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# Retiree Health Benefits

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Along with a monthly pension, retirement benefits may include medical coverage for retirees, disabled members, and survivors who are receiving monthly PERS benefits and their new spouse and eligible dependent children of the member. Coverage under the AlaskaCare Retiree Health Plan differs from coverage you have with your current employer.

## Medical Coverage at Retirement

The following benefit recipients, their spouse, and eligible dependent children will be covered automatically by the AlaskaCare Retiree Health Plan when they start receiving monthly benefits:

- ◆ All members regardless of date of hire if they are receiving PERS disability benefits;
- ◆ Members who retire after 30 years of membership service (25 years if a peace officer or fire fighter), and their survivors;
- ◆ Members who first entered the PERS before July 1, 1986 (Tier I), and their survivors.
- ◆ Members who first entered the PERS on or after July 1, 1986, but before July 1, 1996 (Tier II), and their survivors if they are at least age 60; and
- ◆ Members who first entered the PERS on or after July 1, 1996 (Tier III), and their survivors if they are at least age 60 and have at least 10 years of credited service;

This coverage ends when the member or survivor dies or is no longer eligible to receive monthly benefits.

Members who do not qualify for system-paid health premiums may purchase medical coverage for themselves, spouse, and eligible dependent children and pay the monthly premium.

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These members and their survivors have the option of selecting and paying for medical coverage for:

- ◆ The benefit recipient only;
- ◆ The benefit recipient and spouse or same-sex partner;
- ◆ The benefit recipient and eligible dependent children; or
- ◆ The benefit recipient and family, which includes spouse, or same-sex partner, and any eligible dependent children.

Premiums for the medical coverage will be deducted from the monthly benefit payment. If the amount of the benefit is less than the total of the premiums due, the benefit recipient must pay the premiums directly to the claims administrator.

For more information regarding the medical plan including a current description of the benefits, please refer to the *AlaskaCare Retiree Health Insurance Information Booklet*.

## Optional Health and Life Plans

PERS benefit recipients may purchase additional coverage for:

- ◆ Dental-Vision-Audio coverage for self, spouse, or same-sex partner, and eligible dependent children;
- ◆ Long-Term Care coverage for self and spouse or same-sex partner; and
- ◆ Optional Life Insurance (if you are participating in the state-sponsored Optional Life Insurance Plan at retirement).

Premiums for the optional plans listed above will be deducted from the monthly benefit payment. If the amount of the benefit is less than the total of the premiums due, the benefit recipient must pay the premiums directly to the claims administrator.

For more information regarding the optional health and life plans, including enrollment restrictions, please refer to the *State of Alaska Retiree Group Insurance Information Booklet*.

### Medicare and Your PERS Medical Coverage

There are four parts to Medicare health coverage. They are:

- ◆ Part A Hospitalization or “inpatient expenses;”
- ◆ Part B Physician or “outpatient expenses;”
- ◆ Part C Medicare Advantage (health plan approved by Medicare like an HMO but run by a private company. Contact Medicare for more information); and
- ◆ Part D Medicare Prescription Drug Coverage. (We do not address Medicare Part D in our publications because the prescription drug benefits you have through AlaskaCare are **at least as good as** the required benefits offered under Medicare Part D.) If you do not enroll in Part D, AlaskaCare Plan continues to be your primary drug coverage.

### Medicare Enrollment

Social Security will send you a letter approximately three months before you turn age 65, telling you whether or not you are eligible for Social Security and premium-free Medicare Part A. Contact Social Security during this time if you think you should have received your letter but have not. If you receive Social Security payments, Medicare Part B premiums can be deducted from your check after you enroll. Even if you aren’t eligible for Social Security, you can still enroll in Medicare Part B during this three month window and arrange to pay the premium directly to Medicare.

### AlaskaCare Benefits Supplemental to Medicare

The benefits under AlaskaCare are supplemental to Medicare beginning at age 65. For services covered by both plans, the claims are paid first by Medicare and then by AlaskaCare—with AlaskaCare coordinating to pay up to 100% of covered expenses, less any deductible you have not yet met.

### **NOTE**

If you are working and receive health insurance from your employer, Medicare will tell you it is not necessary to enroll until your active employee health insurance terminates. However, the AlaskaCare Retiree Health Plan still recommends that, in certain situations, you enroll at age 65, even if Medicare does not. Please contact the Benefits Section for more information (see page \_\_\_\_ for contact information).

### **Medicare Part A**

#### Who is eligible?

Most people are eligible for premium-free Part A coverage. This includes those who are eligible for a Social Security benefit. It also includes those who paid the Medicare tax while employed.

A few people are not eligible for premium-free Part A because they don't have enough Social Security or Medicare covered employment. If you are not eligible for Part A, Social Security will send you a letter confirming that. You must send a copy of that letter to the claims administrator. AlaskaCare will then continue to pay for Part A services just as it did before you turned age 65.

### **Medicare Part B**

#### Who is eligible?

Everyone is eligible and must pay a premium for Part B coverage, whether or not you are eligible for Part A.

### **Failure to Enroll on Time**

If you do not enroll in Medicare at age 65, AlaskaCare will estimate what Medicare would have paid and deduct that amount before paying medical expenses. You'll have a larger part of the bill to pay. Remember: Everyone is eligible to enroll in Medicare Part B and should do so at age 65 to avoid paying for uncovered expenses.

If you do not enroll in Medicare when you first become eligible you have to wait until the next Medicare General Enrollment Period. If that happens, there may be a period of time when most of your

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medical expenses are not reimbursed by the AlaskaCare Retiree Health Plan or Medicare.

For more information regarding Medicare benefits, please contact your local Medicare office or visit the Medicare information site on the Internet at [www.medicare.gov](http://www.medicare.gov). For more information on coordination between Medicare and the AlaskaCare Retiree Health Plan, please see our brochure *Medicare Parts A & B and the AlaskaCare Retiree Health Plan* available on the Division of Retirement and Benefits website at [www.state.ak.us/drb](http://www.state.ak.us/drb) or by mail by request.

