

MISCELLANEOUS -.COORDINATION OF MEDICARE (continued)

SECTION E

**COORDINATION OF MEDICARE WITH
THE BLUE CROSS/BLUE SHIELD HEALTH PLAN**

MISCELLANEOUS -.COORDINATION OF MEDICARE (continued)

**MISCELLANEOUS
COORDINATION OF MEDICARE WITH THE
CONSORTIUM'S HEALTH PLAN**

I. **PLAN A**

A. The coordination of benefits between Medicare and Plan A provides for a level of coverage between the Medicare benefit and the full benefit the plan would have paid without Medicare.

1. Medicare pays as primary payer for
 - a. Retirees who are age 65 and older and who are entitled to Medicare due solely to age.
 - b. Retiree dependents age 65 and older who are entitled to Medicare due solely to age.
 - c. Retirees who are disabled and on Medicare at the time of retirement.
 - d. Retiree dependents who are disabled and on Medicare at the time of employee's retirement.
2. The premium cost for retirees/dependent(s) that qualify for "medicare" coverage for Plan A is a reduced amount of the active employee/dependent rate if the retiree **is enrolled in Medicare Part A and Part B.**

Note: When coordinating benefits between a PPO contract and Medicare, claims will be paid up to the lesser of the PPO allowance or Medicare's allowance.

3. Employer Health Plan pays as primary payer for
 - a. All Medicare beneficiaries if the beneficiary is entitled to insurance coverage through an Employee Health program based on the employee or employee's spouses current and active employment (Does not include retirement).
 - (1). The employee or employee's spouse may accept or reject the employer health plan. However, if the employee chooses not to participate **in** the employer health plan, the employer cannot offer coverage which is designed only to supplement Medicare benefits.
 - (2). An employee, actively employed, can select Plan A or B (if applicable) as primary and Medicare will be secondary.
 - (3). Plan C cannot be elected to coordinate with Medicare as primary coverage for the employee in the category of "working elderly."
 - (4). An active employee who elects Medicare as the primary payer for reasons other than End Stage Renal Disease becomes **Ineligible** for any employer health plan (including Plan C).
 - b. Medicare beneficiaries of any age, whether active or retired, during the 30 month coordination period for End Stage Renal Disease (ESRD).
 - c. Under age 65 disabled Medicare beneficiaries who are actively employed or whose coverage is through active employment of a spouse.

Note: If a retiree is entitled to Medicare, but has no Medicare coverage due to special

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circumstances, ie. living outside the United States, the employer health plan will then pay health claims as if it were primary payer.

During this period of time when the retiree has no Medicare coverage due to special circumstances, there will be no reduction in the monthly premium rate paid to FCCRMC. If the retiree is entitled to Medicare and is traveling outside the United States for a short period of time, the retiree may continue to pay the reduced premium rate.

For Group coverage to be primary, the beneficiary must have Medicare Part A and Part B coverage.

II. PLAN B

A. Coordination of benefits between medicare and the group health plan provided in Plan B is very limited.

1. The premium cost for employees/dependent(s) that qualify for "medicare" coverage for Plan B does not reduce.

III. PLAN C

A. There is no coordination of benefits through Plan C.

IV. Effective Date of Medicare Eligibility

A. When an eligible retiree elects Medicare as the primary payer, BCBS must be notified of the change as soon as possible.

1. FORM TO BE USED
 - a. MEMBER STATUS CHANGE REQUEST
 - b. Documentation from medicare notifying the employee of their medicare entitlement.
2. The effective date of coverage under medicare is the effective date of medicare entitlement.
 - a. It is the retirees responsibility to notify the college.

MAIL FORM TO: Personal Service Representative
National Membership & Billing
Blue Cross Blue Shield
P.O. Box 44124
Jacksonville, FL 32232-4124

V. Active Employee who Elects Medicare as Primary Payer

A. An active employee who elects medicare as the primary payer for reasons other than End Stage Renal Disease becomes **Ineligible** for any employer health plan and therefore loses coverage through the employer. (Federal mandate)

VI. Notification of Retirement

MISCELLANEOUS -.COORDINATION OF MEDICARE (continued)

- A. Once an employee on Medicare retires, it is the **employee's responsibility** to notify Medicare of their retirement status.

Refer to Chapter 9, Section H for a chart of eligibility relative to Medicare 9.14

MISCELLANEOUS
Examples of Coordination of Medicare with
Consortium's Health Plan - Plan A

Medicare has a network of physicians who accept Medicare allowance and do not balance bill above the Medicare allowance. This network closely resembles the Blue Cross Blue Shield PPC Network (Employee should contact individual physician regarding their willingness to accept Medicare allowance or contact Medicare).

Benefit: The college group plan provides for a benefit between the amount Medicare pays toward the Medicare allowance and the Medicare allowance.

EXAMPLES:

1. Retiree on Medicare seeks medical attention from a physician and/or medical facility that **accepts Medicare** allowance and the bill is \$10,000.

Medicare allowance on the treatment is	\$8,000.00
Medicare pays 80%	(6,400.00)
Balance Due	\$1,600.00
College plan would pay	\$1,600.00
Employee Responsibility	\$ 0.00

Because the retiree sought medical attention from a physician that accepts Medicare allowance there is no balance billing between the \$10,000 charge and the Medicare allowance of \$8,000.

The amount paid by the college plan for all of these examples assumes that the retiree has met the \$250 calendar year college plan deductible.

2. Retiree on Medicare seeks medical attention from a physician and/or medical facility that **does not accept Medicare allowance** but **does accept PPC allowance** and the bill is \$10,000.

MISCELLANEOUS - Examples of Coordination of Medicare (continued)

Medicare allowance on the treatment is	\$8,000.00
PPC facility has contractually agreed to bill only the Medicare allowance	\$8,000.00
Medicare pays 80%	<u>(6,400.00)</u>
Balance Due	\$1,600.00
College plan would pay	\$1,600.00
Employee Responsibility	\$0.00

Because the retiree sought medical attention from a physician that accepts PPC allowance there is no balance billing between the \$10,000 charge and the Medicare allowance of \$8,000 because their PPC contract also hold them to no balance billing above the Medicare allowance.

The amount paid by the college plan for all of these examples assumes that the retiree has met the \$250 calendar year college plan deductible.

3. **Retiree on Medicare does not seek medical attention from a physician and/or medical facility that accepts Medicare allowance or PPC allowance and the bill is \$10,000.**

Medicare allowance on the treatment is	\$8,000.00
Medicare pays 80%	<u>(6,400.00)</u>
Balance Due	\$1,600.00
College plan would pay	\$1,600.00
Employee Responsibility	\$2,000.00

Because the retiree did not seek medical attention from a physician that accepts Medicare allowance or PPC allowance the physician is allowed to balance bill between the \$10,000 charge and the Medicare allowance of **\$8,000**.

The amount paid by the college plan for all of these examples assumes that the retiree has met the \$250 calendar year college plan deductible.