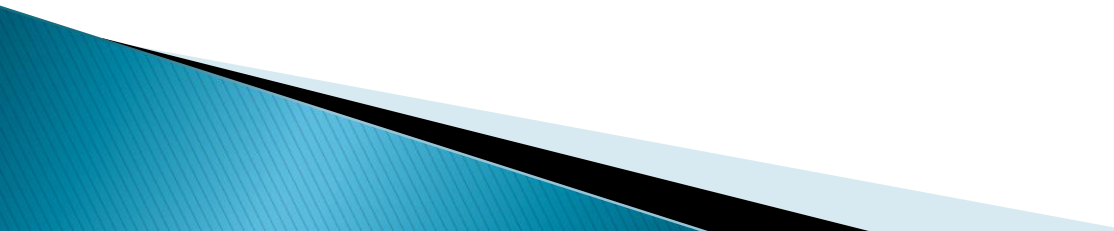


Medicare & LAwell

2018 Lunchtime Seminar Benefit Series

August 23, 2018

Agenda

- ▶ Medicare Basics
 - ▶ Active Employee Medicare Options
 - Details & Requirements
 - ▶ Questions
- 

Medicare Basics

What is Medicare?

- ▶ Medicare is the federal health insurance program for:
 - People who are 65 or older
 - Certain younger people with disabilities
 - People with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD)

Medicare Basics

- ▶ The different parts of Medicare help cover specific services:
 - **Medicare Part A (Hospital Insurance)**
 - Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.
 - **Medicare Part B (Medical Insurance)**
 - Part B covers certain doctors' services, outpatient care, medical supplies, and preventive services.

The image shows two sample Medicare Health Insurance cards. The top card is for John Doe, and the bottom card is for John L. Smith. Both cards display the Medicare logo and the text 'MEDICARE HEALTH INSURANCE' and '1-800-MEDICARE (1-800-633-4227)'. The top card lists the beneficiary's name as JOHN DOE, Medicare claim number 000-00-0000-A, sex as MALE, and is entitled to HOSPITAL (PART A) and MEDICAL (PART B) coverage, both effective as of 01-01-2007. The bottom card lists the beneficiary's name as JOHN L. SMITH, Medicare number 1EG4-TE5-MK72, and is entitled to HOSPITAL (PART A) and MEDICAL (PART B) coverage, both starting on 03-01-2016. A large 'SAMPLE' watermark is visible across both cards.

Source: <https://www.medicare.gov/sign-up-change-plans/decide-how-to-get-medicare/whats-medicare/what-is-medicare.html>

As Of: 8/10/2018

Medicare Basics

- ▶ **Medicare Part C (“Medicare Advantage Plans”)**
A type of Medicare health plan offered by a private company that contracts with Medicare. Medicare Advantage Plans provide all of your Part A and Part B benefits.

Medicare Basics

- ▶ **Medicare Part D (prescription drug coverage)**
Part D adds prescription drug coverage to:
 - Original Medicare
 - Some plans offered by companies approved by Medicare.
 - Some “Medicare Advantage Plans” (Part C) may also offer prescription drug coverage that follows the same rules as Medicare Prescription Drug Plans

Medicare Basics

▶ Medigap

- A Medicare Supplement Insurance (Medigap) policy sold by private companies.
- A Medigap policy is different from a "Medicare Advantage Plan" (Part C). Part C plans are ways to get Medicare benefits, while a Medigap policy only supplements your Original Medicare benefits
- Medicare will pay its share of the Medicare–approved amount for covered health care costs. Then, your Medigap policy pays its share.

Medicare Basics – Overview

	Original Medicare (A & B Only)	Medicare Advantage Plan (Part C)	Medigap
Administration	Federal Government <u>Only</u>	Federal Government + Private Company <u>work together</u>	Federal Government + Private Company <u>work separately</u>
Parts A & B	Included	Included	Separate <u>and</u> required prior to purchase
Part D	Separate	May be included	Separate
City of LA Cash-in-Lieu eligible?	Yes	Yes	Yes

Active Employee Medicare Options

Active Employees who become Medicare eligible can elect one of the following options:

1. Defer Medicare enrollment while Actively Employed
2. Enroll into Medicare & keep LAwell coverage
3. Enroll into Medicare & drop LAwell coverage

Active Employee Medicare Options

Defer Medicare enrollment while Actively Employed

- ▶ The City's LAwell health coverage meets the IRS definition of Group Health Plan Coverage and is also a creditable plan for prescription Drugs
- ▶ While remaining enrolled in LAwell coverage, and actively employed, you can delay Part A & B without incurring a penalty*.

*Eligibility to defer Medicare enrollment and application of Medicare penalties is subject to change. Consult with the Centers for Medicare and Medicaid Services for rules and regulations pertaining to your specific enrollment.

Active Employee Medicare Options

Defer Medicare enrollment while Actively Employed...continued

- ▶ Applies to dependent spouses too, but does not apply to dependent domestic partners
 - The federal government does not recognize Domestic Partners as eligible dependents. Domestic Partners being covered under LAwell Benefits will receive a penalty for late-enrollment in Medicare if they do not sign-up when they become first eligible.

Active Employee Medicare Options

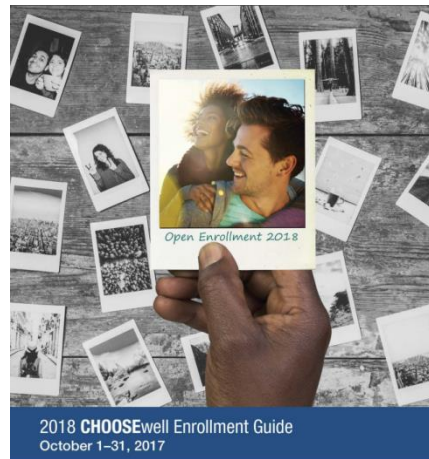
Defer Medicare enrollment while Actively Employed...continued

- ▶ No change to your medical services or costs. Continue using the same services without change.
- ▶ Must enroll into Medicare when you terminate employment and may have to provide proof of creditable coverage.

Active Employee Medicare Options

Defer Medicare enrollment while Actively Employed...continued

- ▶ Creditable Coverage Annual Notice is provided in each Open Enrollment guidebook. Check www.keepingLAWell.com for prior year notices.



2018 **CHOOSEwell** Enrollment Guide
October 1-31, 2017

KEEPING L^AWell
City of Los Angeles Employee Benefits



IMPORTANT LEGAL NOTICES

Important Notice from the City of Los Angeles for L^AWell Eligible Employees and Dependents about Prescription Drug Coverage for People who Are Already Medicare Eligible or May Become Medicare-Eligible during 2018

Medicare and the City

If you are an active City employee with L^AWell Benefits, please note the following:

If you have enough service credits you will receive Medicare Part A at age 65 at no cost. You will be contacted by Social Security and will receive a Medicare ID card. At the time you may be asked if you would like to enroll in Medicare Part B, C and/or D. If you are not enrolled or choosing to enroll at an event after 65, you may not want to purchase Medicare since you have City benefits.

If you present others in coverage and payments, we recommend that you do not enroll in Medicare Part B or Part D but bring in your latest City of Los Angeles L^AWell Benefits (active employee coverage). When you are planning to retire, please contact LACERS at 213-473-7200 so that they may help you sign up for Medicare and to ensure you do not experience a lapse in coverage. As long as you have the City's creditable active employee coverage beginning from the time you become eligible for Medicare (for most people, age 65) through the date your Medicare enrollment becomes effective (usually after age 65), you will not be charged a late-enrollment penalty for signing up after becoming eligible.

If you do decide to enroll into Medicare as an active employee and you also retain your enrollment with L^AWell coverage, it is important that you remember to use your Medicare coverage as a secondary insurance provider. Medicare will not pay primary insurer costs for individuals with dual coverage.

If you have already signed up for Medicare and also have L^AWell coverage, please inform your doctor that there are no issues with payments. Some doctors do not accept Medicare patients. When you are filing out your claim information, please provide the Employee Benefits Division address as your work location. Do not provide the address of your actual work location or that of your department's administrative office.

There are two important things you need to know about your current coverage and Medicare prescription drug coverage: Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get the coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.



Important Notice from City of Los Angeles About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with City of Los Angeles and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare prescription drug coverage: Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get the coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

The City of Los Angeles has determined that the prescription drug coverage offered by the Anthem Vduy (S.A.B. Change Counties HMO), Anthem Netcare Network (Select HMO), Anthem Full (CA Care), Anthem PPO, and Kaiser Permanente HMO, is **creditable** meaning that, on average for all plan participants, it is expected to pay out as much as standard Medicare prescription drug coverage pays are therefore considered Creditable Coverage. Because your existing medical plan coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium in penalty if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage if You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current City of Los Angeles medical plan coverage will not be affected. Having dual prescription drug coverage under the City's Plan and Medicare means that the City's Plan will coordinate its drug payments with Medicare, as follows:

For Medicare-eligible Active Employees and their Medicare-eligible Dependents, the group's health plan pays primary, and Medicare Part D coverage pays secondary.

Note that you may not drop just the prescription drug coverage under one of the City's Plans. That is because prescription drug coverage is part of the entire medical plan. Note that each Medicare prescription drug plan (PDP) may offer different coverage, such as:

- PDPs may have different premium amounts;
- PDPs cover different brand name drugs at different costs to you;
- PDPs may have different networks for retail pharmacies and mail order services.

If you do decide to join a Medicare drug plan and drop your current City of Los Angeles medical plan coverage, be aware that you and your dependents will not be able to get this coverage back at the next open enrollment time if you remain an active employee or have a mid-year qualifying life event allowing you to make a change.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with the City and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium in penalty to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go fourteen months without creditable coverage, your premium may consistently be at least 14% higher than the Medicare base beneficiary premium. You may have to pay this higher premium in penalty as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the Employee Benefits Division at 213-678-1666. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through City of Los Angeles, Personnel Department changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.Medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help. Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, and wish help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.ssa.gov/extrahelp or call toll-free 1-800-772-1233 TTY 1-800-325-0778.

Remember: Keep this Creditable Coverage notice. If you decide to pre-empt one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

IMPORTANT LEGAL NOTICES

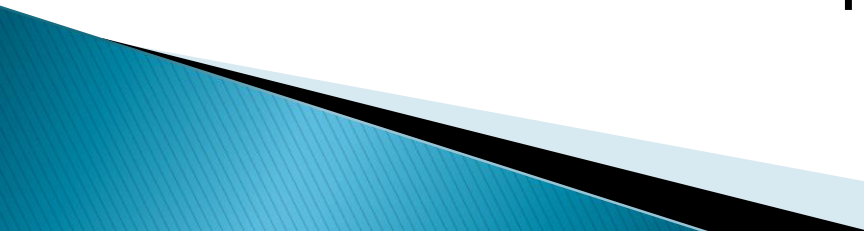
Active Employee Medicare Options

Enroll into Medicare & keep LAwell coverage

- ▶ Your LAwell costs & services will stay the same
- ▶ Dual Coverage may apply, depending on your Medicare enrollment. Things to consider and keep in mind:
 - Check if your physician accepts Medicare
 - Inform your doctor's office that you have employer health coverage separate from Medicare. Your LAwell employee coverage should be billed first.

Active Employee Medicare Options

Enroll into Medicare & drop LAwell coverage

- ▶ Becoming eligible for Medicare is a Life Event.
 - ▶ You can only drop LAwell coverage if you report the life event within 30 days of your Medicare Enrollment.
 - ▶ You will become eligible for Cash-in-Lieu if you drop LAwell Employee coverage (does not apply for dependent coverage). A Cash-in-Lieu affidavit is required in 60 days.
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Active Employee Medicare Options

Enroll into Medicare & drop LAwell coverage

- ▶ Cash-in-Lieu Affidavit is available at www.keepingLAwell.com
- ▶ After LAwell coverage is dropped, you cannot re-enroll into a LAwell medical plan until Open Enrollment or you have a qualifying Life Event.

LAwell City of Los Angeles Employee Benefits		Cash-In-Lieu Affidavit		City of Los Angeles Personnel Department Employee Benefits Division 213-978-1655	
CHOOSEwell Health, Dental, Vision, Life, Disability, and Long-Term Care					
Please print all information—Signature required below					
EMPLOYEE INFORMATION					
Name (Last, First, Middle Initial)			Employee ID Number		
Street Address		City	State	Zip Code	
For Cash-In-Lieu coverage with:					
<ul style="list-style-type: none">• Spouse/Domestic Partner – Complete Section A & B• A second/former employer or retiree benefit – Complete Section B only• Medicare or TRICARE – Complete Section C only					
NAME OF SPOUSE/DOMESTIC PARTNER WHOM COVERAGE IS PROVIDED THROUGH					
A Name (Last, First, Middle Initial)			Employee ID of Spouse/DP (Only for City employees)		
Relationship:					
HEALTHCARE COVERAGE VERIFICATION					
Must be completed by the Spouse's or Domestic Partner's Employer, your second employer or retiree benefits administrator. If both you and your spouse/domestic partner are City employees, must be completed by the Employee Benefits Division.					
Name of Insurance Company/Provider/Administrator					
Policy/Membership Number					
B Health Plan/Insurance Telephone Number					
Name of Employer Offering Coverage					
Name of Authorized Signer		Signature of Employer or Provider		Date Signed	
Title		Telephone Number			
C GOVERNMENT INSURANCE					
Indicate program and provide the required enrollment proof					
<input type="checkbox"/> MEDICARE – Attach a copy of your Medicare Card					
<input type="checkbox"/> TRICARE – Attach Proof of Insurance Letter www.tricare.mil/Plans/Eligibility/DEERS/milConnect/Proof					
IMPORTANT!					
If you enroll into Cash-In-Lieu, you may later request coverage under a City-sponsored health plan only if you experience a qualifying life event change or during a civilian Open Enrollment period.					
Send completed form and supporting documents to:					
Mail: Employee Benefits Division, City Hall, 200 N. Spring Street, Room 867, Los Angeles, CA 90012					
Email: per.empbenefits@lacity.org Fax: 213-978-1623					
EMPLOYEE SIGNATURE REQUIRED BELOW					
I certify that my dependents and I have health coverage under the health benefit plan listed above. I further certify that all information and documentation provided are true and accurate. I understand that any false, deceptive or otherwise improper act may result in the cancellation of my participation in the Cash-In-Lieu Program, and I may be considered ineligible for enrollment in any City health, dental, or other benefit plan.					
Day Time Phone Number		Employee's Signature		Date Signed	
In addition to completing this form, you must go online at www.keepingLAwell.com (click "Enroll in Benefits or Make Changes") and select Cash-In-Lieu during enrollment to receive Cash-In-Lieu. Call the Benefits Service Center at 800-778-2133 or 800-735-2922 if hearing or speech impaired if you need assistance. Si necesita ayuda en Español, por favor llame al 1-800-778-2133.					

Active Employee Medicare Options

Enroll into Medicare & drop LAwell coverage

- ▶ Only LAwell Medical/Vision coverage can be dropped for Medicare enrollment. All other LAwell benefits will continue.

Questions?

To ask a question, use the Chat feature of WebEx.

In the right hand side of your screen, select the Chat Icon (1).

Send your chat to the Host (2).

Review your chats in the Chat window (3)

