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## **Navigating Your State Health Plan Benefits and Medicare**

### ***Understanding Your State Health Plan Benefits at Retirement***

NC State Ready to Retire Workshop – September 2019

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*A Division of the Department of State Treasurer*

# Presentation Overview

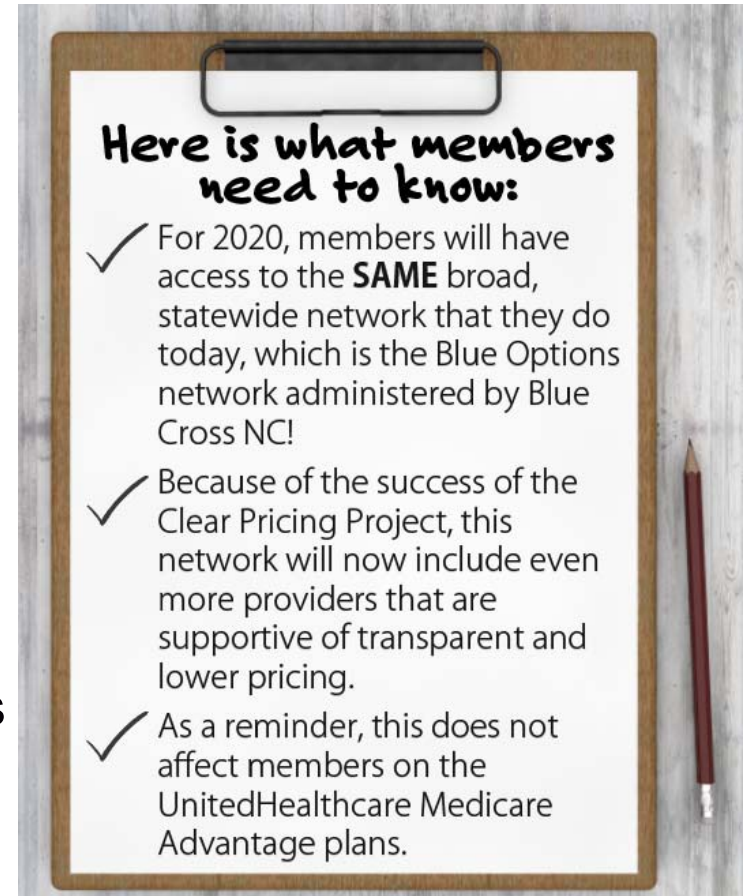
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- Clear Pricing Project
- State Health Plan Options
- Understanding Medicare
- Enrollment
- Medicare Advantage
- Plan Comparisons
- Important Information
  - Disability
  - Re-Employment
  - Your Address
- Open Enrollment



# Clear Pricing Project Update

- The goal of the State Health Plan's Clear Pricing Project was to ensure that members have this valuable benefit for years to come, while bringing transparency to health care costs and addressing rising health costs.
- This effort resulted in more than 25,000 providers partnering with the Plan for transparent and affordable health care. However, no major hospitals were willing to partner with the Plan.
- To ensure members continue to have access to a broad, statewide network, the decision was made that members will continue to have access to the **SAME** network available to you today, in addition to those providers that committed to transparent pricing.



# State Health Plan Options

# State Health Plan Options for Non-Medicare Members

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

## **80/20 PPO Plan**

Pays 80% for most in-network services.

## **70/30 PPO Plan**

Pays 70% for most in-network services.

# State Health Plan Options for Medicare Primary Members

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## UnitedHealthcare Group Medicare Advantage (PPO) Base Plan

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

## UnitedHealthcare Group Medicare Advantage (PPO) Enhanced Plan

Monthly premium for Medicare Primary qualified retiree 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.

# Understanding Medicare

# Original Medicare vs. Medicare Advantage Plans

## Step 1

Enroll in Original Medicare when eligible.



## Step 2

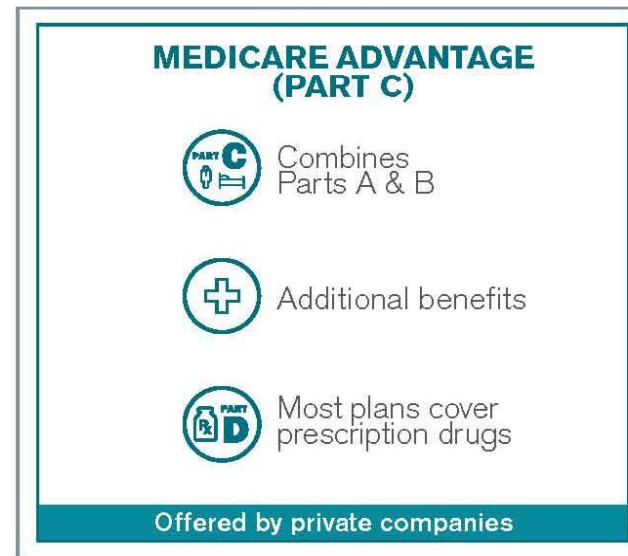
If more coverage is needed, there are additional options.

### Option 1



or

### Option 2





# Medicare Enrollment Tips

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

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- 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.
  - You and the employer providing Employer Group Health coverage will need to complete a Social Security form verifying employment and health coverage.
    - **CMS40B-E** – Application for Enrollment in Medicare Part B (Medical Insurance)
    - **CMS-L564E** – Request for Employment Information
  - Mail or hand-carry completed forms to a local Social Security field office.
  - **Remember: Medicare Part B needs to become effective as of your retirement effective date.**
- Required forms may be found on the Social Security website at [www.socialsecurity.gov](http://www.socialsecurity.gov) or calling 800-772-1213 (7 a.m. to 7 p.m.)

# Income-Related Monthly Adjustment Amount (IRMAA)

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- 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 \$85,000 or if married (filing joint tax return) income is over \$170,000.
- When enrolled in an UnitedHealthcare Group Medicare Advantage plan, higher income members may be subject to Part D IRMAA in addition to their already higher Medicare Part B premium.

**IRMAA amounts for 2019 Medicare Part D may range from \$12.40 to \$77.40 per month. IRMAA determination is based on IRS tax return from 2 years ago (2017)**

# Enrollment

# Contribution Status

Hired Before October 1, 2006

Hired On or After October 1, 2006

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

5 < 10 Years of service  
You pay **100%** premium \*\*

10 < 20 Years of service  
You pay **50%** premium \*\*

20 Years of service  
You pay **0%** premium \*

\*Partial contribution may be required for other plan options

\*\*Premium rate based on state contribution

**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. 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

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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 SHP 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?

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## 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

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- 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?

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- Submit retirement paperwork 120 days before planned retirement date.
  - Allows for necessary communications to be sent regarding health plan options.
- 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.

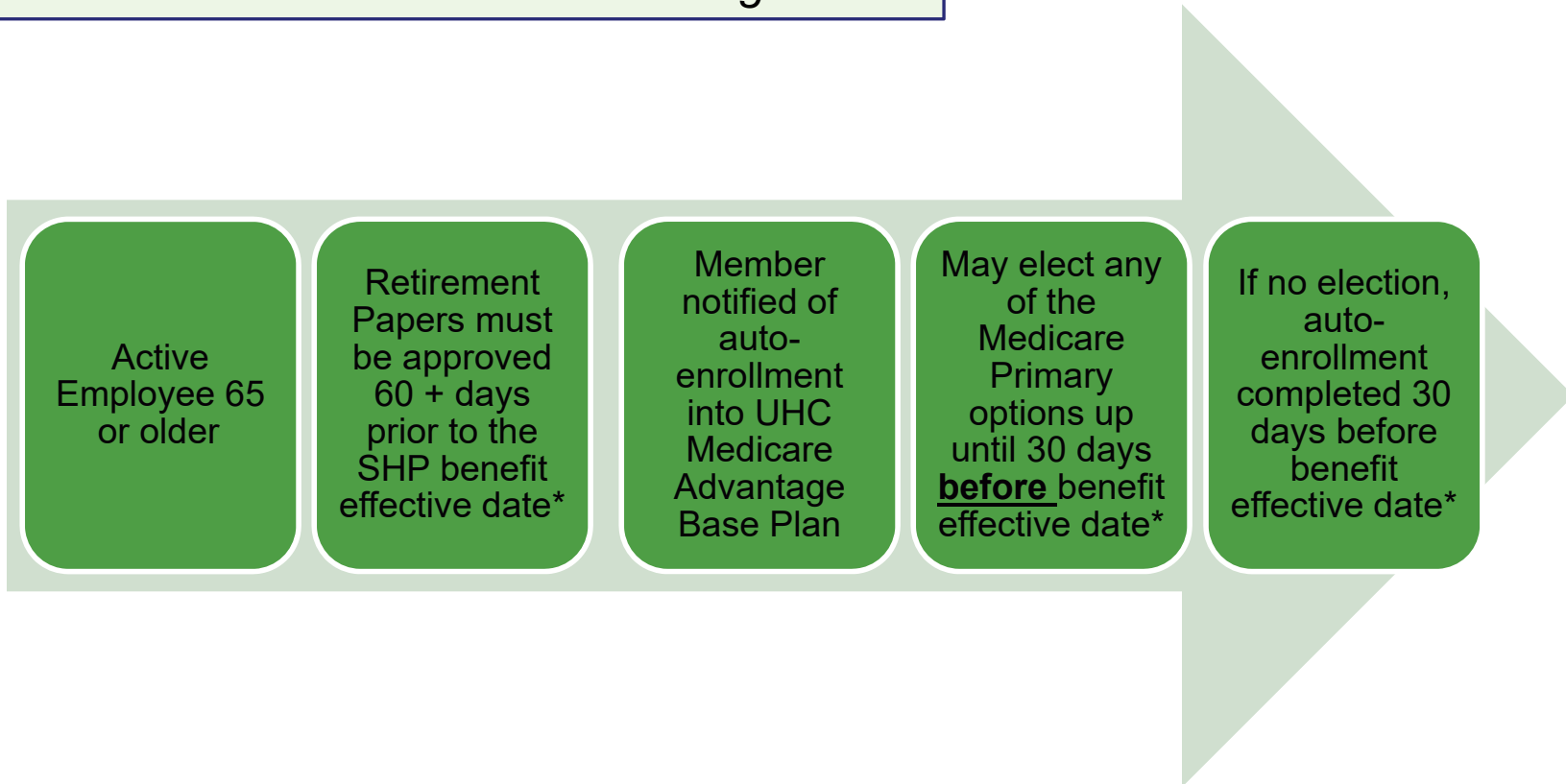
# Retiring at Age 65 and Medicare Enrollment Tips

- **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 ( <b>April</b> )	1 month after enrollment ( <b>May</b> )
1 month after turned 65 ( <b>May</b> )	2 months after enrollment ( <b>July</b> )
2 months after turned 65 ( <b>June</b> )	3 months after enrollment ( <b>September</b> )
3 months after turned 65 ( <b>July</b> )	3 months after enrollment ( <b>October</b> )

# 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

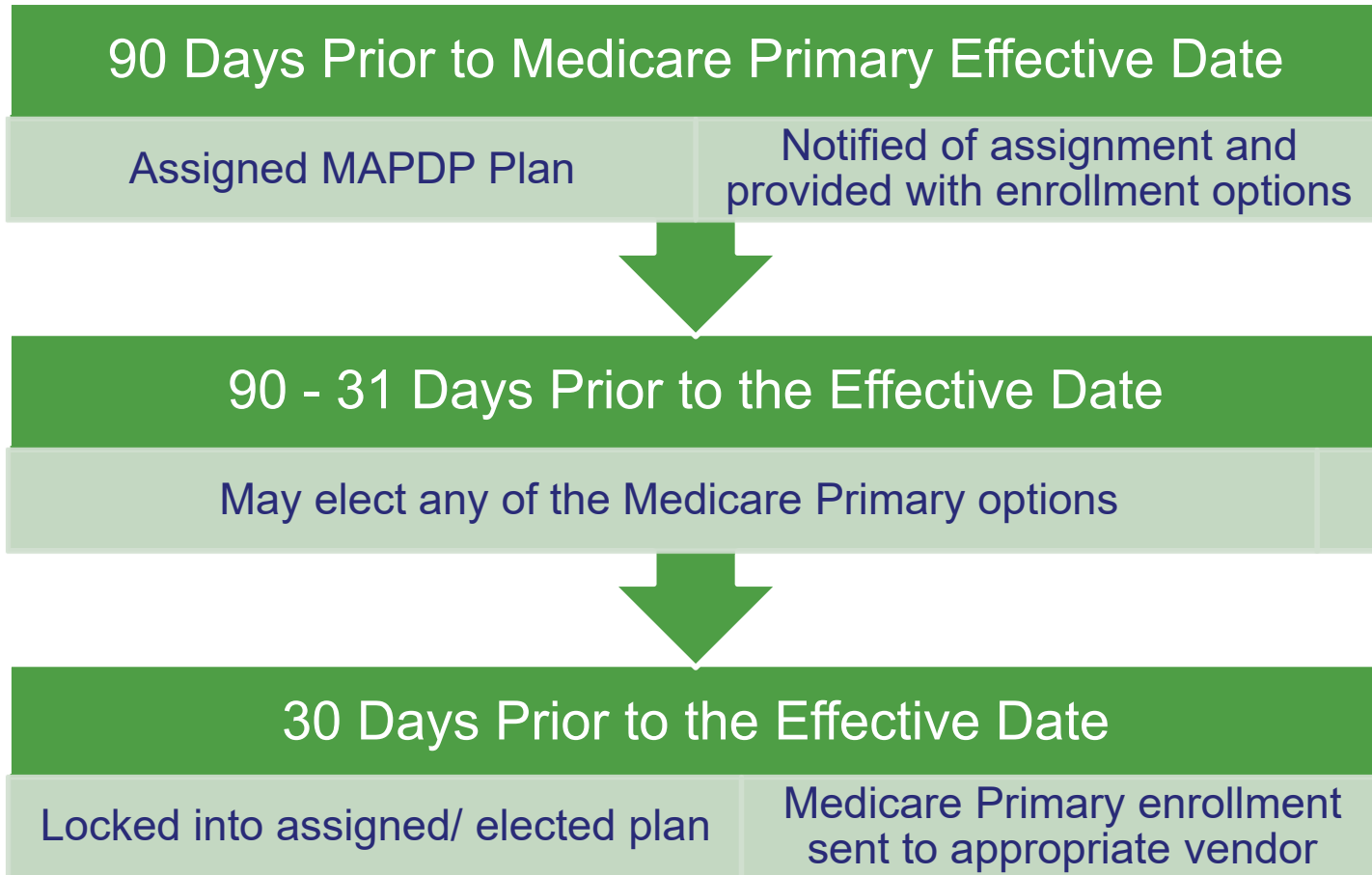
Although not auto-enrolled in a MAPDP plan, you are able to elect a MAPDP plan until the day before your benefit effective date.

# Enrollment Guidelines - *Families*

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- Medicare Primary family members stay together.
- If spouse/dependents **are not** 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 to be 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 65<sup>th</sup> birthday is on the first of a month then Medicare primary effective date is first of the month preceding the 65<sup>th</sup> birthday month.

# Medicare Advantage & 70/30 PPO

# What are Medicare Advantage Plans?

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- A Medicare Advantage Plan, like the UHC 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 UHC, 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

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- The UHC 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 and file claims on member's behalf.

# Medicare Advantage Plan Perks

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- **Simplicity** - The UHC 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 UnitedHealthcare ID card – **not** your red, white and blue Medicare card
- **Predictability** – The UHC 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 UHC Medicare Advantage Plans also provide extra services not covered under Original Medicare.
  - Wellness programs/SilverSneakers®
  - Disease and Case Management
  - Nurse help line 24/7
  - Routine eye & hearing exams
  - Hearing aids

# UHC Medicare Advantage Plans & Other Insurance

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- With the UHC 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 UHC 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 UHC Medicare Advantage Plans.

# UHC Medicare Advantage Plans & Other Insurance

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- TRICARE<sup>®</sup> for Life (TFL) (TRICARE<sup>®</sup> + 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

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- 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 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
    - Copayments, coinsurance and deductible requirements under the 70/30 have to be met
    - All medical and pharmacy copayments will be applied to the combined out-of-pocket maximum but will not apply to the combined deductible

# Plans Comparison – Medical Benefits

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 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 Blue Cross NC provider network
Annual Medical Out-of-Pocket Maximum	\$4,000 (In and Out-of-Network)	\$3,300 (In and Out-of-Network)	<b>\$5,900 In-network (Individual)</b> <b>\$16,300 Out-of-network (Family)</b> <b>(Combined Medical and Pharmacy)</b>
Annual Deductible	\$0	\$0	<b>\$1,500 In-network (Individual)</b> <b>\$4,500 In-network (Family)</b>
Primary Care Provider (PCP) – Office Visit	\$20 copay	\$15 copay	<b>\$45/\$30 (In-network)</b>
Specialist Office Visit	\$40 copay	\$35 copay	<b>\$94 (In-network)</b>
Urgent Care	\$50 copay	\$40 copay	\$100 copay
Inpatient Hospitalization	Days 1-10: \$160/Day Days 11+: \$0/Day	Days 1-10: \$150/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
Ambulance	\$75 copay	\$75 copay	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.**

# Plans Comparison – Medical Benefits, cont'd.

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 70/30*
Emergency Room	\$65 copay (Worldwide)	\$65 copay (Worldwide)	Individual: \$337 copay plus 30% coinsurance after deductible
Lab Services	\$40 copay	\$20 copay	If performed during PCP or Specialist office visit, no additional fee if <b>in-network</b> 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	\$10 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.*

# Plans Comparison – Pharmacy Benefits

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 70/30*
Pharmacy Maximum	\$2,500 Individual	\$2,500 Individual	\$5,900 In-network (Individual) \$16,300 Out-of-network (Family) (Combined Medical and Pharmacy)
Deductible	\$0	\$0	\$1,500 In-network (Individual) \$4,500 In-network (Family)
<b>Retail Purchase from an In-Network Provider</b>			
Tier 1	\$10 copay per 31-day supply		\$16 copay per 30-day supply
Tier 2	\$40 copay per 31 day supply	\$35 copay per 31 day supply	\$47 copay per 30-day supply
Tier 3	\$64 copay per 31 day supply	\$50 copay per 31 day supply	Ded/Coinsurance
Tier 4	25% coinsurance up to \$100 per 31-day supply		\$200
Tier 5	N/A		\$350
Tier 6	N/A		Ded/Coinsurance



# Plans Comparison – Pharmacy Benefits, cont'd.

Benefit Coverage	UHC Base	UHC Enhanced	Blue Cross NC 70/30*
<b>Maintenance Drugs from an In-Network Provider – Up To A 90-Day Supply</b>			
<b>Tier 1</b>	\$24 copay	\$20 copay	\$48 copay
<b>Tier 2</b>	\$80 copay	\$70 copay	\$141 copay
<b>Tier 3</b>	\$128 copay	\$100 copay	<b>Ded/Coinsurance</b>
<b>Tier 4</b>	25% coinsurance up to \$300	25% coinsurance up to \$200	<b>\$400 copay</b>
<b>Tier 5</b>	N/A		<b>\$550</b>
<b>Tier 6</b>	N/A		<b>Ded/Coinsurance</b>

*\*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.*

# Important Information

# Disability

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- 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 AWARD Notice 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

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- 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

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- P.O. Box Addresses: 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.
  - UnitedHealthcare is unable to process an enrollment with only a P.O. Box number on file.
  - Systems are able to store multiple addresses. We 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.

# 2020 Open Enrollment Information

## November 2 – November 19, 2019

# 2020 Open Enrollment Action



- All Medicare Primary members will remain in the plan in which they are currently enrolled.
  - **You do not need to take any action during Open Enrollment unless you want to change plans or add/drop dependents to be effective January 1, 2020.**
- All **non-Medicare primary members**, including non-Medicare primary dependents, will be moved to the 70/30 Plan effective January 1, 2020.
  - Will have same options available to active employees (80/20 PPO and 70/30 PPO Plan)
  - Action will be needed if you (or non-Medicare dependents) want to be enrolled in the 80/20 Plan and to reduce premiums in the 80/20 (premium reduction applies to non-Medicare subscriber only)
  - Failure to take action will result in remaining on the 70/30 Plan for 2020.

# Open Enrollment Period

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- Each year Open Enrollment provides the opportunity to make changes:
  - ✓ Change plans
  - ✓ Opt in/out of the State Health Plan
  - ✓ Add dependents
  - ✓ Remove dependents
- If you opt out of the State Health Plan during Open Enrollment, you may opt back into the State Health Plan during any following Open Enrollment period or as a result of a Qualifying Life Event.
  - Should you opt out of the State Health Plan, we encourage you to sign up for our electronic newsletter, *Member Focus*, as you will not receive mailings from the Plan.



# Changes for 2020



- **70/30 PPO Plan Changes:**

- Affordable Care Act (ACA) Preventive Services will be covered at 100% when performed by an in-network provider—this means no charge to members.
- Wellness incentive/reduced copay for visiting Primary Care Provider (PCP) on your ID card.
  - It will be important to select a PCP during Open Enrollment.
- Deductible, copays, and maximum out-of-pocket limits for the 70/30 PPO plan **will be changing for 2020.**
- There have been changes in the formulary (drug list) on **ALL** plans.

**Benefits, copays and maximum out-of-pocket limits under the UnitedHealthcare Group Medicare Advantage Plans will remain the same for 2020.**

# How to Make a Change for Open Enrollment

## Enroll Online

- Visit the State Health Plan website and click eBenefits in the blue box
- Then click the gold box for ORBIT
- Once you're logged into ORBIT
- Click State Health Plan Benefits

## Enroll by Phone

- During Open Enrollment, the Plan's Eligibility and Enrollment Support Center will offer extended hours.
  - M-F: 8 a.m. – 10 p.m.
  - Sat.: 8 a.m. – 5 p.m.
  - Sun.: 12 p.m. – 5 p.m.
- Call 855-859-0966



### eBenefits for Enrollment

Click here to log into eBenefits, where you can enroll or make changes to your State Health Plan benefits and access Blue Connect, where you can find your EOBs, request new Plan ID cards and other benefit details.



### Retirees Using the ORBIT System

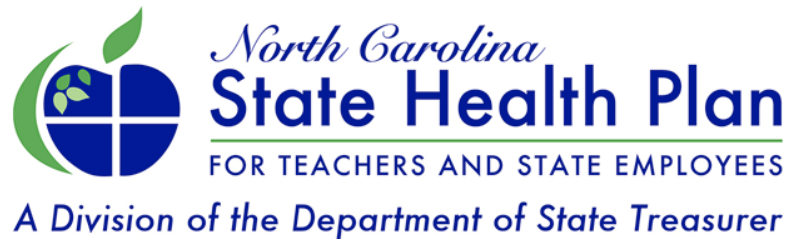
Login to eBenefits through ORBIT

# Thank You!

## *Questions?*



This presentation is for general information purposes only. If it conflicts with federal or state law, State Health Plan policy or your benefits booklet, those sources will control. Please be advised that while we make every effort to ensure that the information we provide is up to date, it may not be updated in time to reflect a recent change in law or policy. To ensure the accuracy of, and to prevent the undue reliance on, this information, we advise that the content of this material, in its entirety, or any portion thereof, should not be reproduced or broadcast without the express written permission of the State Health Plan.



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