North Carolina State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

STATE TREASURER OF NORTH CAROLINA
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Navigating Your State Health Plan Benefits and Medicare

Understanding Your State Health Plan Benefits at Retirement

2020

A Division of the Department of State Treasurer

Presentation Overview

- State Health Plan Options
- Understanding Medicare
- Enrollment
- Medicare Advantage & 70/30 Plan
- Plan Comparisons
- Important Information

State Health Plan Options

State Health Plan Options for Non-Medicare Members

The State Health Plan offers 2 Preferred Provider Organization (PPO) plans for Non-Medicare members:

80/20 PPO Plan	70/30 PPO Plan
Pays 80% for most in-network services.	Pays 70% for most in-network services.

State Health Plan Options for *Non-Medicare* Members

The Plan utilizes a third-party administrator or TPA that is responsible for the provider network and processing your medical claims. Our current TPA is Blue Cross and Blue Shield of NC. But your medical claims are paid by the state, not Blue Cross.

The Plan also utilizes a pharmacy benefit manager or PBM that is responsible for providing a pharmacy network and processing your pharmacy claims. Our current PBM is CVS Caremark. But your pharmacy claims are paid by the state, not CVS.

State Health Plan Options for *Medicare* Primary Members

Effective 1/1/2021

Humana Group Medicare Advantage (PPO) Base Plan

Premium free for Medicare Primary qualified retiree; monthly premium for Medicare-eligible spouse and/or dependents.

Effective 1/1/2021

Humana Group Medicare Advantage (PPO) Enhanced Plan

Monthly premium for Medicare Primary qualified retiree ($73) and Medicare-eligible spouse and/or dependents

70/30 PPO Plan

Administered by Blue Cross NC

Premium free for Medicare Primary qualified retiree; monthly premium for Medicare-eligible spouses and/or dependents.

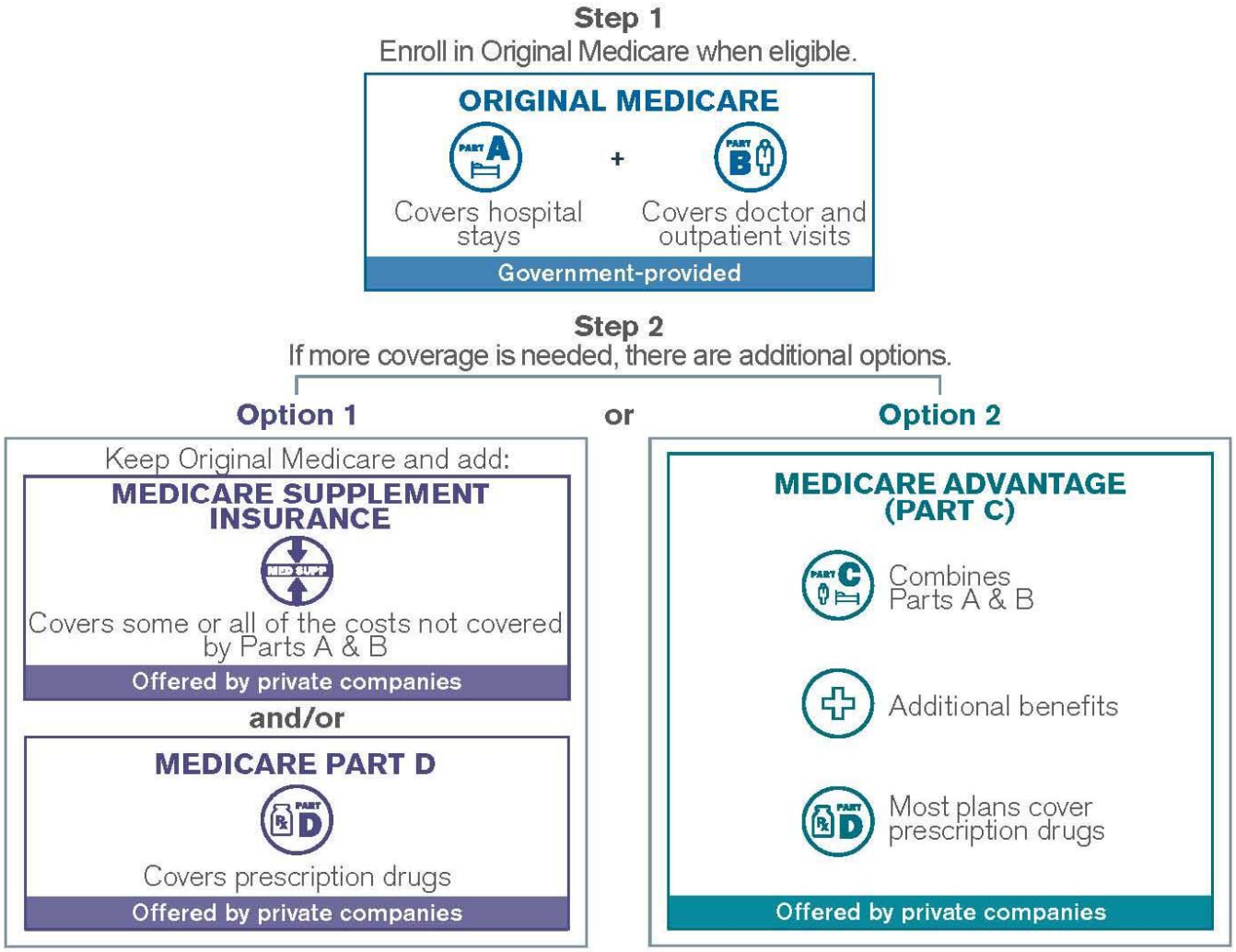
State Health Plan Options for *Medicare* Primary Members

Humana is a Medicare Advantage Organization who contracts with the Centers for Medicare and Medicaid Services (CMS) to administer Medicare Part A & Medicare Part B benefits on their behalf.

The Plan contracts with Humana to provide Group Medicare Advantage plan options to our Medicare Primary members which includes payment of claims.

Understanding Medicare

Original Medicare vs. Medicare Advantage Plans



Medicare Parts A and B

- Medicare Part A and Part B must be in effect to be enrolled into a Medicare Advantage Plan.
  - Part A is typically premium free.
  - Part B has a monthly premium. The 2021 standard Part B premium is $148.50 per month for new Medicare Part B enrollees but depending on income, may be as high as $504.90 per month.
- If retiree has the 70/30 Plan and they do not elect Part B, the State Health Plan will process as if they have it and they will incur greater out-of-pocket costs.
- It is important to enroll in Medicare (Parts A and B) during the 3 months **BEFORE** their 65th birthday month. This will allow Medicare to then become effective the first day of their birthday month.

Retirees - Enrolling in Medicare

- If you elected to start receiving Social Security benefits prior to turning 65 (at least 4 months or more), you will be automatically enrolled in Medicare. You should receive your Medicare card approximately 60 – 120 days before you turn 65.
  - If Medicare card not received by 60 days before your 65th birthday month, contact Social Security Administration.

- If you are not receiving Social Security benefits, **YOU MUST TAKE ACTION TO ENROLL IN MEDICARE**.
  - Visit any local Social Security office
  - Call Social Security at 800-772-1213 (7 a.m. to 7 p.m.)
  - Online through the Social Security website at www.socialsecurity.gov

Medicare Enrollment Tips

- Your Medicare **Initial Enrollment Period (IEP)** surrounding your 65th birthday is a seven (7) month period that includes the three (3) months before your birthday month, the month of your 65th birthday, and the three (3) months after your birthday month.

- To have your Medicare in place for your birthday month you need to enroll during the first three (3) months **BEFORE** your birthday month. If you wait to enroll your birthday month or during the last three (3) months your Medicare start date will be delayed.

If you enroll during this month of your IEP	Your coverage will begin:
The month you turn 65	1 month after enrollment
1 month after you turn 65	2 months after enrollment
2 months after you turn 65	3 months after enrollment
3 months after you turn 65	3 months after enrollment

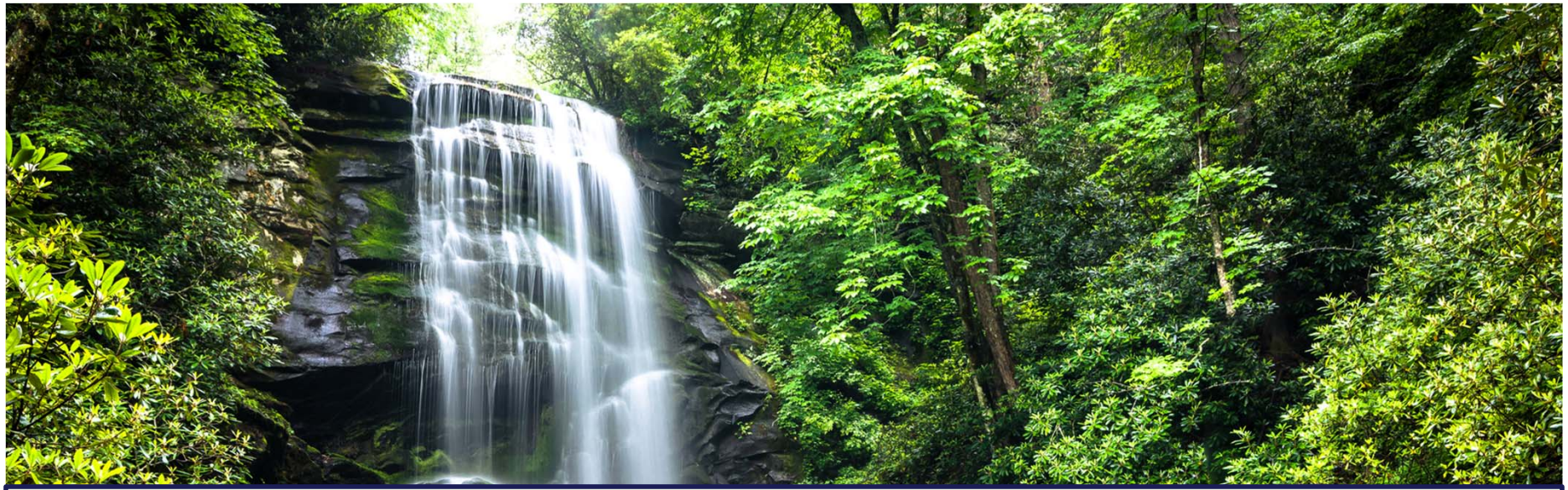
New Retiree (65 or older) - Enrolling in Medicare

- If you worked beyond age 65 and delayed electing Medicare Part B, **you will have to take action** to enroll into Medicare Part B before your retirement.
  - As a result of the ongoing pandemic, most if not all Social Security offices are closed to the public. Consequently, Social Security has amended their policy/system to allow individuals in these situations to enroll in Part B online, www.ssa.gov.
  - You have three options to submit your enrollment request under the Special Enrollment Period. You can do **one** of the following:
    - Go to "Apply Online for Medicare Part B During a Special Enrollment Period" and complete CMS-40B and CMS-L564. Then upload your evidence of Group Health Plan or Large Group Health Plan.
    - Fax your forms to 1-833-914-2016.
    - Mail your CMS-40B, CMS-L564, and evidence to your local Social Security field office.
  - **Remember: Medicare Part B needs to become effective as of your retirement effective date.**

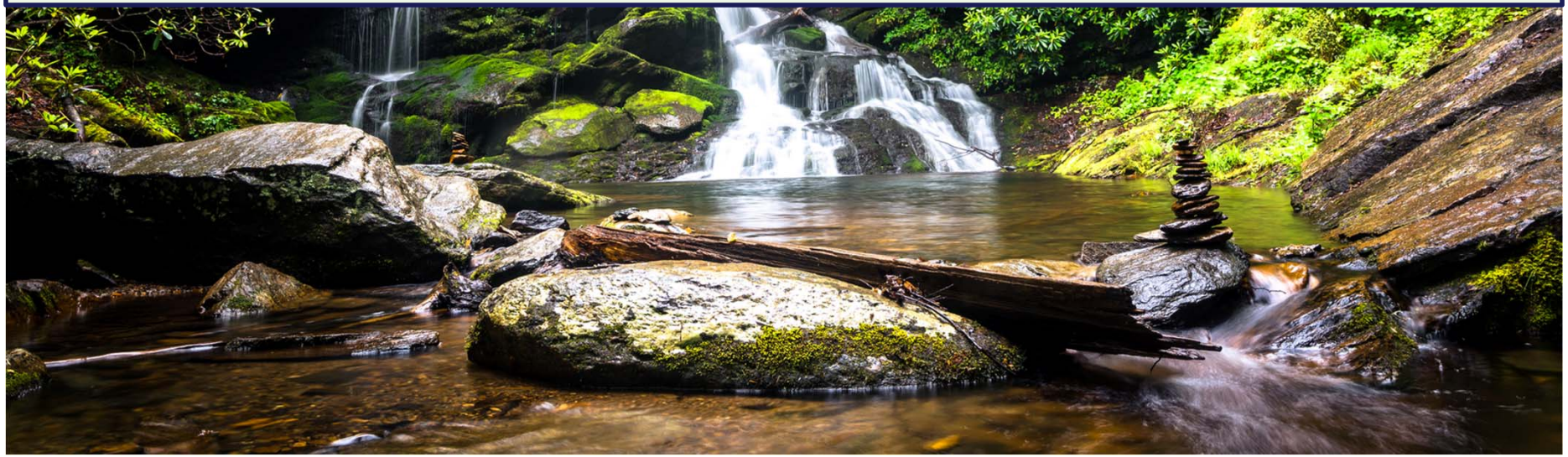
Income-Related Monthly Adjustment Amount (IRMAA)

- Members with higher income levels are required to pay an adjusted Medicare Part B premium plus an additional amount when enrolled in Medicare Part D prescription drug coverage. The additional amount is called Income-Related Monthly Adjustment Amount or IRMAA.
- Income level based on modified adjusted gross income, which is the total of your adjusted gross income and tax-exempt interest income.
- IRMAA is mandated by federal law and each amount is deducted from your monthly Social Security payments (or direct billed if delayed Social Security).
- IRMAA will apply if individual income **is over $88,000** or if married (filing joint tax return) income **is over $176,000**.
- When enrolled in one of our Humana Group Medicare Advantage plans, higher income members may be subject to Part D IRMAA in addition to their already higher Medicare Part B premium.

IRMAA amounts for 2021 Medicare Part D may range from $12.30 to $77.10 per month. IRMAA determination is based on IRS tax return from 2 years ago (2019)



Enrollment



Contribution Status

Hired Before October 1, 2006

5 Years of service
Non-contributory Plan
You pay 0% premium
For 70/30 Plan*

*Partial contribution may be required for other plan options

**Premium rate based on state contribution

Hired On or After October 1, 2006

5 < 10 Years of service
You pay <u>100%</u> premium **

10 < 20 Years of service
You pay <u>50%</u> premium **

20 Years of service
You pay <u>0%</u> premium *

<u>You will be auto-enrolled into a plan regardless of your contribution status. If you do not want coverage it is necessary to opt out during retirement process by calling 855-859-0966 or going online.</u>
Depending on your situation at the time of retirement, you will need to take this into consideration regarding your State Health Plan coverage.

Retirement and Health Plan Benefit Effective Date

The first month of retirement the retiree remains covered under their active agency. *

The **State Health Plan benefit effective date** is the first of the month following their retirement effective date.

For example: If the retirement date is January 1, then State Health Plan benefit effective date is February 1.

* If Medicare eligible upon retirement date, Medicare will be primary the first month of retirement. **Important to have Medicare Part A and Medicare Part B in effect as of retirement date.**

Under 65 and Retiring?

Member

- Talk to HR Department about retirement decision.
- Begin retirement process online through ORBIT or submit application to the State Retirement System.

State Retirement Systems

- Approves retirement information.
- Notifies Plan's Eligibility & Enrollment Support Center.

State Health Plan

- Auto-enrolled in same plan as an active employee along with any dependents.
- Opt out of retiree coverage by calling Eligibility & Enrollment Support Center.
- Auto-enrollment occurs with at least 5 years of service whether or not member was enrolled in Plan coverage as an active employee. If not enrolled as active employee, auto-enrolled in the 70/30 Plan.

Approaching 65 and Planning to Continue Working

- Many Plan members continue working after the age of 65.
- The Plan mails you a Medicare eligibility letter approximately 30-60 days prior to your 65th birthday. The letter asks to confirm eligibility for Medicare benefits.
  - Recommend enrolling in Medicare Part A
  - Recommend delaying enrollment in Medicare Part B if you remain actively working for the State.*
- The Plan will be **primary coverage** and Medicare will be secondary as long as still actively working for the State.

**Important Note: When you decide to retire, enroll in Medicare Part B so that it becomes effective the date of your planned retirement. You will need to contact Social Security Administration to enroll in Medicare Part B.*

Planning to Retire and are 65 or Older?

- Begin the online retirement process through ORBIT or submit retirement application 120 days before anticipated retirement date.
  - Should not submit any earlier as request will not be processed.

- **Remember**: Medicare Part A and Part B should be in effect as of anticipated retirement date.

- Any covered non-Medicare Primary dependents will be automatically enrolled into the health plan they were in as an active dependent.

- You may opt out of the retiree State Health Plan coverage during retirement process by calling Eligibility and Enrollment Support Center, 855-859-0966 or through the eBenefits system.

Retiring at Age 65 and Medicare Enrollment Tips

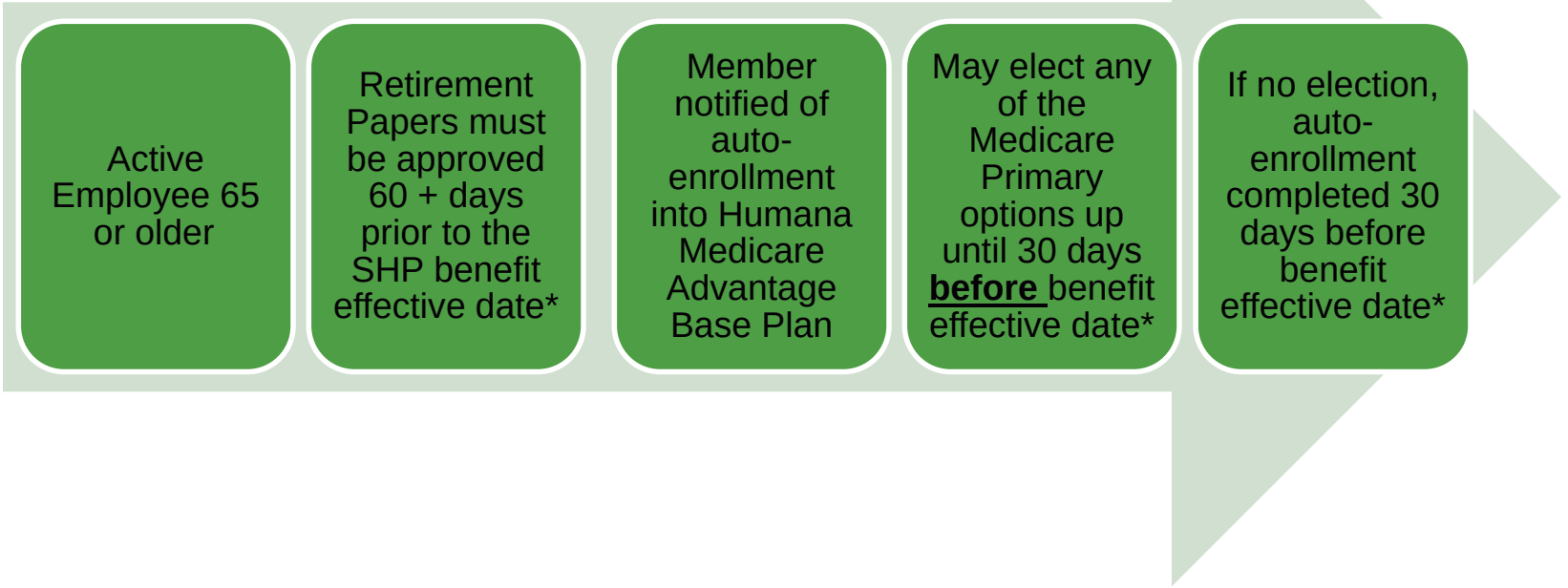
- **Remember**: Medicare needs to be in place and effective as of your retirement date if you will be Medicare eligible at retirement.

- Medicare coverage start date will be delayed if you enroll the month you turn 65 or during the three (3) months after your birthday month.
  - It is possible that you could incur a situation where you are prevented from having your Medicare coverage in place on your retirement date.
    - **Example: Turn 65 in April. Plan to retire effective August 1.**

If you enroll during this month of your IEP	Your coverage will begin:
Month turned 65 (April)	1 month after enrollment (May)
1 month after turned 65 (May)	2 months after enrollment (July)
2 months after turned 65 (June)	3 months after enrollment (September)
3 months after turned 65 (July)	3 months after enrollment (October)

Medicare Primary: New Retirees

Retirement approved at least 60 days prior to effective date of retiree *health coverage.*



**The State Health Plan benefit effective date is the first of the month following the retirement effective date. For example: If the retirement date is January 1, the SHP benefit effective date is February 1.*

Medicare Primary: New Retirees

Retirement approved less than 60 days prior to effective date of retiree *health coverage.*

Active employee 65 or older

Retirement papers processed and approved 59 days or less prior to retiree health coverage effective date.

Medicare Advantage Options Not Available

Will be auto-enrolled into the 70/30 plan 30 days before effective date.

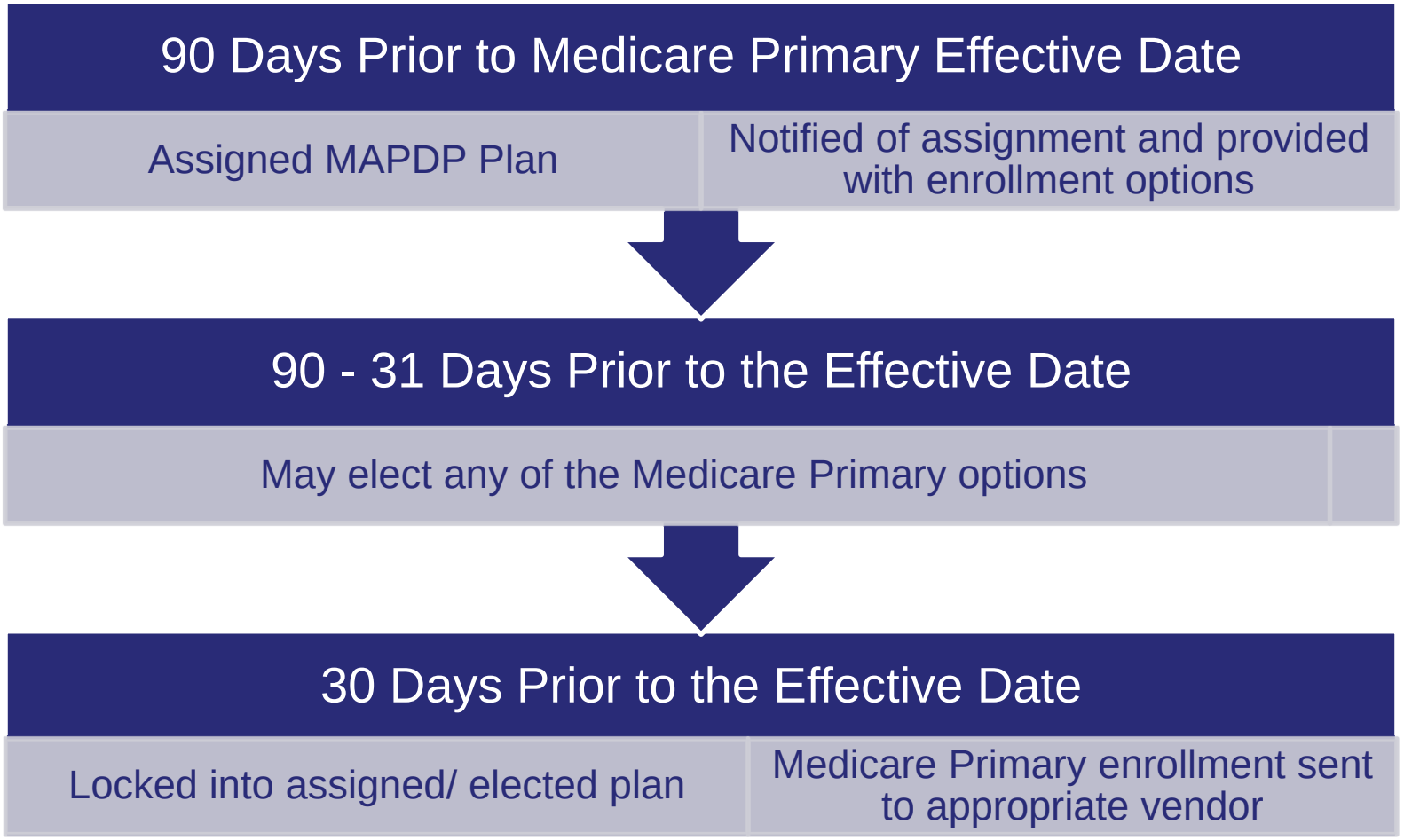
Medicare Advantage Options

Although not auto-enrolled in a MAPDP plan, you are able to elect a MAPDP plan until the day before your benefit effective date.

Enrollment Guidelines - *Families*

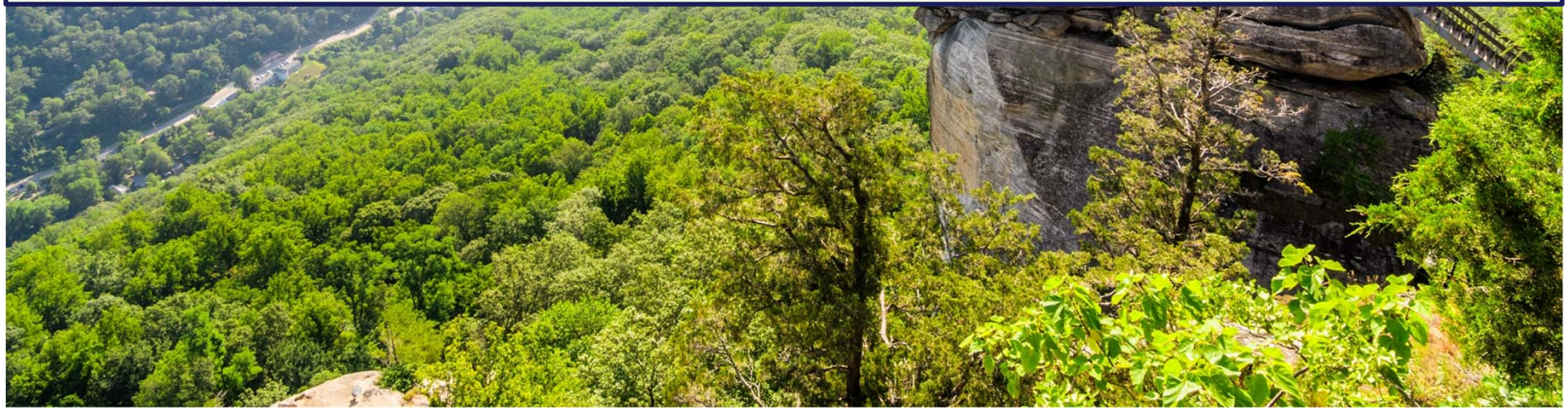
- Medicare Primary family members stay together.
- If spouse/dependents **<u>are not</u>** Medicare eligible:
  - They have the same options available to active employees/non-Medicare members. Their options are:
    - 80/20 PPO Plan
    - 70/30 PPO Plan
  - This is considered a “split family” situation where one or more members of the family unit are Medicare-eligible while others are not and have different coverage options.

Medicare Primary: Retirees/Dependents turning 65 (Age-Ins)



Medicare primary effective date is first of the month you turn 65 **UNLESS** your 65th birthday is on the first of a month then Medicare primary effective date is first of the month preceding the 65th birthday month.

Medicare Advantage & 70/30 PPO Plan



What are Medicare Advantage Plans?

- A Medicare Advantage Plan, like the Humana Medicare Advantage plans offered by the State Health Plan, are considered a **Group Medicare Advantage Prescription Drug Plan (MAPDP)**. They are:
  - A Medicare health plan choice, which may be an individual or group product.
    - Private companies, like Humana, contract with Medicare to provide your Medicare Part A and Medicare Part B benefits. Most include Medicare Prescription Drug Coverage, Part D.
- **With a Medicare Advantage Plan:**
  - You are still considered to be in the Medicare program.
  - You keep same rights and protections as Original Medicare.
  - They must cover all services Original Medicare covers.
  - Members must have both Medicare Part A and Medicare Part B and continue to pay Medicare premiums to be eligible for Medicare Advantage Plans. Part B premiums are paid by member from Social Security benefits or directly to federal government.

Network of Providers

- The Humana Medicare Advantage plans are considered National Preferred Provider Organization (PPO) plans. They offer:
  - Access to providers nationwide.
  - Access to additional benefits at a lower cost and include an open network.
  - **Copays or coinsurance remain the same**, regardless of who you see in- or out-of-network.
- Out-of-network providers must participate with Medicare and agree to accept your insurance and preferably file claims on member's behalf.

Medicare Advantage Plan Perks

- **Simplicity** – The Humana Medicare Advantage Plans provide one ID card for medical services and prescription drugs.
  - **Remember**: You are still considered to be in the Medicare program.
  - You use your Humana ID card – **not** your red, white and blue Medicare card
- **Predictability** – The Humana Medicare Advantage Plans are **copayment driven** meaning the majority of covered services have an established copayment. This allows for you to know what your out-of-pocket costs will be up front in most situations.
- The Humana Medicare Advantage Plans also provide extra services not covered under Original Medicare.
  - Wellness programs/SilverSneakers®
  - In-Home Health & Wellbeing Assessment
  - Disease and Case Management
  - Routine eye & hearing exams
  - Hearing aids

Humana Medicare Advantage Plans & Other Insurance

- With the Humana Medicare Advantage Plans there is no need for additional coverage.
  - Additional Medicare product coverage can cause you to be disenrolled from your State Health Plan Humana Medicare Advantage Plan.
  - If enrolled in a MAPDP, you cannot purchase a Medicare Supplement or Medigap plan without you terminating your MAPDP.
  - If already enrolled in another Medicare Advantage or Part D prescription drug plan, your coverage with those plans will terminate unless you elect not to enroll in one of the Humana Medicare Advantage Plans.

Humana Medicare Advantage Plans & Other Insurance

- TRICARE® for Life (TFL) (TRICARE® + Medicare)
  - TFL beneficiaries can enroll in Medicare Advantage plans and TFL will typically reimburse your copayments for services covered by TFL.
  - You cannot use Medicare or Medicare Advantage in a Military Treatment Facility, like a VA Hospital.
- Other Insurance
  - If covered by a Federal Employee Health Benefit Plan or another former employer's retiree group health plan, it is important to check with them to ensure enrollment into one of these Medicare Advantage plans will not disrupt coverage with them.
  - Individual cancer, hospital indemnity, dental, vision, long-term care insurance products will not have an effect on eligibility or coverage under a Medicare Advantage plan.

70/30 PPO Plan

- Members still have option to choose the **70/30 PPO Plan**
  - Administered by Blue Cross & Blue Shield of North Carolina (Blue Cross NC)
  - Supported by the Blue Cross NC Blue Options and the NC State Health Plan network of providers
  - Includes Traditional prescription drug coverage
    - It is not Medicare Part D prescription drug coverage but is considered to be creditable drug coverage
  - Original Medicare is Primary, State Health Plan coverage is **secondary**
    - Member would use 2 ID cards when seeking medical services
      - The red, white, blue Medicare card and Blue Cross NC 70/30 card
    - Copayments, coinsurance and deductible requirements under the 70/30 have to be met
    - Medical copayments **do not** apply to the deductible **BUT** do apply to the Maximum out-of-pocket limit.

2021 Plan Comparison – Medical Benefits

Benefit	Humana Base	Humana Enhanced	BCBSNC 70/30*
Network Providers	You can use in and out-of-network providers but must accept in Medicare and your insurance plan.		You pay less when you use BCBSNC provider network
Annual Medical Out-of-Pocket Maximum	$4,000 (In and Out-of-Network)	$3,300 (In and Out-of-Network)	$5,900 In-network (Individual) $16,300 Out-of-network (Family) (Combined Medical & Pharmacy)
Annual Deductible	$0	$0	$1,500 In-network (Individual) $4,500 In-network (Family) (Combined Medical & Pharmacy)
Primary Care Provider (PCP) – Office Visit	$20 copay	$10 copay	$0 for CPP PCP on ID Card $30 for non-CPP PCP on ID card $45 for any other PCP
Specialist Office Visit	$40 copay	$35 copay	$47 for CPP Specialist $94 for other Specialists
Urgent Care	$50 copay	$40 copay	$100 copay
Inpatient Hospitalization	Days 1-10: $160/Day Days 11+: $0/Day	Days 1-10: $125/Day Days 11+: $0/Day	In-network: $337 copay plus 30% coinsurance after deductible
Outpatient Surgery	$250 copay	$250 copay	In-network: 30% coinsurance after deductible

2021 Plan Comparison – Medical Benefits, cont'd.

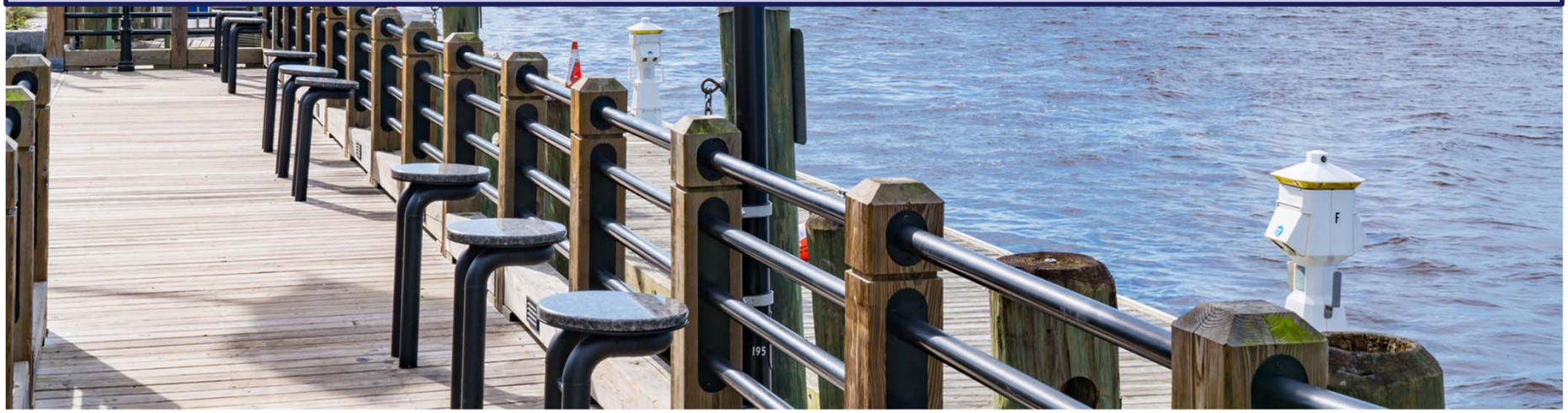
Benefit	Humana Base	Humana Enhanced	BCBSNC 70/30*
Emergency Room	$65 copay (Worldwide)	$65 copay (Worldwide)	Individual: $337 copay plus 30% coinsurance after deductible
Ambulance	$75 copay	$75 copay	30% coinsurance after deductible
Lab Services	$40 copay	$10 copay	If performed during PCP or Specialist office visit, no additional fee if in-network lab used.
Diagnostic radiology services (such as MRIs, CT Scans)	$100 copay	$100 copay	In-network: 30% coinsurance after deductible
Therapeutic Radiology Services (such as radiation treatment for cancer)	$40 copay	$40 copay	In-network: 30% coinsurance after deductible
Durable Medical Equipment (such as oxygen)	20% coinsurance	20% coinsurance	In-network: 30% coinsurance after deductible

When enrolled in the 70/30 Plan, cost-sharing amounts between you & the State Health Plan will vary. Medicare pays benefits first and then the 70/30 Plan may help pay some of the costs that Medicare does not cover.

2021 Plan Comparison – Pharmacy Benefits

Benefit	Humana Base	Humana Enhanced	BCBSNC 70/30*
Pharmacy Maximum	$2,500 Individual	$2,500 Individual	$5,900 In-network (Individual) $16,300 Out-of-network (Family) (Combined Medical & Pharmacy)
Deductible	$0	$0	$1,500 In-network (Individual) $4,500 In-network (Family) (Combined Medical & Pharmacy)
Retail Purchase from an In-Network Provider			
Tier 1	$10 copay per 30-day supply		$16 copay per 30-day supply
Tier 2	$40 copay per 30 day supply	$40 copay per 30-day supply	$47 copay per 30-day supply
Tier 3	$64 copay per 30 day supply	$50 copay per 30-day supply	Ded/Coinsurance
Tier 4	25% coinsurance up to $100 per 30-day supply		$200
Tier 5	N/A		$350
Tier 6	N/A		Ded/Coinsurance
Insulin	$40 copay – Preferred Brand (Novolog/Novolin) (30-day supply)		$0 (30-day supply) Preferred or Non-Preferred

Important Information



Disability

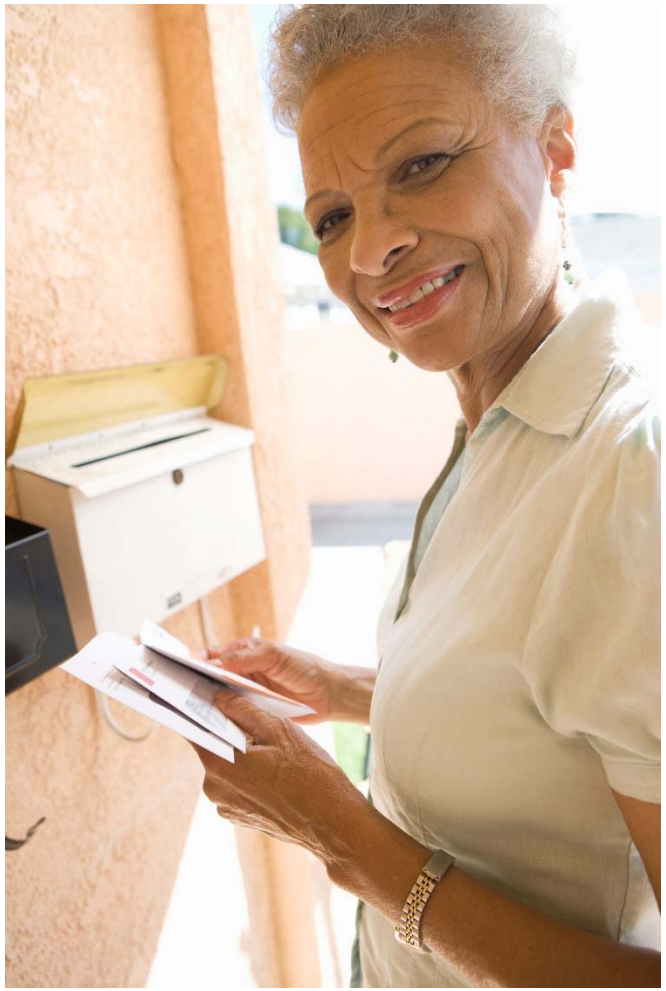
- If member becomes eligible for Medicare due to disability, it is very important for them to enroll in both Medicare Part A and Medicare Part B.
- Do not overlook accepting Medicare Part B. Many people fail to accept the offer to retroactively purchase Medicare Part B.
  - **Read the Notice of Award letter carefully**.
- State Health Plan becomes SECONDARY to Medicare as of the Medicare eligibility date.
  - Claims will be reprocessed back to Medicare eligibility date.
  - The State Health Plan will reduce their claims by the amount that would have been paid under Medicare, paying the remaining claim amount under the terms of the health benefit plan.
- **As a result, if Medicare Part B is not taken, member will be responsible for the amount that would have been paid by Medicare Part B**.

Re-Employment and State Health Plan

- To comply with the Affordable Care Act, legislation was passed addressing non-permanent full-time employees.
  - A “newly eligible” category was created.
- Employing units are responsible for determining eligibility for the new category and includes non-permanent employees working at least 30 hours per week.
  - If re-employed retiree qualifies for the new category, employing units are required to cover as active employees.
    - May offer only the High Deductible Health Plan (HDHP); **OR**,
    - May offer coverage under Active Employee options (70/30 PPO or 80/20 PPO)
    - Re-employed retiree not required to enroll.
- Re-employed retiree will be terminated from Retiree Group Coverage under State Retirement Systems Division (SRS).
- Qualifying Life Event when state re-employment ceases
  - 30 days to enroll in State Health Plan under SRS.
  - If enrollment occurs before the effective date, would be able to enroll in a MAPDP.

Important Address Information

- If you currently only have a P.O. Box address on record with the State Health Plan you will need to provide a physical address as well.
  - Humana is unable to process an enrollment with *only* a P.O. Box number on file.
  - Systems are able to store multiple addresses. The Plan can retain the P.O. Box number for mailing purposes and will store the physical address separately.
- Please update through ORBIT or by calling the Eligibility and Enrollment Support Center at 855-859-0966.



Thank You!

Questions?

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