

Health Open Enrollment Frequently Asked Questions

Why do I have to call MEA to enroll/get more information on the Sharp plan instead of dealing directly with SDCERS?

The Sharp plan is sponsored by MEA and was included in the book as a courtesy to SDCERS members, at the request of MEA. SDCERS went to great lengths to add this last-minute addition to their Open Enrollment booklet due to the high interest in the plan. MEA had no other way of sending the information to all retirees.

Can I have the Sharp payment deducted directly from my check, or do I have to turn in a reimbursement request each month?

Retirees can have their Sharp health premium deducted directly from their paycheck. SDCERS has been working diligently to add this function to their system.

For members who retired before 2012, and those with Options A and B, they will also have their City health allowance applied directly to their pension check payment.

Retirees with Option C still go through their Health Trust to have the premium amount paid reimbursed.

When do I need to submit annual proof of my Medicare Part B premium via the Benefit Verification Letter from the Social Security Administration (SSA)?

It is in your best interest to check your SSA benefit each year, as you may receive an increase.

If you receive an increase, you need to submit the Benefit Verification Letter from the Social Security Administration by December 10th of each year to ensure that you receive your full Medicare premium for the following year. (If you send it in after December 10th, SDCERS will set up your account at that time, but you will not receive your increase in as timely a manner.) Some people will receive an increase in their Medicare premium due to cost of living adjustments or income changes, but not always. By early November, SDCERS will mail Medicare-eligible members a reminder to send your annual Benefit Verification Letter. Some members may automatically receive a Benefit Verification Letter from the SSA, but most people need to request the letter. You can obtain your Benefit Verification Letter from the Social Security Administration in the following ways:

- Go online to www.socialsecurity.gov/myaccount
- Go to your local SSA office
- Call the SSA at 1-800-772-1213

What happens if I do not turn in my Benefit Verification Letter to SDCERS in December?

If SDCERS does not receive a new Benefit Verification Letter, SDCERS will continue to reimburse you the amount of the Medicare premium that is on file. **Your reimbursements will not be suspended or terminated.** However, if you later provide us with your updated Benefit Verification Letter showing an increase in your Medicare premium, SDCERS can only reimburse you for the higher amount going back one year.

It is unusual for people to have their Medicare cancelled or their premium decreased. However, if your premium goes down and you do not provide SDCERS with your updated Benefit Letter, you will be required to repay SDCERS for the overpaid amount.

When do I have to submit a copy of my Medicare card?

You must submit a copy of your Medicare card when you first sign up for a Medicare health plan through SDCERS, or when you start requesting Medicare reimbursements. The card is required for enrollment in all SDCERS Medicare health plans. SDCERS will keep a copy of your Medicare card in your permanent file; you do not need to submit a copy of the card annually.

If your Medicare eligibility is revoked, you must inform SDCERS immediately. Otherwise, you will be liable for any overpayments made to you by SDCERS after your eligibility was revoked.

Why do I have to submit proof of my Medicare Part B expenses?

San Diego Municipal Code, §24.1202, states that Medicare Part B will be reimbursed when the Member actually incurs the expense. For this reason, SDCERS and the City require you to submit proof of payment before SDCERS can reimburse you.

Why do I have to provide a breakdown of the costs associated with my Medicare payment, rather than just a copy of my bank statement showing that I incurred the expense?

SDMC §24.1202(b)(5) authorizes payment of the Medicare Part B premium only. A Medicare payment could include additional costs for late fees or penalties. There is no authority under the Municipal Code to reimburse retirees for late fees or penalties. Therefore, SDCERS must have the details of the expenses to determine what is reimbursable, especially for members who pay higher, non-standard amounts.

I pay my Medicare Part B to Social Security (CMS) quarterly, and in advance. Can SDCERS reimburse me for the full quarter if I have already paid Social Security (CMS)?

For Medicare members who pay their quarterly amount in advance, SDCERS will reimburse that full quarter's payments in the month after the proof is received. **However, if you are on a City-sponsored plan and you decide you do not want to submit proof, after submitting the required initial documentation, you will be reimbursed monthly.**

Note: CMS is the federal acronym for Centers for Medicare and Medical Services.

If I enroll in privately secured insurance, how do I use my allowance to pay my health care premiums?

If you enroll in privately secured insurance—that is, insurance other than the City-sponsored health plans found in this booklet—you are responsible for paying the premium up front. You may then submit proof of that payment and the corresponding invoice to SDCERS to be reimbursed. You will be reimbursed either up to your allowance, or your monthly premium, whichever is less. See the reimbursement information in the section of this booklet that pertains to your retirement date.

If I enroll in a City-sponsored dental or vision plan, what are the limitations on cancelling that insurance?

If you enroll in a dental or vision plan, you are required to pay monthly premiums for the entire plan year. **You may not cancel your dental or vision insurance in the middle of the plan year.*** Therefore, even if you have reached the maximum annual dollar amount of coverage that your dental or vision plan will pay, you are still responsible for paying the monthly premiums for the rest of the plan year.

* Exceptions may be made for specific qualifying events. Contact SDCERS for more information.

If you are currently enrolled in a dental or vision plan and do not want to continue the plan for the upcoming 2015-2016 plan year, this Open Enrollment period is the only window of time during which you may cancel your plan. To do this, you must submit a termination form from your current plan to SDCERS by June 30th.

Can my allowance be used to cover my dependent(s)?

No. The health allowance can only be used to cover medical expenses for the retired member. You may add your dependent(s) to your City-sponsored plan, but you are responsible for paying the full premium cost of your dependent's(s') coverage.

A note about Medicare Part B: Those members who receive a monthly Social Security check will have their Medicare Part B automatically deducted from their Social Security check. Members who are eligible for Medicare Part B because of their spouse, will **generally** pay their Medicare Part B premium quarterly, in advance, to Social Security (CMS).

Why doesn't the "10 percent escalator" cover my health care increase? My plan had a 9 percent increase, why doesn't the "10 percent escalator" cover that?

In San Diego Municipal Code Section 24.1202(b)(2), it states:

"After Fiscal Year 2003, the maximum payment or reimbursement level for Health Eligible Retirees will be adjusted annually based upon the projected increase for National Health Expenditures by the Centers for Medicare and Medicaid Services, Office of the Actuary, for the full-year period ending January 1 before each plan year. No adjustment may exceed 10 percent for any plan year."

The Municipal Code states that that annual increase can be up to 10 percent, not that it will be 10 percent each year. The "projected increase" on which this determination is based has averaged between 5 percent and 7 percent. Last year the increase was 6 percent. The year's annual increase per the code is approximately 5.7 percent. Since that amount is less than last year's rate increase by Kaiser and Health Net, members pay that difference out of pocket.

When do I need to submit an SDCERS reimbursement form?

You need to submit a reimbursement form when you request your first reimbursement. You also need to submit a new reimbursement form if your premium amount changes for any reason. Reimbursement forms are located on the SDCERS website at www.sdcers.org, under the Publications tab/Health Forms & Booklet.

For those who retired on or after July 1, 2009, does purchased service count toward eligibility for health care?

The answer depends on your classification and retirement date.

Classified represented employees who retired after July 1, 2009 can use any type of purchased service credit to qualify for retiree health.

Unclassified and classified/unrepresented who retired after July 1, 2009 and before April 1, 2012, CANNOT use 5-year air time purchases to count toward eligibility, per SDMC 24.1201(c)(4). This group of employees can only use purchases of Family Medical Leave Act, temporary disability or military leave toward eligibility. Unclassified and classified/unrepresented who retired after April 1, 2012, CAN use 5-year air time purchases to count toward eligibility, per SDMC 29.0102 and 29.0103.

How can Safety Members utilize the Pension Protection Act of 2006 to claim up to a \$3,000 exclusion on tax returns?

Refer to IRS Publication 575, pages 5-6. The IRS guidelines state that premiums paid through a deduction from a pension plan and paid directly to the insurance provider can be applied to the credit. If you retired as a Safety Member and use one of the City-sponsored plans (Health Net or Kaiser), you should discuss this exemption with your tax-preparer. It is the member's responsibility to claim the exclusion on their personal tax return. SDCERS does not provide any further proof for this exemption, and cannot give tax advice.

Why do I need to submit a payment invoice in addition to my proof of payment every month?

Depending on proof of payment submitted, SDCERS may also request the corresponding invoice before processing the reimbursement. San Diego Municipal Code Section 24.1202 states that health eligible retirees will not be reimbursed any more than the actual premium incurred, up to the maximum allowance. SDCERS must have proof of the retiree's individual premium payment, and the months that have been paid for, in order to correctly process the reimbursement. Because some retirees also pay for their dependents' health care, and/or receive credits or subsidies from another agency, SDCERS staff must review the details of the invoice to ensure compliance.

How am I able to utilize Covered California?

Covered California is the state marketplace established under the Patient Protection and Affordable Care Act. If you select a plan through the Covered California marketplace, you would submit proof of premium payment and a detailed invoice for reimbursement each month just like any other privately reimbursed plan. SDCERS does not administer any aspects of Covered California. The website for Covered California is www.coveredca.com

How can I utilize Covered California when their Open Enrollment period is at a different time of year than SDCERS' Open Enrollment for City-sponsored plans?

There is no standard time for Open Enrollment – it differs among agencies. If you choose to enroll in a Covered California plan outside of SDCERS' Open Enrollment, you would enroll in the new plan, then submit a disenrollment form for your City-sponsored plan.

I selected Option B for my health coverage. Why didn't the annual allowance increase?

Per San Diego Municipal Code Section 29.0103, and as stated in the Option B election materials, the annual allowance for Option B will never increase. It will remain at \$5,500 per year for retiree-only health insurance premiums, and there will be no annual adjustment.