A and B for dual coverage with Medicare as primary and the CalPERS's medical plan as secondary.
  
- ② If you **do not have enough credits** and are ineligible for Medicare due to **age limits** (less than 65 years of age), you remain covered under the CalPERS medical plan as primary until you qualify. However, you must provide **ANNUAL** certification from SSA showing proof of Medicare ineligibility to retain BASIC coverage beyond age 65.



## Medicare Other Requirements



- Any retiree or eligible dependent or survivor who enrolls in Medicare but assigns his or her Medicare benefits to a Medicare-Advantage medical plan not sponsored by the District shall be **ineligible** for continued benefits under the CalPERS' medical plans.
- It shall be the **sole responsibility of the retiree, dependent and survivor** to provide the District with verification of enrollment in Medicare. The District shall acknowledge receipt of verification of Medicare enrollment upon a retiree's request.
- The Centers for Medicare & Medicaid Services (CMS), the federal agency that administers the Medicare program, ruled while a Medicare beneficiary may be enrolled in a Medicare plan and a commercial plan at the same time, he/she may not be enrolled in more than **one Medicare Plan** at a time. Therefore, you may not enroll as "double-covered" Medicare member at any time; you **must designate the CalPERS coverage as your Medicare Plan of Record.**



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# Medicare Secondary Coverage for Qualified Medicare Participants



- The CalPERS Medical Plans strictly enforce the **SECONDARY PAYER RULE** to all Qualified Medicare participants who utilize medical services provided by the Plan.
- Qualified Medicare retirees and dependents are **required to use only MEDICARE contracted physicians.**
- All medical claims must be processed first as PRIMARY with Medicare, and the CalPERS Medical Plans will coordinate payment for these claims as SECONDARY.
- Your physician **must** be a Medicare contract provider, however, he/she **does not have to accept Medicare assignment.** Failure to comply will result in non-payment of these claims. (Non-Medicare participants can still use non-Medicare providers).



# How does Medicare Impact Me as Retiree?



- ❖ By federal law, Medicare is the **PRIMARY** coverage for all members who retire from full-time active employment.
- ❖ After retirement and Medicare qualification, the CalPERS' medical plan as your **SECONDARY** coverage.
- ❖ Medicare for RETIRED Employees Who Turn Age 65
  - If proof of Medicare Parts A & B are not received by the District and CalPERS prior to the first of the birth month, coverage for you and your eligible dependents may be negatively impacted.
  - **"Special Open Enrollment"** will be available with Social Security. You have 30 days following your resignation to enroll under this provision, otherwise you may be required to pay surcharges to your Medicare Part B premium, due to late enrollment
  - What happens if I am 65, a retired faculty. And do not qualify for Medicare due to lack of credits?
    - ✓ You must served CalPERS with the CMS Determination Notice regarding your Medicare-ineligibility status within 90 days of your 65th birthday or your coverage will be dropped. The CalPERS medical plan is your **PRIMARY** coverage.



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# AB528 Continuation Coverage



- ✦ State law requires California schools and community college districts to allow employees who lose their eligibility to continue their health care coverage upon retirement to enroll in health benefit plans currently provided for its current employees. Any former employee who retired from the FHDA Community College District under any public retirement system, and his or her spouse, or any surviving spouse of a former employee, may continue his or her health care benefits by paying the full premiums provided that the member is an ***annuitant*** of either CalPERS or CalSTRS pension plan.
- ✦ This law does not apply to either the new spouse upon the remarriage of a surviving spouse of a former employee, or, the children of a former employee.



## What Must Be Completed and Return to the Benefits Unit?



### **DEADLINE: 5pm, Friday, June 24, 2016**

1. Health Benefits Plan Enrollment for Retiree (CalPERS form HBD30)
2. A Copy of your CalSTRS or CalPERS Award Letter
3. A Copy of your Medicare ID card if over age 65 (required for both retirees/spouses/DP if applicable)
4. Copies of Marriage Cert/CA Registration of Same-Sex Domestic Partner, Birth Certificate (or passport), social security card(s) for all dependents
5. Complete an EFT form for Direct Deposits and Withdrawals via Secova
6. A copy of a cancelled check
7. A personal check made payable to "FHDA" for the July 2016 Retiree Monthly Contribution towards health



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## Retirees' Responsibilities



- ✓ Require to participate in the Annual Retiree Survey (mid-February)
- ✓ Enroll in **Medicare Parts A & B** when eligible. The current recommendation is 90 days before your 65th birthday
- ✓ Provide **timely** Notice(s) to the District when qualified for Medicare (applicable to both retirees and spouse/qualified same-sex domestic partner). **All documentation must be received by HR prior to the first day of your Medicare eligibility.**
- ✓ Enroll in CalPERS Medicare Supplemental program immediately upon receiving your Medicare ID card
- ✓ Submit proof(s) of the current monthly premium for Medicare Part B to the District **annually** no later than **March 15<sup>th</sup>** to continue Medicare quarterly reimbursement  
**Important: Retroactive reimbursement for late submission of Medicare Part B proof of payment is not permissible.**
- ✓ Notify the District of change of address within **10** business days
- ✓ Notify the District of life qualifying events such as marriage/divorce/death/adoption, etc. Within 31 calendar days



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## CalPERS Monthly Premium Variance Reimbursement for Pre-97 Retirees



- 1) Officially, CalPERS is the Plan Administrator, not FHDA
- 2) CalPERS controls the Retired Group
- 3) FULL Monthly Medical Premium must be offset against your pension check – CalPERS collects this premium on a monthly basis
  - ❖ What happens if your income is lesser than the premium charged for the month
    - a) **CalPERS members:** CalPERS will offset the maximum amount, and balance billed you for the variance
    - b) **CalSTRS members:** CalPERS will bill you the entire premium
- 4) To be reimburse for the Monthly CalPERS premium variance
  - a) You are required to submit the **FIRST pension check stub** that show itemized premium deduction towards CalPERS Healthcare to the Benefits Unit either **via Fax 650-949-6299** or pdf/email to **MyBenefits@fhda.edu**.
  - b) Initial Refund will takes 5-7 business days, and a check will be generated by A/P
  - c) Thereafter, the monthly deposit is done electronically via the EFT account set up through Secova on the last day of the month to pay for the next month premium. For example, July 31st deposit is to pay for the August premium



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## **QUARTERLY MEDICARE PART B PREMIUM REIMBURSEMENT FOR PRE-'97 RETIREES**



- 1) Premium for Medicare Part B is prepaid by the members
- 2) To initiate the request for Medicare Part B premium reimbursement for the first time, you must notify the District Benefits Unit no later than the first day of the month that you became eligible for Medicare. Documentation is mandatory.
- 3) Annual Obligation: To request Medicare Part B premium reimbursement, Retirees and/or Spouse/DP must provide proof(s) of Medicare Premium Part B payment to the District no later than March 15th annually
- 4) Reimbursement is not retroactive. No exceptions!
- 5) Quarterly Medicare Part B premium reimbursements is provided in arrears by the District. EFT deposits are scheduled for the following timelines via SECOVA:

**Q1 (January – March): April 15th**

**Q2 (April – June): July 15th**

**Q3 (July – September): October 15th**

**Q4 (October – December): December 31st**



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### **IMPORTANT THINGS TO REMEMBER:**

- ✓ If you take your CalSTRS/CalPERS pension as a lump sum, you forfeit FHDA retiree health benefits.
- ✓ Must apply for CalPERS or CalSTRS service retirement within 120 days after the date of separation.
- ✓ Your FHDA life insurance benefit expired with your retirement.
  - For conversion information, contact HARTFORD at (888) 563-1124

### **SURVIVORS:**

- ✓ Must notify the District within 31 days from the date of life qualifying event (LQE) to enroll under the surviving spouse plan
- ✓ District contributions towards health/Medicare ends at the end of the month of LQE for the entire family
- ✓ Survivors may continue the same medical plan with CalPERS via self-pay, however, they are required to prepay the District quarterly for access fees (For 2016, the monthly rate is \$25.00)
  - ✓ CalPERS offsets the FULL monthly premium against the survivor annuitant pension fund
- ✓ Survivors may purchase dental and dental coverage with the District by prepaid quarterly (EFT pulls)



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# SSA INFORMATION



## Nearest Social Security Office:

### SOCIAL SECURITY OFFICE (SSA)

770 W. Hamilton Ave

Campbell, CA 95008

Phone: 866-348-5832

Office hours: M-F 9am – 4pm

except Wednesday: 9am-Noon

To enroll: Call SSA: 1-800-772-1213

M-F from 7 a.m. - 7 p.m.



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## Contacts Information



- ✦ **CalPERS Online:** For more information on health benefits and programs, visit CalPERS at [www.calpers.ca.gov](http://www.calpers.ca.gov)
- ✦ **CalSTRS Online:** For more information on health benefits and programs, visit CalSTRS at <http://www.calstrs.com>
- ✦ **CalPERS By Phone:** Call 1-888-CalPERS or (888-225-7377) Monday through Friday, 8am – 5pm PST
- ✦ **CalSTRS By Phone:** Call 800-228-5453 or 916-414-1099 Monday through Friday, 7am – 6pm PST
- ✦ **Benefits Unit:**
  - Phone: 650-949-6224
  - Fax: 650-949-6299
  - Email: [MyBenefits@fhda.edu](mailto:MyBenefits@fhda.edu)
  - WEBSITE: <http://hr.fhda.edu/benefits/>



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**THANK YOU**