



Alaska Division of Retirement and Benefits

AlaskaCare Retiree Health Plan

Medicare and the AlaskaCare Defined Benefit Retiree Health Plan

Introduction

Medicare is a national health insurance program administered by the Centers for Medicare and Medicaid Services (CMS). It primarily provides health insurance for Americans aged 65 and older, but also for some younger people with disability status as determined by the Social Security Administration (SSA), and people with end-stage renal disease and amyotrophic lateral sclerosis (ALS, or Lou Gehrig's disease).

Alaska statute requires that the AlaskaCare retiree plan become supplemental to Medicare when members turn 65. AlaskaCare will begin processing member's health claims as if they have Medicare Part A and B on the first day of the month when they turn 65. All members should schedule an appointment with Social Security to apply for Medicare Part A and B within the three months prior to their 65th birthday.

Resources for Medicare Information

- **Medicare:** To learn more about Medicare, visit the [Medicare.gov](https://www.Medicare.gov) website or call (800) 633-4227 | TTY (877) 486-2048.
- **Social Security Administration:** If you have questions about Medicare, contact the nearest Social Security office, call toll-free at (800) 772-1213 or visit [SocialSecurity.gov](https://www.SocialSecurity.gov).
- **Alaska Medicare Information Office:** You may also contact the State of Alaska's Medicare Information Office at (800) 478-6065 or (907) 269-3680 in Anchorage, or email them at hss.medicare@alaska.gov. The Medicare Information Office offers one-on-one personalized Medicare counseling and Medicare seminar events by webinar.
- **AlaskaCare Retiree Town Hall:** The AlaskaCare Retiree Town Hall is a monthly event that offers information on the AlaskaCare Retiree health plan, visit drb.alaska.gov/events/townhall.html to sign up or listen to past events. Below are three helpful events pertaining to Medicare:
 - » May 20, 2021
 - » August 18, 2022
 - » September 15, 2022

Finding a Medicare Provider

Medicare offers an online tool to help you find Medicare participating providers. Visit [Medicare.gov/care-compare](https://www.Medicare.gov/care-compare).

Medicare Overview

Part A (Hospital Insurance)

Part A helps cover inpatient care in hospitals, skilled nursing facility care, hospice care, and home health care.

Most people are eligible for premium-free Part A. After members apply for Medicare Part A and B, they will receive a decision letter from Social Security notifying them if they qualify for premium-free Part A. Members who do not qualify for premium-free Medicare Part A should not enroll in Part A. They must provide a copy of the Social Security letter to the AlaskaCare health claims administrator and the Division of Retirement and Benefits, and AlaskaCare will continue to pay as your primary plan for Part A services.

Part B (Medical Insurance)

Part B helps cover physician and other outpatient medical services, ambulatory surgery center services, medical equipment, and ambulance services. Everyone is eligible for and must pay a premium for Part B, whether or not you are eligible for Part A.

Part D (Drug Coverage)

Part D helps cover the cost of prescription drugs. Medicare-eligible retirees and/or dependents will be automatically enrolled in the AlaskaCare enhanced Employer Group Waiver Program (EGWP). The AlaskaCare enhanced EGWP is a group Medicare prescription drug plan that provides the same prescription benefits as provided to non-Medicare-eligible retirees and dependents, while maximizing federal subsidies.

You do not need to enroll into an individual Medicare Part D plan, and for most members there is no additional premium for prescription drug coverage under AlaskaCare.

However, certain high wage earners will be charged an Income Related Monthly Adjustment Amount (IRMAA) surcharge for prescription drug coverage. Visit drb.alaska.gov/retiree/healthplans.html#retireeirmaa for more information.

Medicare Enrollment

If you are receiving Social Security benefits before age 65, you will be automatically enrolled in Medicare Parts A and B when you turn 65. If you are not receiving Social Security benefits, contact the Social Security Administration (SSA) three months before you turn age 65 to discuss enrolling in Medicare Parts A and B.

Be sure to inform the Social Security Administration if you have health insurance through an employee group health plan that you or your spouse receive as an actively working employee. If you are covered by such a plan, Medicare does not require you to enroll until the active plan

terminates. However, if you do not enroll, the amount Medicare would have paid as the secondary plan is not paid by AlaskaCare. The AlaskaCare Retiree Health Plan recommends that you enroll in Medicare Part B at age 65, regardless of any other insurance.

Sign Up for Medicare Direct

After members receive their Medicare Beneficiary Identifier or “MBI,” they should call the Aetna Concierge and ask Aetna to set up **Medicare Direct** so that Medicare will automatically send the Medicare Explanation Of Benefit (MEOB) to Aetna for processing. Once **Medicare Direct** is set up, Medicare will pay as the member’s primary health insurance and Medicare MEOBs will automatically be sent to Aetna so AlaskaCare benefits will pay as secondary.

Types of Medicare Providers

There are three types of providers:

- participating,
- nonparticipating, and
- those who “opt out.”

Participating Medicare Providers

Participating providers are required by their Medicare contract to accept assignment of your claims. Because you don’t owe any amount over the Medicare-allowed amount, AlaskaCare pays the difference between Medicare’s payment and the allowed amount if the expense is covered by both plans. Therefore, for covered expenses the claim is usually paid in full, unless you have not yet met your deductibles. Your provider must bill Medicare and Medicare’s payment will be sent directly to the provider.

Nonparticipating Medicare Providers

Nonparticipating providers may choose whether to accept Medicare assignment on an individual, case-by-case basis. You should ask any nonparticipating providers you see if they will accept assignment of your claim.

If your provider does not accept assignment, there is still a limit on the amount you pay for most services. This limit is 115% of the Medicare allowed amount and is called the **limiting charge**.

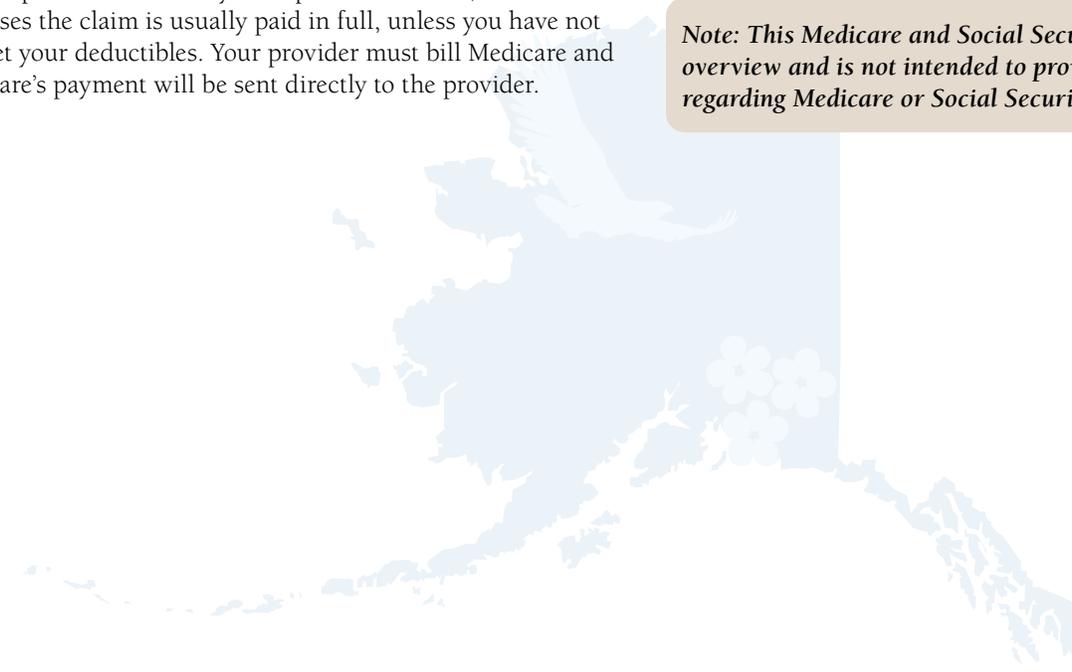
Medicare calculates payment based on the Medicare-allowed amount and pays 80%. If the service is covered by AlaskaCare, it recognizes 115% of the allowed amount and pays the difference between what Medicare paid and the 115% that your provider can collect.

A nonparticipating provider who does not accept assignment of your claim must still file your Medicare claim for you.

Providers Who “Opt Out” of Medicare

Providers who “opt out” of Medicare have signed a contract with Medicare stating they will not bill Medicare for services provided to any Medicare beneficiary. These providers are prohibited from filing any claims with Medicare and may charge you any amount for their services, with no limit. You may purchase services from such a provider, but the provider will require you to sign an agreement (a private contract) stating that you are responsible for payment in full. These services are considered to be under a private contract. **The AlaskaCare Retiree Health Plan will not pay anything for services provided under a private contract.**

Note: This Medicare and Social Security information is an overview and is not intended to provide detailed information regarding Medicare or Social Security benefits.



Alaska Division of Retirement and Benefits

6th Floor, State Office Building | 333 Willoughby Ave. | P.O. Box 110203 | Juneau, AK 99811-0203

Member Education Center

Hours: Monday-Thursday 8:30 a.m. to 4 p.m. | Friday 8:30 a.m. to 3 p.m.

Toll-Free: (800) 821-2251 | In Juneau: (907) 465-4460 | Fax: (907) 465-4668 | TDD: (907) 465-2805

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