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 SSA, and people with end stage renal disease and amyotrophic lateral sclerosis (ALS or Lou Gehrig’s disease).

Alaska statute requires 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 & 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 & B to enroll in Medicare Part A & B within the three months prior to their 65th birthday. 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. Most covered medical expenses are paid after Medicare coverage starts and AlaskaCare pays as secondary.

Medicare Part A
Covered Expenses
Inpatient hospitalization, skilled nursing facilities, services provided by hospitals and other facilities, and certain home health care and hospice services.

Who Is Eligible
Most people are eligible for premium-free Part A. After members apply for Medicare Part A & 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 & Benefits, and AlaskaCare will continue to pay as your primary plan for Part A services.

Medicare Part B
Covered Expenses
Physician and other outpatient medical services, ambulatory surgery center services, medical equipment, and ambulance services.

Who Is Eligible
Everyone is eligible and must pay a premium for Part B, whether or not you are eligible for Part A.

Medicare Part D
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. You must provide a copy of the notice from Social Security that indicates you are required to pay an IRMAA to the Division, and AlaskaCare will reimburse you for the Part D IRMAA surcharge.

Medicare Enrollment
If you are receiving Social Security benefits before age 65, you will be automatically enrolled in Parts A and B of Medicare 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 (SSA) 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.

Claim Payment
Medicare's coverage is not the same as the coverage available under AlaskaCare. Any medical service covered by AlaskaCare but not Medicare will be paid at the same coinsurance rate as it was before you were enrolled in Medicare. For expenses covered by Medicare but not by AlaskaCare, Medicare pays but AlaskaCare does not.

Who Pays First
Medicare pays benefits before the AlaskaCare Retiree Health Plan in most cases. However, if you are covered by a plan you or your spouse receive as an actively working employee, predominantly the active plan pays first, with Medicare paying second, and finally the AlaskaCare Retiree Health Plan.

How It Works
The benefits under the AlaskaCare Retiree Health Plan are supplemental to Medicare beginning at age 65. For services covered by both plans, the claims are paid first by Medicare and then by AlaskaCare.

Electronic Claim Filing
If Medicare is your primary plan, the AlaskaCare claims administrator will send a request to Medicare to enroll (you) in the Medicare Direct program. Dependents on your plan who are enrolled in Medicare may not be reported. You may need to contact the AlaskaCare claims administrator directly to set up Coordination of Benefits. The provider files your claim with Medicare, which then sends you an explanation of benefits (EOB) when the claim is processed and has been transferred to AlaskaCare. The AlaskaCare claims administrator processes the claim and sends an EOB to you. Medicare Direct means less paperwork and faster turnaround.