Medicare basics for employers

Jargon and acronyms are everywhere—we know that. We also recognize that some employer representatives are so far away from Medicare that answering questions for your employees may be a challenge. Here are some at-a-glance basics for employer representatives to help your conversation with your employees.

**Medicare Part A**
- Hospitals
- Coverage Includes:
  - Inpatient care in hospitals and some skilled nursing facilities
  - Some home health care and hospice
- Does Not Cover:
  - Long-term nursing home stays
  - Non-medical, in-home care
- What is needed to be eligible for Medicare Part A coverage at no cost?
  - 40 Quarters of Medicare Social Security credit, meaning you and your employer paid for Medicare Part A through payroll deductions, or you worked in a job covered by Social Security.
  - Or through a spouse’s work record, if you do not have enough quarters to receive Medicare Part A at no cost.
- Fact: Most public employees pay into Medicare even though they don’t pay into Social Security.

**Medicare Part B**
- Outpatient Service
- Coverage Includes:
  - Doctors’ services (physicians and specialists)
  - Some lab work, X-rays, therapy and durable medical equipment
- Does Not Cover:
  - Vision
  - Dental
  - Nonprescription drugs and supplies
- What is needed to be eligible for Medicare Part B coverage at no cost?
  - You are eligible to enroll at the age of 65
  - Qualifying illness or disability
- Fact: There is a monthly premium based on income. Most Americans pay $104.90 per month.

**Medicare Advantage Part C**
- Private insurance that replaces traditional Medicare Parts A and B, and provides higher coverage than just Parts A and B.
- Sometimes Covers:
  - Vision and Dental
  - Usually combined with a drug plan (MAPD)
- Plans Provided by Private Companies:
  - HMO
  - Health Maintenance Organizations
  - PPO
  - Preferred Provider Organizations
  - PFFS
  - Private Fee-For-Service

**Medicare Part D**
- Prescriptions
- Covers:
  - Prescription drugs including generic, brand name and specialty drugs at participating retail pharmacies and home delivery.
- Medicare Part D Facts:
  - Prescription Drug Coverage is a separate policy for medigap plans purchased from a private prescription drug company.
  - You will pay a monthly premium: Part D coverage is paid each month.

**Medicare Advantage**
- The Connector will be available for:
  - OPERS retirees who are under age 65
  - OPERS re-employed retirees*
- OPERS Medicare retirees enrolled in Medicare Parts A and B
- OPERS Medicare Connector should questions arise.

**Situation overview**
Beginning in 2016 OPERS will no longer sponsor a group health plan for retirees, spouses and children eligible for Medicare. Instead, OPERS will provide the opportunity for this group to enroll in a supplemental Medicare plan using the OPERS Medicare Connector. Eligible retirees who enroll will receive a monthly allowance to help pay for monthly plan premiums and other qualifying medical expenses. The allowance amount is based on qualifying years of service at retirement and retiree age when first enrolled in the OPERS health care program.

**Who is affected**
The Connector will be available for:
- OPERS Medicare retirees enrolled in Medicare Parts A and B
- Medicare-eligible spouses and children of OPERS retirees
Access to the Connector is not a promise that every individual is eligible to receive a monthly allowance from OPERS.

**About the OPERS Medicare Connector**
- The Connector will be administered by OneExchange.
- As noted above, eligible retirees who enroll in a medical plan through OneExchange will receive a monthly allowance to use toward plan premiums and other qualifying medical expenses.
- Licensed Benefit Advisors will help retirees select a plan that fits their medical needs, lifestyle and budget.

OPERS-sponsored health care coverage will continue to be available for:
- OPERS retirees who are under age 65
- OPERS retirees who are older than 65 but not eligible for Medicare Part A (limited time)
- OPERS re-employed retirees*

*If your organization employs OPERS retirees (called re-employed retirees), note the information on pages 2-3 of this Facts-at-a-Glance.

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Many employers are trusted advisors for retirees. Although OPERS does not expect or encourage employers to serve as health care advisors, this facts-at-a-glance has been prepared specifically for employers to position you with baseline knowledge of the OPERS Medicare Connector.

As always, encourage retirees and soon-to-be retirees to contact the OPERS Member Services Call Center at 1-800-222-7377 with questions.

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**Questions or Comments?**
Contact Employer Services at 1-888-400-0960

Ohio Public Employees Retirement System • 277 East Town Street • Columbus, Ohio 43215 • 1-888-400-0960 • www.opers.org
Outreach for eligible retirees

- OPERS has developed and sent Connector Readiness Kits to eligible retirees. Additional information is slated to be sent from OPERS approximately six months prior to the Connector going live. Our ongoing goal is to provide all the information necessary to make sure retirees are knowledgeable about and comfortable with the Connector.

- As the Connector evolves from roll out to ongoing use, eligible retirees will receive information introducing the program about six months before they turn 65. Then, they’ll receive communications to ensure they understand benefits, enrollment and the allowance amount, if eligible.

- As always, the OPERS website AND the Member Services Call Center will have updated information.

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<th>When retirees will be contacted</th>
<th>How and messages</th>
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<td>October</td>
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<td>October–December (Approximately 7-10 days PRIOR to retiree’s enrollment call)</td>
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If you have re-employed retirees

Employers need to be knowledgeable about how re-employment will impact an OPERS retiree’s health care coverage options. Re-employed retirees are considered to be active public employees when they return to public employment, regardless of the amount of work or compensation. While working as a public employee for an OPERS public employer, re-employed retirees:

- Are not eligible for HRA allowances for any month in which they are working
- Cannot use HRA balances for reimbursement of claims incurred during the re-employment period

Multiple periods of re-employment during a calendar year prevent participation in the HRA through the end of the year. OPERS retirees who are re-employed or who will become re-employed will have the following options:

- Select their employer’s coverage if the employer offers it
- Select a plan through the Connector but without receiving their HRA allowance or reimbursements for claims incurred during the re-employment period
- Enroll in the OPERS re-employed retiree plan (this is the only option that permits dependent enrollment in an OPERS plan)
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