

## Retiree Health Benefits for Persons Age 65 and Older

- Retiree health benefits begin the month following retirement. During the first month of retirement, retirees retain their current active employee benefits.
- The plan available to persons age 65 and older is the Medicare Advantage Program, currently through United Healthcare (changing to Aetna on January 1, 2023). The features of this plan closely resemble the features of the active employee plans (coverage and copays) and the coverage is provided at no cost to all persons age 65 and older. Note: The only option for continuing the active employee coverage is through COBRA.

If other covered family members are under age 65, those persons have the same choice of plans as active employees (at retiree health rates). This means that they will have different coverage from the person(s) age 65 and older.

- There is a prerequisite to be enrolled in the Medicare Advantage Program: The person must be enrolled in Medicare Part A and Part B through Social Security. Medicare Part A generally includes inpatient services and is provided by Social Security at no cost. Medicare Part B, which generally covers outpatient services, has a monthly fee based on a person's earnings. (Note: Persons do not enroll for any other Medicare programs, such as Part C or Part D, prescriptions)

Higher wage earners pay more for Medicare Part B, because Social Security applies an Income Related Monthly Adjustment Amount (IRMAA). When determining how much a person will pay for Medicare Part B, Social Security uses the person's tax return earnings from two years prior. For example, Social Security reviews 2020 tax returns when determining Part B premiums for calendar year 2022.

Each year in a person's retirement, Social Security will assess the Medicare Part B premium it will charge for the upcoming calendar year.

- The State provides retirees with a reimbursement of the Medicare Part B premium for the retiree and spouse. The reimbursement is 100% of the base premium and 50% of the Income Related Monthly Adjustment Amount (IRMAA). Note: The State assumes that retirees pay Social Security only the base premium unless the retiree provides proof each year that they pay an IRMAA.

For monthly pensioners, the reimbursement is added to the monthly pension check. For Alternate Retirement Program (ARP) retirees, the State issues a monthly check.

- Persons age 65 and older must work directly with Social Security to enroll for Medicare Part A and Part B. The enrollment process with Social Security will vary based on the following:
  - *If Enrolling During Seven-Month Window*  
Every person has an initial seven-month window when they turn age 65 to enroll for

Medicare. The effective date of coverage is automatic when enrolling during this window, regardless of what the person requests. This is important to consider, since the State will not reimburse Medicare Part B coverage prior to the effective date of retiree health benefits (month following retirement).

<b>Breakdown of 7-month Window</b>	<b>Automatic Effective Date</b>
3 months prior to month of 65 <sup>th</sup> birthday	First of the month of 65 <sup>th</sup> birthday
Month of 65 <sup>th</sup> birthday	First of the month following 65 <sup>th</sup> birthday
Three months after month of 65 <sup>th</sup> birthday	First of the month following enrollment date

*Example:* Person turns age 65 in June and retires July 1. Retiree health benefits begin August 1 (month following retirement), so the person does not want Medicare Part B coverage to begin before that date, which falls within the 7-month window. To make the coverage effective August 1, the person must enroll for coverage during the month of July.

Persons who are enrolling outside of their Seven-Month Window have the ability to select their enrollment effective date. Social Security does not accept Medicare applications submitted more than 90 days prior to the requested coverage effective date. For example, a person retiring 7/1 will have a retiree health coverage date of 8/1 and can apply for Medicare no earlier than 5/1.

- *If Already Enrolled in Medicare Part A*

Social Security has one process for persons who need to enroll in both Medicare Part A and Part B and another process for person who are already enrolled in Part A and need to enroll only for Part B. The online process for enrollment is only for persons who are applying for both Medicare Part A and B. There is no online process for enrolling in only Part B.

- Benefits will provide persons age 65 and older with a completed Social Security Form CMS-L564 that the person must provide to Social Security when enrolling for Medicare. This form is proof that the person has been covered by a creditable plan while enrolled in the State's active employee benefits plan. This is necessary to ensure that the person is not assessed a late entrant penalty, which is not reimbursable by the State.
- Persons age 65 and older must provide Benefits with a copy of their Medicare card showing enrollment in Part A and B. Additionally, persons must provide a copy of the letter received from Social Security indicating what they will be charged for Part B premiums. This information does not have to accompany the retirement application, but should be sent no later than during the first month of retirement.

Benefits provides copies to the State, which it then uses to enroll the person in the Medicare Advantage Program and in Medicare Part D (prescription drugs). It also sets up for the reimbursement of the Medicare Part B premiums (100% of the base premium and 50% of IRMAA) and 100% of Medicare Part D, for which there is a charge only for high wage earners.

- Social Security does not permit retroactive enrollment in Medicare and they will not allow the State to enroll persons in the Medicare Advantage Program until the person is enrolled in Medicare Part A and Part B. Generally, if the person's enrollment in either Medicare or the Medicare Advantage Program is not completed within three weeks prior to the coverage effective date, there will be a delay in the effective date of the Medicare Advantage Program.

When this happens, the State sends the retiree a new health card based on the active employee coverage (Anthem). The person should use both the Medicare card (primary) and Anthem card (secondary) when obtaining care and services until the effective date of the Medicare Advantage Program coverage.

- The Medicare Advantage Program is a full replacement to Medicare, not a supplement to it. As such, persons should use only their Medicare Advantage card with doctors, hospitals, pharmacies and other health care professionals. Please note: Persons enrolled in the Medicare Advantage Program are not permitted to be enrolled in any other Medicare insurance program, such as through a spouse's retirement plan.
- Retiree health benefits are administered by the Healthcare Policy and Benefit Division of the Office of the State Comptroller. Once retired, questions should be directed to them (agencies do not have access to retiree benefits). Contact information is available from their website at [www.osc.ct.gov](http://www.osc.ct.gov).