



Agency Benefits Coordinator Meeting

The Tennessee Plan

August 2019

Agenda

- Medicare Crash Course
 - Active Employees
 - Retirees
- The Tennessee Plan
- Your role as an ABC

Medicare Crash Course

Four Parts of Medicare



Part A
Hospital
Insurance

Part B
Medical
Insurance

Part C
Medicare
Advantage

Part D
Medicare
Prescription
Drug
Coverage

Medicare Crash Course

- **Medicare Eligibility**

- **By virtue of age- 1st of the month in which you turn 65.**
 - Unless date of birth is the 1st of the month, then you become Medicare eligible the 1st of the month prior to your 65th birthday.
- **Due to disability-** You automatically get part A and B after you get disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board (RRB) for **24 months.**
- Any age with **End-Stage Renal Disease (ESRD)-** Medicare coverage usually starts on the first day of the fourth month of your dialysis treatments.

Medicare Crash Course

- **Medicare Part A** covers hospitalization
 - Inpatient Hospital
 - Skilled Nursing facility care
 - Hospice
- **Premium is free for most people** (paid 40 or more quarters of FICA taxes)

Medicare Crash Course

- **Medicare Part B** covers medical
 - Doctor's services
 - Outpatient care
 - Preventative services
- **Part B premium is \$135.50 in 2019** (if income is above \$85,000 single or \$170,000 married the Part B premium may be higher)

Medicare Crash Course

- **Enrolling in Medicare Part B**

- Automatic Enrollment

- If already receiving Social Security, Railroad Retirement or disability benefits
- Must opt out if you don't want to be enrolled

- Enrollment is not automatic for all others; you have to enroll in Medicare through the **Social Security Administration**

- Online
- Local Office
- Over the phone

Medicare Crash Course

- Enrolling in Medicare Part B

- Initial Enrollment Period (IEP) – 7 month period

- Starts 3 months before month of eligibility
- Includes the month you turn 65
- Includes 3 months after the month you turn 65
- Example- if you are turning 65 on 8/9/19, your initial enrollment period would start in May and end in November

Medicare Crash Course

• Enrolling in Medicare Part B

• Special Enrollment Period (SEP)

- If you're covered under a group health plan based on current employment you have a special enrollment period which would start when group health insurance ends based on termination of active employment.

- <https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS-L564E.PDF>

- Usually you don't pay a late enrollment penalty if you sign up during an SEP

• General Enrollment Period (GEP)

- January 1 through March 31 each year

- Coverage effective July 1

- Premium penalty – 10% for each 12 month period eligible but not enrolled

- Paid as long the person has Part B

- There are limited exceptions



Medicare Crash Course

- **Medicare Part D** covers prescriptions
 - Retiree should choose a plan that suits their current needs the best.
 - Medicare part D open enrollment is October 15th – December 7th.
 - 1% penalty is charged for every month the enrollee did not have other creditable drug coverage and were eligible for Medicare but did not enroll in a Part D plan.
- Part D premiums vary by plan.

Medicare Crash Course

- **Medicare Part C / Advantage plans** – not the same thing as a Medigap policy
 - Covers Medicare Part A and B services through the plan provider
 - Most plans include prescription drug coverage
 - May have to go to a specified network of doctors and/or hospitals
 - Benefits and cost sharing may be different than original Medicare
- The Tennessee Plan with POMCO cannot coordinate benefits with a Medicare Advantage plan

Medicare Crash Course

- **Medicare & Other Health Benefits: Who pays first?**
 - State, Higher Education and Local Education members on the retiree group health plan who become Medicare eligible prior to age 65 MUST take both Medicare Parts A and B as their primary coverage to keep the state retirement group health coverage until they turn 65 and age off the group health plan.
 - Local Government members on the retiree group health plan become **ineligible** to continue retiree group health coverage upon their entitlement to Medicare **regardless of age**.

| If you | Situation | Pays first | Pays second |
|---|---------------------------------------|-------------------|---|
| Age 65 or older, covered by a group health plan because you or your spouse is still working and entitled to Medicare | The Employer has 20 or more employees | Group Health Plan | Medicare |
| Are 65 or over OR under 65 and disabled (other than ESRD) and are covered by COBRA coverage or retiree group health plan | Entitled to Medicare | Medicare | COBRA or retiree group health plan coverage |

Medicare Crash Course

- **Resources**

- www.medicare.gov

- A large FAQ section
- Multiple pdf publications on various topics, including Medicare and You and Your Guide to Who Pays First

- [TN SHIP 877-801-0044](tel:877-801-0044)

- Free unbiased service in comparing plans
- Assist with general Medicare questions

Tennessee Plan Eligibility



Tennessee Plan Eligibility

- The Tennessee Plan (POMCO) - Supplemental medical insurance for retirees with Medicare
- The Tennessee Plan is not offered to the general public. The retiree's **initial employment** with the state or other qualifying employer must have commenced **prior to July 1, 2015**.
- The retiree must be:
 - a Tennessee Consolidated Retirement System (**TCRS**) retiree receiving a monthly pension **based on their own service**, or
 - a Higher Education retiree who is ORP participant **based on own service**, or
 - a Surviving spouse who was enrolled in Tennessee Plan at the time of retiree's death.

Tennessee Plan Eligibility

- The Tennessee Plan supplemental medical insurance for retirees with Medicare is only a supplement for Medicare Parts A and B.
- The applicant must be enrolled in at least Medicare Part A. Enrollment in Part B is highly recommended. If the member is not enrolled in part B, the Tennessee Plan will base payment of claims on what the balance would be after what would have been paid by Medicare for approved Part B expenses.
- It does not cover prescription drugs and will not coordinate benefits if a member has enrolled in a Medicare Advantage plan.

Tennessee Plan Eligibility

| Benefits at a glance | The Tennessee Plan Benefits |
|--|--------------------------------------|
| Medicare Gaps for 2019 What you owe after Medicare pays | What you owe with The Tennessee Plan |
| Basic Benefits <ul style="list-style-type: none"> - \$341/day for 61 – 90 days in hospital - \$682/day for 60 lifetime reserve hospital days - 20% patient's share of approved medical expense - First three pints of blood | Covered |
| Skilled Nursing Coinsurance <ul style="list-style-type: none"> - \$170.50/day for 21st -100th day | Covered |
| Part A Deductible <ul style="list-style-type: none"> - \$1,364/hospital admission | Covered |
| Part B Deductible <ul style="list-style-type: none"> - \$185/calendar year for medical expenses | Not Covered |
| Part B Excess <ul style="list-style-type: none"> - Medical expense over approved amount | Not Covered |
| Foreign Travel Emergency <ul style="list-style-type: none"> - Emergency care beginning during first 60 days of trip outside USA (after \$250 deductible, benefits limited to \$50,000/lifetime) | Covered at 80% |
| Hospice <ul style="list-style-type: none"> - You must meet Medicare's requirements, including a doctor's certification of a terminal illness | Covered |
| Prescription Drugs <ul style="list-style-type: none"> - Outpatient prescription drugs covered through Medicare Part D | Not Covered |



Tennessee Plan Eligibility

Premiums

- State, Higher Education and Local Education **certified teacher** retirees have a premium reduction based on combined years of service.
- All certified **teaching service** counts, not just certified service with participating agencies.
- Local Education support staff and Local Government retirees do not get a reduction in premiums **UNLESS** agency has passed a Medigap Resolution

Tennessee Plan Eligibility

2019 Premiums

| PREMIUMS EFFECTIVE JANUARY 2019 | | |
|--|--------------------------|--------------------|
| Base monthly premium | \$ 138.47 | |
| | STATE SUPPORT | YOU PAY |
| 30+ years of service | \$ 50.00 | \$ 88.47 |
| 20-29 years of service | \$ 37.50 | \$100.97 |
| 15-19 years of service | \$ 25.00 | \$113.47 |
| less than 15 years of service | \$ 0.00 | \$138.47 |
| dependents (spouse) | \$ 0.00 | \$138.47 |
| local education support staff | \$ 0.00 | \$138.47 |
| local government | \$ 0.00 | \$138.47 |



Tennessee Plan Eligibility

- Retiree has 60 days to apply for the Tennessee Plan from the date of initial eligibility. Applications outside of 60 day initial eligibility are subject to late enrollment approval.
- Retiree must be enrolled to cover a Medicare-entitled spouse.

Your Role as an ABC

ABC's- What you need to know

- Direct employees with questions regarding eligibility and premiums to:
<https://www.tn.gov/partnersforhealth/continuing-insurance-at-retirement.html>.
- Direct employees to contact the **Benefits Administration Service Center** to confirm their eligibility.

ABC's- What you need to know

- Provide employees with the **Application to Continue Insurance at Retirement**.
 - Note- The Tennessee Plan application is only used for members who are already retired.
- Ensure the **Employer Certification** is completed correctly by an authorized Agency Benefit Coordinator.
- Ensure the Application to Continue Insurance at Retirement is uploaded into Zendesk timely, using the Retirement Document Upload function.
- Ensure active insurance is terminated timely.