

# FOR YOUR Retirement Benefit



A special publication of the New York State Nurses Association Pension Plan and Benefits Fund • 2017

## Your health insurance options at retirement

**R**etiring with 30, 20, and even fewer years of service is possible for many individuals in the US. 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 the Health Insurance Marketplace (see last page).

This special retirement newsletter summarizes the retirement health insurance alternatives available in 2017. It highlights the Medicare options available after age 65 and the COBRA 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.

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### If you retire at or after age 65

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**I**f you retire on or after your 65<sup>th</sup> 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 \$1,316 deductible for hospital services per benefit period.

##### Part B

- Your monthly premium for Medicare Part B is at least \$109\*, 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.

\*Depending on income, some beneficiaries will pay more.

## 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, rarely generate paperwork, and may include benefits such as vision or dental coverage. 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 October 15 and December 7.
- 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. Your premium will be deducted from your benefit payment.
- If you sign up for Medicare prior to enrolling in Social Security, you will receive a bill that can be paid one of three ways:
  - Sign up for Medicare Easy Pay, a free service that automatically deducts premium payments from your checking or savings account each month;
  - Mail your payments to Medicare Premium Collection Center, P.O. Box 979098, St. Louis, MO 63197-9000;
- 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 65<sup>th</sup> birthday, includes the month you turn 65, and ends three months after the month you turn 65. 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, long-term care, eye exams, or eyeglasses. 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. Ten 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 N to make comparisons among plans easily understandable (plans E, H, I, and J are no longer available to buy). Plan F also has a high deductible option, in which you'll first have to pay a \$2,200 deductible 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](http://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	October 15 - December 7	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. Coverage begins January 1
Medicare Advantage open enrollment	October 15 - December 7	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. Coverage begins January 1

## 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 another 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 reduc-

tion 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.

## THE HEALTH INSURANCE MARKETPLACE

Americans without health insurance can also sign up for health insurance through the Health Insurance Marketplace. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums, and you can see what your premium, deductibles, and out-of-pocket costs will be prior to enrolling.

Being eligible for COBRA does not limit your eligibility for coverage for a tax credit through the Marketplace.

## 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.

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## The choice is yours

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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, sign up for coverage through the [Health Insurance Marketplace](#), or choose

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. You'll also be eligible for insurance through the Health Insurance Marketplace.

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, 2017

<b>Medicare Part A</b>	
<i>Covers inpatient medical care and services furnished by certified hospitals, skilled nursing facilities, home health agencies, and hospices - Most people don't pay a monthly premium for Part A</i>	
<b>Covered Service</b>	<b>Cost</b>
<b>Hospital services (including mental health inpatient services)</b> — 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)	<b>For each benefit period you pay:</b> \$1,316 deductible \$0 coinsurance for 1st - 60th days \$329 coinsurance per day for 61st - 90th days \$658 coinsurance per day for 91st - 150th days (lifetime reserve days) All costs for each day beyond 150 days
<b>Skilled nursing or rehabilitation services</b> — semiprivate room, meals, skilled nursing and rehabilitation services, and other services and supplies	<b>No deductible</b> <b>Coinsurance per benefit period</b> \$0 per day for 1st - 20th days \$164.50 per day for 21st - 100th days You pay all costs beyond 100th day
<b>Home health care services</b> — Intermittent skilled nursing care; physical therapy; occupational therapy; speech language pathology services; part-time or intermittent home health aide services; durable medical equipment such as wheelchairs, hospital beds, oxygen, and walkers; other services and supplies	<b>No deductible</b> <b>Coinsurance</b> \$0 for home health services following hospital stay 20% of Medicare-approved amount for durable medical equipment
<b>Hospice care</b> — Pain and symptom relief and supportive services, home care, necessary inpatient care, and a variety of services otherwise not covered by Medicare	<b>No deductible</b> <b>You pay:</b> Limited costs for outpatient drugs and inpatient respite care

## Medicare Part B - Covers various doctor and outpatient services

If your yearly income in 2015 was:		Your monthly premium is:
Single	Married Filing Jointly	
\$85,000 or less	\$170,000 or less	\$134.00*
\$85,001 - \$107,000	\$170,001 - \$214,000	\$187.50*
\$107,001 - \$160,000	\$214,001 - \$320,000	\$267.90*
\$160,001 - \$214,000	\$320,001 - \$428,000	\$348.30*
More than \$214,000	More than \$428,000	\$428.60*

\* If you pay a late-enrollment penalty, this amount is higher.

<b>Covered Service</b>	<b>Cost</b>
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; certain home health services; and many other health services	<b>Deductible</b> — \$183 per calendar year <b>Coinsurance</b> \$0 of Medicare-approved amount for most home health care services, clinical laboratory services, and; 20% of the Medicare-approved amount for durable medical equipment, most doctor services (including services provided when you're a hospital inpatient), and outpatient therapy.

## Medicare Part D - Partially covers prescription drugs

The Part D monthly premium varies by plan

If your yearly income in 2015 was:		Your monthly premium is:
Single	Married Filing Jointly	
\$85,000 or less	\$170,000 or less	Your plan premium
\$85,001 - \$107,000	\$170,001 - \$214,000	\$13.30 + your plan premium
\$107,001 - \$160,000	\$214,001 - \$320,000	\$34.20 + your plan premium
\$160,001 - \$214,000	\$320,001 - \$428,000	\$55.20 + your plan premium
More than \$214,000	More than \$428,000	\$76.20 + you plan premium

# COBRA copayment/coinsurance comparison available to NYSNA Benefits Fund participants

January 1 – December 31, 2017

Covered Service	COBRA (Can be continued for up to 18 months)			
	Plan A In-network	Plan A Out-of-network (Coinsurance)	Plan B In-network	Plan B Out-of-network (Coinsurance)
Monthly premium	\$840 per person		\$808 per person	
Deductible	None	\$250 per person \$500 per family	None	\$300 per person \$600 per family
Routine office visits	No cost	30% of UCR*	No cost	30% of UCR*
Nonroutine office visits	\$10 copay/PCP \$25 copay/specialist	30% of UCR*	\$10 copay/PCP \$30 copay/specialist	30% of UCR*
Radiology	No cost	30% of UCR*	\$25 copayment	30% of UCR*
Lab tests	No cost	30% of UCR*	No cost	30% of UCR*
Outpatient physical therapy	\$10 copayment	30% of UCR*	\$30 copayment	30% of UCR*
Inpatient hospital room and board	No cost	\$500 copay/admission; then 30% of UCR*	No cost	\$500 copay/admission; then 30% of UCR*
Inpatient medical visits	No cost	30% of UCR*	No cost	30% of UCR*
Outpatient surgery	No cost	30% of UCR*	No cost	30% of UCR*
Emergency room	\$75 copayment (waived if admitted)		\$100 copayment (waived if admitted)	
Outpatient mental health	\$25 copayment	30% of UCR*	\$30 copayment	30% of UCR*
Prescription drugs - Retail	\$0 - \$20 copayment	Reimbursed at contracted amount minus in-network copayment (up to a 34-day supply only)	\$7 - \$35 copayment	Reimbursed at contracted amount minus in-network copayment (up to a 34-day supply only)
Prescription drugs - Maintenance	\$0 - \$40 copayment	N/A	\$15 - \$70 copayment	N/A
Dental care Diagnostic and preventive	No cost	20% of usual and prevailing fee*	No cost	20% of usual and prevailing fee*
Dental care Basic restorative, endodontics, periodontics, prosthodontics maintenance, and oral surgery	20% of fee schedule coinsurance	20% of usual and prevailing fee*	20% of fee schedule coinsurance	20% of usual and prevailing fee*
Dental care Major restorative, installation of prosthodontics, and orthodontics	50% of fee schedule coinsurance	50% of usual and prevailing fee*	50% of fee schedule coinsurance	50% of usual and prevailing fee*
Routine vision care 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	\$10 copayment	Paid at up to \$75 for exam and glasses or contact lenses every two years
Routine vision care Eyeglasses or contact lenses every 2 years	\$30 copay for lenses and/or Designer selection frames <i>or</i> \$150 credit toward other frames <i>or</i> \$25 copay for contact lenses		\$30 copay for lenses and/or Designer selection frames <i>or</i> \$150 credit toward other frames <i>or</i> \$25 copay for contact lenses	

\*Subject to deductible