

for your retirement benefit

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Your health insurance options at retirement

Retiring with 30, 20, and even fewer years of service is possible for many RNs. They may have a defined benefit pension plan (such as the NYSNA Pension Plan) provided by their employer, along with Social Security income, and personal savings and investments to live on.

While you're working, the health insurance coverage provided by your employer makes up a significant portion of your employment package. Once you retire, however, that coverage may no longer be available. You may have to find other coverage to meet the health care needs of your retirement years.

One benefit of postponing retirement until age 65 is that 65-year-old retirees are eligible for Medicare. Those who retire before age 65 aren't eligible for Medicare coverage, but NYSNA Benefits Fund participants who retire before age 65 do have the option of choosing COBRA continuation coverage or Health Net Individual Pay coverage (see last page).

This special retirement newsletter summarizes the retirement health insurance alternatives available in 2010. It highlights the Medicare options available after age 65 and the COBRA and Health Net Individual Pay coverage available to NYSNA Benefits Fund participants who retire before age 65. Further information about all of the various options is available by calling the contact numbers provided in this newsletter.

If you retire at or after age 65

If you retire on or after your 65th birthday, you're eligible for Medicare. You must have worked for at least 10 years in Medicare-covered employment and be a citizen or permanent resident of the United States. Those who are under 65 and disabled or have chronic kidney disease also may qualify for coverage.

- Medicare consists of Parts A and B, which together also are referred to as original or traditional Medicare. Then there's Medicare Part D, which provides some coverage for prescription medications. You can choose to have only Part A, or Part A and Part B. Part D is optional.
- Both Parts A and B pay a portion, but not all, of your medical costs. Part A covers inpatient hospital care, home care, and care from a skilled nursing facility or hospice. Part B covers such outpatient services as doctor visits, hospital care, physical therapy, and durable medical equipment.
- The number of inpatient days that Medicare Part A covers is measured in benefit periods. A benefit period begins the first day you receive inpatient services and ends when you leave

the facility and haven't received care in any other facility for 60 days in a row. There is no limit to the number of benefit periods you can have.

Medicare costs

Part A

- You pay no premium for Medicare Part A coverage in most circumstances, but there is a \$1,100 deductible for hospital services per benefit period.

Part B

- Your monthly premium for Medicare Part B is at least \$110.50, which typically is deducted from your Social Security check.
- You can decline or postpone buying Part B coverage, although the premium increases by 10 percent each year that you delay electing the coverage. There are exceptions. If you or your spouse are working past age 65 for a company with 20 or more employees and are covered by the company's health plan, enrollment in Part B can be deferred until retirement *without* penalty.

Part C

- **Medicare Advantage** (Part C) plans offer coverage that can take the place of Medicare Part A, Part B, and Part D (see below). They include Medicare HMOs, PPOs, Private Fee-for-Service Plans, Medicare Special Needs Plans, and Medicare Medical Savings Account Plans, and may offer prescription drug coverage. In addition to paying any required monthly premium, you usually must also continue to pay the monthly Medicare Part B premium. You'll also likely be responsible for copayments for each visit to a provider.
- The benefits of Medicare Advantage plans are that they offer lower cost coverage than Medigap plans, have no additional out-of-pocket coinsurance costs, and rarely generate paperwork. The restricted network available only in certain areas can be a negative aspect of Medicare Advantage Plans.

Part D

- Private insurers contract with Medicare to provide prescription drug coverage under Medicare Part D. You can sign up for Part D when you become Medicare-eligible and can change plans once a year between November 15 and December 31.
- Premiums may vary, depending on where you live, and will be higher if you don't enroll once you're Medicare-eligible (unless you have other prescription drug coverage that's at least as good as the standard Medicare Part D benefit — what's termed "creditable" coverage).

When to sign up for Medicare

- If you apply for Social Security benefits at age 65, you **automatically** will be enrolled in Medicare Part A and Part B. Your Medicare card will be mailed to you. If you don't want to enroll in Part B, follow the instructions that come with the card.
- If you retire after age 65, you'll need to **apply** for Medicare. Contact your nearest Social Security Administration office for the necessary forms to apply for coverage. You must sign up for Medicare within the seven-month time period that starts three months before your 65th birthday and ends four months after your 65th birthday. If you don't, you'll have to wait until the next general enrollment period to begin coverage. General enrollment is held from January 1 to March 31 of each year.
- A new retiree must apply for Part B before his/her employer's health coverage lapses or within eight months after losing it. If you don't enroll within this time frame, you'll have to wait until the next general enrollment period, which begins January 1 of the following year. The 10 percent premium increase would apply.
- Even if you continue to work after you turn 65, you should sign up for Part A of Medicare. Part A may help pay some of the costs your employer's medical plan doesn't cover. However, it may not be advisable to sign up for Part B if you have health coverage through your employer. Most health plans are far more generous than Medicare, and you won't have to pay the monthly Part B premium.
- If you or your spouse is working for an employer with 20 or more employees and is covered by the company's health plan, the coverage you have through that employer will be primary, and Medicare will be secondary. If the employer

has less than 20 employees, Medicare generally will be primary. Contact your local [Social Security Administration](#) office for more information, or call (800) 772-1213.

What Medicare doesn't cover

Medicare is a great benefit for retirees, but often the plan only covers about one-half of the health care costs of its participants. Limited coverage for prescription drugs is provided through Part D, but Medicare doesn't cover dental care or dentures, routine foot care, hearing aids, or long-term care. (Eye exams and eyeglasses have limited coverage.) These out-of-pocket expenses, combined with deductible and coinsurance amounts, can add up very quickly. For many retirees, a supplemental health insurance policy (such as Medigap) or a Medicare Advantage plan, which takes the place of traditional Medicare A and B coverage and covers prescriptions, may be advisable.

Medigap supplemental insurance

- Medicare supplemental insurance (Medigap) is private insurance that helps fill the gaps in original Medicare (Part A and Part B) coverage. Twelve standard policies are available, each offering a different combination of benefits that work in conjunction with traditional Medicare. The policies must be labeled with the letters A through L to make comparisons among plans easily understandable. Plans F and J also have a high deductible option, in which you'll first have to pay a \$2,000 deductible (for 2010) before Medicare pays.
- The policies pay for some or all deductibles (what you pay before Medicare begins to pay) and coinsurance amounts (what you pay after Medicare pays its share) and certain services not covered by original Medicare. These services may include outpatient prescription drugs, some preventive screenings and home care, emergency medical care provided outside the United States, and provider charges above the amount that Medicare pays. You pay a premium for this supplemental insurance, and you must continue to pay the Part B premium, along with various coinsurance and copayment amounts.
- Each of these standardized plans may be sold as a Medicare Select plan, which is a type of Medigap policy that usually costs less because it restricts your choice of doctors and hospitals, except in an emergency. Medicare Select must meet all of the requirements that apply to Medigap.
- The best time to buy a Medigap policy is during your Medigap open enrollment period, which is the six-month time period after you enroll in Medicare Part B and are age 65 or older. During this open enrollment period, your health status cannot be used as a reason to refuse you a policy or to charge you more than other applicants. If you enroll in a Medigap policy later, you may be denied coverage or charged a higher rate.
- You may call health insurers in your area to find out what Medigap plans they offer and their costs. More detailed information about Medicare and Medicare supplemental insurance is available on the Web at [medicare.gov](#).

Which plan is right for you?

Understanding which Medicare plan is right for you can be a daunting task.

If you choose to buy Original Medicare (Parts A and B), Part D, and Medigap) you:

- Will pay higher premiums in place of lower out-of-pocket costs
- Will have more hospitals and doctors to choose from
- Will have to deal with three separate plans
- May have to change Part D plans if you're prescribed a maintenance medication not on your plan or move to a

Medicare Advantage Plan during open enrollment.

If you choose a Medicare Advantage Plan (to take the place of Medicare A, B, and D), you:

- Will have lower premiums but higher out-of-pocket costs
- Will have a limited choice of hospitals and doctors
- Will have consolidated coverage through a private insurer
- May change plans or choose Original Medicare during open enrollment.

Medicare Enrollment Deadlines			
Enrollment Period	Time Frame	Who Needs It	Additional Information
Initial enrollment	Starting 3 months before the month you turn 65 and continuing for another 4 months for a total of 7 months	People who choose Medicare Part A, B, and D or who choose Medicare Advantage plans (Part C)	You're automatically enrolled in Parts A and B if you're already receiving Social Security
Special enrollment	Anytime within 8 months after you finish working (after age 65)	People who are about to lose employer coverage or delayed enrolling in Part B	Medicare Advantage plans and Part D plans have separate enrollment periods
General enrollment	January 1 - March 31	People who don't enroll in Part A and B during the initial enrollment period or special enrollment period	Your coverage doesn't start until July 1
Annual election	November 15 - December 31	People who didn't enroll in a Medicare plan with drug coverage during the initial enrollment period, or if you did, you can change plans or drop out	You have to first enroll in Medicare Parts A and B
Medicare Advantage open enrollment	January 1 - March 31	People who want to join, leave, or change an Advantage Plan	People with prescription drug coverage can't drop it now, and those without coverage can't add it

If you retire before age 65

If you retire before age 65, you should contact your human resources department or benefits administrator to ask whether medical insurance coverage is provided as part of your retirement package. NYSNA Benefits Fund participants also have several other health insurance options available:

COBRA continuation coverage

- COBRA continuation coverage is available for participants of the NYSNA Benefits Fund (and employees of facilities covered by other than the Benefits Fund through their respective facilities). COBRA provides a temporary extension of the Benefits Fund's group health insurance benefits to RNs at their own expense at the group rate if they lose coverage due to a reduction in hours or termination of employment, including retirement. You can choose COBRA for yourself, your spouse, and/or your covered dependents.
- As long as you make a timely election and pay the required premiums, COBRA will cover medical,

prescription drug, vision, and dental services.

- Coverage can be continued for up to 18 months after your termination date. The Fund's life insurance and disability coverages are not included under the COBRA option.
- If you decide to use COBRA continuation coverage, call the Benefits Fund to let us know when you'll need the coverage. Once the Fund receives official verification from your employer that you have retired, it will send you the required COBRA information. You then have 60 days to elect COBRA.
- Payment of the initial premium, which by law can't exceed 102 percent of the cost of coverage for active participants, must be received within 45 days. Your premiums must be paid monthly thereafter.

Health Net Individual Pay coverage

Another option for NYSNA Benefits Fund participants is to convert the medical and prescription drug portions of your Benefits Fund coverage to a Health Net

insurance program. *You have a choice of Health Net Individual Pay when you first lose active coverage and again when your COBRA coverage ends.* Health Net conversion insurance can be continued indefinitely, and you can choose to cover yourself, your spouse, and/or your covered dependents.

When your Benefits Fund coverage is terminated, you'll receive a letter from Health Net explaining two different conversion options – an HMO Plan and a Point of Service (POS) Plan. Both differ from the Benefits Fund coverage you currently have, and both require a monthly premium. You have 30 days to elect either coverage.

The HMO Plan features a:

- \$15 copayment for most doctor's office visits, radiology, lab tests, and outpatient physical therapy;
- \$5 to \$20 copayment for prescription drugs (subject to a deductible);
- \$75 copayment for outpatient surgery;
- \$50 copayment for an emergency room visit; and
- \$500 copayment for inpatient hospital room and board.

The POS Plan features a choice between seeing in- and out-of-network providers.

In-network, the plan's charges include a:

- \$10 copayment for most office visits, radiology, lab tests, and outpatient physical therapy;

- \$5 to \$20 copayment for prescription drugs (subject to a deductible);
 - \$35 copayment for an emergency room visit; and
 - No charge for inpatient hospital room and board.
- Out-of-network, you'll be responsible for:***
- A deductible;
 - The full cost of prescription drugs and routine office visits;
 - 20 percent of the usual, customary, and reasonable charges for nonroutine office visits, radiology, lab tests, outpatient physical therapy, and emergency room visits; and
 - Any amount over the usual, customary, and reasonable charges.

Other health insurance coverage

Another option is to call health care insurance providers in your area. Ask what types of coverage they offer and how much the monthly premium will cost. Be sure to check what the copayment or coinsurance is for typical office, hospital emergency room, and inpatient hospital visits. Compare several insurers services with the costs to cover you and any members of your family you'd like covered.

If you're married, you also may consider checking whether your spouse's health plan will cover you.

The choice is yours

As you can see, there are many choices for health care coverage in your retirement years. If you retire at or after age 65, you're eligible for:

- Medicare Parts A, B, and D; Medigap supplemental insurance; and Medicare Advantage plans. Call the **Social Security Administration** office at (800) 772-1213 or visit the **Medicare** Web site at medicare.gov for detailed information.

If you retire before you're 65 years old and:

- Are a participant in the NYSNA Benefits Fund, you can choose **COBRA** continuation coverage by calling the Fund at (877) RN BENEFITS, **Health Net Individual**

- Pay coverage by calling **GHBA** (the plan administrator) at (800) 762-3511, or other health insurance coverage by calling health care insurance providers in your area. You also may contact your hospital to ask whether it offers any other medical insurance coverage to retirees.
- Are a participant of the Pension Plan, but aren't a participant in the Benefits Fund, contact your employer or health insurance provider to ask what coverage is available when you retire. Your employer can offer you COBRA and may be able to offer you another form of coverage, such as a direct pay conversion.

New York State Nurses Association

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For Your Retirement Benefit

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Medicare A, B, and D services and fees

Available to those who are 65 or older

January 1 – December 31, 2010

Medicare Part A		
Covers inpatient medical care and services furnished by certified hospitals, skilled nursing facilities, home health agencies, and hospices - No premium if you or your spouse has 40+ quarters of Medicare-covered employment; \$254/month if 30-39 quarters; \$461 if less than 30 quarters		
Covered Service	Cost	
Hospital services — semiprivate room, meals, general nursing and other hospital services and supplies (excluding private-duty nursing, a TV or telephone in your room, or a private room unless medically necessary)	For each benefit period you pay: \$1,100 total for 1st - 60th days \$275 per day for 61st - 90th days \$550 per day for 91st - 150th days (once per lifetime) All costs for each day beyond 150 days	
Skilled nursing or rehabilitation services — semiprivate room, meals, skilled nursing and rehabilitation services, and other services and supplies	No deductible Coinsurance per benefit period \$0 per day for 1st - 20th days \$137.50 per day for 21st - 100th days You pay all costs beyond 100th day	
Home health care services — Intermittent skilled nursing care; physical therapy; occupational therapy; speech language pathology services; home health aide services; durable medical equipment such as wheelchairs, hospital beds, oxygen, and walkers; other services and supplies	No deductible Coinsurance \$0 for home health services following hospital stay 20% of Medicare-approved amount for durable medical equipment	
Hospice care — Pain and symptom relief and supportive services, home care, necessary inpatient care, and a variety of services otherwise not covered by Medicare	You pay: Limited costs for outpatient drugs and inpatient respite care	
Medicare Part B - Covers various doctor and outpatient services		
If your yearly income is:		Your monthly premium is:
Single	Married**	
\$85,000 or less	\$170,000 or less	\$96.40*+
\$85,001 - \$107,000	\$170,001 - \$214,000	\$154.70*
\$107,001 - \$160,000	\$214,001 - \$320,000	\$221.00*
\$160,001 - \$214,000	\$320,001 - \$428,000	\$287.30*
More than \$214,000	More than \$428,000	\$353.60*
** Married filing separately: \$85,000 or less, \$96.40+; \$85,001-\$129,000, \$287.30; more than \$129,000, \$353.60. * If you pay a late-enrollment penalty, this amount is higher. +Only for those who had SSA withhold their premium in 2009. Otherwise premium is \$110.50.		
Covered Service	Cost	
Most doctors' services; outpatient hospital care; ambulance transportation; diagnostic tests, laboratory services; such preventive care as a one-time initial physical exam and mammography, Pap smear, cardiovascular disease, colorectal cancer, diabetes, glaucoma, and prostate cancer screening; physical, occupational, and speech therapy; durable medical equipment; intermittent skilled care; home health aide services; and many other health services	Deductible — \$155 per calendar year, then 20% of Medicare-approved amount for service Coinsurance \$0 to 50% depending on service	
Medicare Part D		
Partially covers prescription drugs Premium is specific to plan (most people will pay approximately \$28)		
The costs vary depending on your plan, the drugs you use, and whether you qualify for financial assistance. Most plans have a coverage gap, which also varies by plan. Visit medicare.gov or call (800) Medicare [633-4227] for the telephone numbers of Medicare Part D plans in your location, which will have specific coinsurance information.		

COBRA and Health Net Individual Pay copayment/coinsurance comparison

Available to NYSNA Benefits Fund participants

January 1 – December 31, 2010

Covered Service	COBRA (Can be continued for up to 18 months)		Health Net Individual Pay (Can be continued indefinitely)		
	In-network	Out-of-network (Coinsurance)	HMO Plan	POS Plan	
				In-network	Out-of-network (Coinsurance)
Monthly premium	\$580 - \$602 per person (subject to change)		\$1,083 - \$1,253 per person**	\$1,298 - \$1,502 per person**	
Deductible	None	\$50 - \$100 per person \$150 - \$200 per family	None	None	\$1,000 per person \$2,000 per family
Routine office visits	\$0 - \$10 copayment	20% of UCR*	\$0 - \$15 copayment	\$0 - \$10 copayment	You pay full cost
Nonroutine office visits	\$10 copayment	20% of UCR*	\$15 copayment	\$10 copayment	20% of UCR*
Radiology	No cost	20% of UCR*	\$15 copayment	\$10 copayment	20% of UCR*
Lab tests	No cost	20% of UCR*	\$15 copayment	\$10 copayment	20% of UCR*
Outpatient physical therapy	\$10 copayment	20% of UCR*	\$15 copayment	\$10 copayment	20% of UCR*
Inpatient hospital room and board	No cost	Generally paid so there are no out-of-pocket facility charges	\$500 copayment	No cost	20% of hospital charges*
Inpatient medical visits	No cost	Up to 20% of UCR*	\$15 copayment	\$10 copayment	20% of UCR*
Outpatient surgery	No cost	Up to 17% of UCR*	\$75 copayment	\$10 copayment	20% of hospital charges*
Emergency room	\$25 copayment (waived if admitted)		\$50 copayment	\$35 copayment	20% of UCR*
Outpatient mental health	\$10 copayment	20% of UCR*	10% of UCR*	10% of UCR*	10% of UCR*
Prescription drugs Maintenance medications must be filled by mail-order	\$0 - \$5 copayment	Reimbursed at average wholesale price minus in-network copayment (less than 34-day supply only)	\$5 - \$20 copayment after meeting \$100 deductible per person or \$300 deductible per family		You pay full cost
Dental care services Diagnostic and preventive	No cost	20% of usual and prevailing fee*	Option not available		
Dental care services Basic restorative, endodontics, periodontics, maintenance of prosthodontics, and oral surgery	20% of fee schedule coinsurance	20% of usual and prevailing fee*	Option not available		
Dental care services Major restorative, installation of prosthodontics, and orthodontics	50% of fee schedule coinsurance	50% of usual and prevailing fee*	Option not available		
Routine vision care services Eye exam every 2 years (yearly for children up to age 18)	\$10 copayment	Paid at up to \$75 for exam and glasses or contact lenses every two years	\$15 copayment (vision screening)	\$10 copayment (vision screening)	Option not available
Routine vision care services Eyeglasses or contact lenses every 2 years	\$30 copayment for lenses and/or Designer selection frames <i>or</i> \$150 credit toward other frames <i>or</i> \$25 - \$45 copayment for contact lenses		Option not available		

** Subject to change. Contact GHBA at (800) 762-3511 for current rates.

*Subject to deductible and/or any charges above UCR.