



Medicare & Senior Advantage Guide for Retiring Physicians

Medicare Basics

Medicare is a federal health insurance program that pays for hospital and medical care for:

- Individuals who are age 65 or older
- Individuals who are under 65 with certain disabilities
- Individuals of any age with End-Stage Renal Disease (ESRD)

Eligibility for Medicare also requires that an individual is a U.S. citizen or permanent legal resident for five continuous years and is eligible for Social Security benefits with at least ten years of payments contributed into the system.

Parts of Medicare

Medicare has four main components that help cover specific services:

Medicare Part A (Hospital Insurance) Medicare Part A helps pay for inpatient hospital care, skilled nursing care, some home-health services, and hospice care.	Medicare Part B (Medical Insurance) Medicare Part B helps pay for physician services, outpatient hospital care, and other medical services not covered by Part A.
Medicare Part C (also known as Medicare Advantage) Medicare Part C offers health plan options run by Medicare-approved private insurance companies. These plans cover all services under Parts A and B, and some may also include prescription drug coverage (Part D).	Medicare Part D (Prescription Drug Coverage) Medicare Part D is run by Medicare-approved private insurance companies. This plan helps cover the cost of prescription drugs, and can help lower your prescription drug costs and help protect against higher costs.

Medicare benefits through Kaiser Foundation Health Plan

Physicians continue receiving Kaiser Foundation Health Plan (KFHP) coverage until they reach age 65. Upon reaching age 65, all retiring physicians are encouraged to enroll in Medicare and Senior Advantage, Kaiser Permanente’s Medicare Advantage HMO program. Senior Advantage provides essentially the same health care coverage that active physicians receive with KFHP coverage. **When you enroll in Senior Advantage, you automatically assign your Medicare Parts A, B and D to Kaiser Permanente.**

To be eligible for Senior Advantage health coverage in retirement, you must:

- Be age 65 or older,
- Have stopped working in a partner or associate physician category,
- Reside within the California service area and within a Medicare-approved zip code, and
- Be eligible for KFHP coverage at the time of retirement

Health care coverage for your eligible dependents

- Your spouse/domestic partner continues KFHP coverage until he/she reaches age 65, then he/she is also encouraged enroll in Senior Advantage.
- Eligible dependent children will continue to receive KFHP coverage upon your retirement until they reach age 26, unless disabled before age 26 and are incapable of self-support due to mental or physical handicap. After reaching age 26, your dependents are eligible for coverage continuation through COBRA for up to 36 months or as a Special Dependent for as long as you pay premiums.
- You can enroll Special Dependents in KFHP coverage at their own expense. Special dependents are limited to your parents, your spouse/domestic partner’s parents, and your over-age children and their eligible dependents. Contact PHR Shared Services for more information on Special Dependent coverage.

With Senior Advantage,

- All medical care must be received at a Kaiser facility (except in the event of an emergency)
- There are no co-pays for office visits
- There is only a \$5 co-pay for prescriptions (no annual maximum)
- You also receive Dental DMO coverage which requires you to receive treatment from a panel of dentists

Medicare Premiums and Reimbursement by SCPMG

Part A

Most individuals receive Part A premium-free. You usually don't pay a monthly premium for Part A coverage if you paid Social Security taxes for 10 years or more prior to reaching age 65.

Part B

To receive Part B, you must pay a monthly premium based on your adjusted gross income. You and your spouse/domestic partner may be eligible to receive reimbursement of your Medicare Part B premium as part of your SCPMG retiree health care benefit. When you become eligible for participation in the reimbursement program, you will pay Medicare directly for your Part B premiums, but you will be reimbursed by SCPMG for this cost semi-annually (in March and September).

Reimbursement Program Eligibility

You (and your eligible spouse/domestic partner who is age 65 or older) are eligible for participation in this program when you turn age 65, are retired from the partnership, and are no longer in a benefits eligible category. You and your eligible spouse/domestic partner will be eligible for reimbursement once you enroll in Senior Advantage and assign your Medicare Part A and B to KFHP.

- If your spouse/domestic partner turns 65 before you do, you cannot receive reimbursement for premiums paid for your spouse/domestic partner until you are eligible for Medicare Part B reimbursement.
- Disabled Dependents and Special Dependents (even if eligible for Social Security or Medicare) are not eligible for reimbursement of Medicare Part B premiums under this program.

You must also meet one of the following requirements:

- Retired at age 55 with at least 15 years of Common Plan Qualifying Service, or
- Retired at age 65 with at least 10 years of Common Plan Qualifying Service, or
- Retired when age plus years of Common Plan Qualifying Service equal at least 75, with at least 10 years of Common Plan Qualifying Service, or
- Was approved for the Early Separation Program

Documentation for Reimbursement

Enrollment in the Medicare Reimbursement Program is required annually—SCPMG will mail you the Reimbursement program enrollment forms. Along with the completed enrollment forms, you must also submit a copy of the Medicare billing statement that is mailed to you in December of each year by the Social Security Administration. The statement you receive in December will show the monthly premium amount for coverage you will receive beginning in January of the following year.

Part D

Senior Advantage includes prescription drug coverage, so you do not need to purchase a separate plan for Medicare Part D. When you enroll in Senior Advantage, Kaiser Permanente automatically enrolls you in Medicare Part D—there is no separate enrollment process or application that you must complete.

Medicare Part D premiums are currently excluded from the Medicare Reimbursement Program and are not reimbursable by SCPMG.

Enrolling in Medicare

You can sign up for Medicare online or in person at a Social Security Administration office.

- **To sign up online**, visit www.ssa.gov, select the *Medicare* tab, and then click on the *Apply for Medicare Benefits* button. The online application should take less than 15 minutes to complete. You can save your progress at any time. You will be assigned an application number—write this number down. This application number can be used to return to your application to complete it, or to check on its status once it has been successfully submitted. If any additional information is needed, a Social Security representative will contact you.
- **To sign up in person**, visit your local Social Security Administration office. To find a location near you, visit www.ssa.gov, and click on the link *Locate a Social Security Office*.

About eight (8) weeks after you have submitted your application, you will receive a red, white and blue Medicare card in the mail.

Enrolling in Senior Advantage

Before you enroll in Senior Advantage, you should have already applied for Medicare and received your red, white and blue Medicare card.

Though the coverage you receive with KFHP is comparable to what you will receive under Senior Advantage, your coverage does not convert automatically. You must still complete a Senior Advantage application in order to enroll.

Approximately 90 days prior to turning age 65, KFHP will mail you a Senior Advantage enrollment packet. If you do not receive this packet, contact PHR Shared Services to request one be mailed to you. Upon receipt of the enrollment packet, contact PHR Shared Services for additional instructions on which forms to complete and how to submit your completed forms.

Once your completed forms are received and reviewed by the Medicare unit, you will receive an acknowledgment of receipt by mail. Kaiser Permanente will then notify Medicare that you have applied for Senior Advantage. Within 10 calendar days after Medicare confirms your eligibility, KFHP will confirm the effective date of your coverage. You may receive a new Kaiser Permanente ID card and information for new members.



When to Enroll in Medicare and Senior Advantage

The decision of when to enroll in Medicare depends on when you decide to retire. Part A is premium-free, so you should sign up for coverage as soon as you are eligible. However, since Part B requires payment of monthly premiums, you should carefully consider when to sign up for coverage.

If Physician retires before age 65

Physician	<p>As an early retiree, you will receive KFHP coverage until you reach age 65.</p> <ul style="list-style-type: none"> • Three months before you turn age 65, enroll in Medicare and Senior Advantage so that your coverage will be effective the month you turn 65. • You are not eligible to receive reimbursement for your Medicare Part B premiums until you reach age 65.
Spouse/ Domestic Partner	<p>If your spouse/domestic partner is to receive health care coverage and is OVER age 65 upon your retirement:</p> <ul style="list-style-type: none"> • Your spouse/domestic partner should already be enrolled in Medicare Part A but elected to delay Part B until your retirement date. • You cannot be reimbursed for Medicare Part B premiums paid for your spouse/domestic partner before you reach age 65 and are eligible* for reimbursement.
	<p>If your spouse/domestic partner is to receive health care coverage and is UNDER age 65 upon your retirement, they will receive KFHP coverage until they reach age 65.</p> <p>If your spouse/domestic partner turns 65 <i>before</i> you:</p> <ul style="list-style-type: none"> • He/she must enroll in Medicare and Senior Advantage three months prior to turning 65. • You will not be reimbursed for their Part B premiums until you reach age 65 and are eligible* for reimbursement. <p>If your spouse/domestic partner turns 65 <i>after</i> you:</p> <ul style="list-style-type: none"> • He/she must enroll in Medicare and Senior Advantage three months prior to turning age 65. • If eligible*, you will be able to receive reimbursement for your spouse/domestic partner's Part B premiums.

If Physician retires upon reaching age 65

Physician	<ul style="list-style-type: none"> • Three months before you turn age 65 and retire, enroll in Medicare and Senior Advantage so that your coverage will be effective the month you turn 65. • Once you retire and are eligible*, you can receive reimbursement for your Medicare Part B premiums.
Spouse/ Domestic Partner	<p>If your spouse/domestic partner is to receive health care coverage and is OVER age 65 upon your retirement:</p> <ul style="list-style-type: none"> • Your spouse/domestic partner should already be enrolled in Medicare Part A, but elected to delay part B until your retirement date. • Once you retire and are eligible* for Medicare Part B reimbursement, you can also be reimbursed for your spouse/domestic partner's Part B premiums.
	<p>If your spouse/domestic partner is to receive health care coverage and is UNDER age 65 upon your retirement, they will receive KFHP coverage until they reach age 65.</p> <ul style="list-style-type: none"> • Three months before reaching age 65, your spouse/domestic partner should enroll in Medicare and Senior Advantage. • If eligible*, you will be able to receive reimbursement for your spouse/domestic partner's Part B premiums.

* Physician must be age 65, retired from the Partnership (or an Associate), and no longer in a benefits eligible category.

If Physician reaches age 65, but continues to work until the end of the year (or, if an Associate, until your desired retirement date):

<p>Physician</p>	<ul style="list-style-type: none"> • Three months before you turn age 65, enroll in Medicare Part A, but delay Part B until January 1st since you will still be working and receiving KFHP coverage until the end of the year. (If retiring as an Associate, delay Part B until the 1st of the month following your chosen retirement date since you will have KFHP coverage until the end of the month in which you retire.) • At least three months prior to your retirement date, notify the Social Security Administration and enroll in Senior Advantage so that your Medicare Part B coverage is effective on the 1st of the month following your retirement date. Social Security will ask you to submit a form to verify that you will be working and receiving health care coverage through your employer until the end of the year. Submit this form to Permanente Benefits so it can be completed for you. • If your birthday falls in the last four months of the year, Social Security may delay your Medicare effective date until February 1st. Social Security may not allow you to enroll in Medicare with an effective date of January 1st due to restrictions caused by concurrent Medicare Enrollment Periods. If the Social Security office delays your Medicare effective date, you will still retain KFHP medical coverage for the month of January. However, you will pay a higher amount of imputed income for your January coverage since your Medicare Parts A and B are not yet assigned to Kaiser Permanente. Once your Senior Advantage coverage begins, you will pay the lower imputed income rate for your coverage. <i>(See insert for more information on imputed income rates)</i> • Once you retire and are eligible*, you can receive reimbursement for your Medicare Part B premiums.
<p>Spouse/ Domestic Partner</p>	<p>If your spouse/domestic partner is to receive health care coverage and is OVER age 65 upon your retirement, your spouse/domestic partner should already be enrolled in Medicare Part A, but elected to delay Part B.</p> <ul style="list-style-type: none"> • If you retire as a PARTNER: Your spouse/domestic partner should delay Part B until January 1st since they will continue to receive KFHP coverage until the end of the year. • If you retire as an ASSOCIATE: Your spouse/domestic partner should delay Part B until the 1st of the month following your chosen retirement date since you will have KFHP coverage until the end of the month in which you retire. • Once you retire and are eligible* for Medicare Part B reimbursement, you can also be reimbursed for your spouse/domestic partner's Part B premiums. <p>If your spouse/domestic partner is to receive health care coverage and is UNDER age 65 upon your retirement, they will receive KFHP coverage until they reach age 65.</p> <p>If your spouse/domestic partner turns 65 <i>before</i> your retirement date:</p> <ul style="list-style-type: none"> • If you retire as a PARTNER: Your spouse/domestic partner should delay Medicare Part B until January 1st since they will continue to receive KFHP coverage until the end of the year. • If you retire as an ASSOCIATE: Your spouse/domestic partner should delay Part B until 1st of the month following your chosen retirement date since you will have KFHP coverage until the end of the month in which you retire. • If eligible*, you will be able to receive reimbursement for your spouse/domestic partner's Part B premiums. <p>If your spouse/domestic partner turns 65 <i>after</i> you have already retired and started to receive Medicare coverage:</p> <ul style="list-style-type: none"> • He/she must enroll in Medicare and Senior Advantage three months prior to turning age 65. • If eligible*, you will be able to receive reimbursement for your spouse/domestic partner's Part B premiums.

* Physician must be age 65, retired from the Partnership (or an Associate), and no longer in a benefits eligible category.

Things to Remember:

- If you do not apply for Medicare when you are first eligible and elect to enroll later, you may pay a penalty for late enrollment.
- If you choose not to enroll in, or disenroll from Senior Advantage, you will not be eligible for Medicare Part B premium reimbursement and will also pay more in imputed income.

Upon the Death of a Retired Physician

- Upon death of a retired physician, the surviving spouse/domestic partner will continue to have their medical coverage for the rest of their life, unless they remarry or enter into a subsequent domestic partnership.
- Imputed income for medical benefits will be reduced the first of the following month after receipt of a certified death certificate.
- SCPMG will continue to reimburse Medicare Part B premiums on a semi-annual basis at a reduced amount if the spouse/domestic partner is enrolled in an eligible plan and meets the eligibility requirements.
- Eligible dependents will retain KFHP coverage until they reach age 26, unless disabled before age 26 and incapable of self-support due to mental or physical handicap.

Disability

If you are eligible for Medicare due to a disability, you will be able to receive Medicare coverage after you have been entitled to receive Social Security benefits for 24 months, but depending on your years of Common Plan Qualifying Service, you may not be eligible for Medicare Part B reimbursement.

Important Contact Information

PHR Shared Services

- 1-877-608-0044
- PHRSharedServices@kp.org
- Fax: 626-628-3789

Medicare

- www.medicare.gov (for general information)
- www.mymedicare.gov (secure online service to access to your personal Medicare information)
- 1-800-MEDICARE
- TTY: 1-877-486-2048

Social Security

- www.ssa.gov
- 1-800-772-1213
- TTY: 1-800-325-0778

California Health Insurance Counseling & Advocacy Program (HICAP)

- www.cahealthadvocates.org/HICAP/
- 1-800-434-0222
- For a State Health Insurance Assistance Program (SHIP) outside of California, call 1-800-MEDICARE

Senior Advantage Member Services

- 1-800-443-0815
- TTY: 1-800-777-1370

Frequently Asked Questions

How do I pay for my Medicare Part B premiums?

With Kaiser Permanente Senior Advantage, you do not pay a separate plan premium in addition to your Medicare premium. You will only pay for your Medicare Part B premium, the cost of which depends on your modified adjusted gross income.

If you receive a monthly benefit payment from Social Security, you can have your Part B premiums deducted from your monthly premium benefit. If you do not receive benefits payments, or you elect to be directly billed, you will receive a bill from the Social Security Administration for your Medicare coverage.

Mail your premium payments in the pre-addressed envelope included with your billing notice. To ensure that your account is credited properly, be sure to write your Medicare number clearly on the check or money order.

How do I get reimbursed for my Medicare Part B premiums?

As part of the SCPMG retiree benefits you receive, you may be eligible for reimbursement of the Medicare Part B premiums for you and your spouse/domestic partner. Eligibility for reimbursement depends on your age and number of years of qualifying service you had at the age of your retirement. (Refer to page 3 for reimbursement requirements)

You pay Medicare directly when billed for your Part B premium. SCPMG then reimburses physicians for their Part B premiums in March and September of each year. If you are eligible for reimbursement, SCPMG will send you the Medicare Part B reimbursement form. Complete this form and return to SCPMG along with a copy of your Medicare billing statement.

Please note that SCPMG will not reimburse you for any incurred penalties.

Does Medicare offer dental coverage?

Medicare does not cover dental care. However, once you enroll in Senior Advantage, you will have dental coverage through DeltaCare USA, a DHMO program.

Do I need to enroll in Medicare Part D if I am enrolled in Senior Advantage?

Once you enroll in Kaiser Permanente Senior Advantage, the plan will automatically enroll you in Medicare Part D. Due to health care reform legislation, high earners now pay a surcharge for Part D coverage.

If applicable, the Part D surcharge is included on your Medicare billing statement.

Medicare Part D is currently excluded from the Medicare reimbursement program and is not reimbursable by SCPMG.

Does Senior Advantage cover me when I travel?

Senior Advantage provides you with coverage for medically necessary emergencies or urgently needed care even if you're traveling. You will need to submit claim forms to be reimbursed for these services. For more information on Senior Advantage coverage while traveling, contact Member Services.

What if I decide to move to another state? How would I obtain medical coverage?

If you decide to move out of state, you will no longer be eligible for coverage under KFHP/Senior Advantage. If you do not receive KFHP/Senior Advantage coverage, you are also no longer eligible for Supplemental Medical coverage and Medicare Premium Part B reimbursement.

However, you can continue medical coverage through one of two KFHP alternate plans:

- If you move to a state **outside of the KFHP service area**, you can enroll in the Comprehensive Medical Plan.
- If you move to a state **outside of California but within the service area of other Kaiser Permanente participating providers**, you can enroll in the Multi-Site Plan.

For more information on the Comprehensive Medical and Multi-Site Plans, refer to your Retiree Benefits handbook or contact PHR Shared Services.

What if I return to California after having lived out of state?

If you relocate your primary residence back into a California Kaiser Permanente service area, you may reinstate KFHP/Senior Advantage coverage. However, participation in the Medicare Part B reimbursement program will be based upon the rules in effect on the date of requested commencement. There are no retroactive premium payments for periods in which you are not enrolled in Senior Advantage.

I enrolled in Medicare Parts A and B but am still working. I did not realize that I would continue to receive KFHP coverage. Can I drop Part B now and enroll in Part B again when I retire? Will I have to pay higher premiums when I enroll in Part B again?

If you continue to work and receive medical coverage, your Medicare Part B benefits may be of limited value to you since KFHP is the primary payer of your medical bills.

If you have Medicare Part B and decide to drop it while you are working, you can sign up for Medicare Part B again during your Special Enrollment Period.

According to the Centers for Medicare and Medicaid Services (CMS), a Special Enrollment Period is:

- Anytime you are still covered by the employer or union group health plan through your or your spouse's **current or active** employment, or
- During the 8 months following the month the employer or union group health plan coverage ends, or when the employment ends (whichever is first).

As long as you enroll in Part B during your Special Enrollment Period, you will not have to pay a higher Part B premium.

Contact the Social Security Administration for detailed information before dropping your Medicare Part B.