

MEDICARE REIMBURSEMENT INFORMATION

Medicare Part A – hospital insurance - \$0 for most people (because they or a spouse paid Medicare taxes long enough while working – generally at least 10 years)

Medicare Part B – medical insurance – standard rate can change every year (can be higher depending on your income) – premium is paid to Medicare monthly either through a reduction in Social Security allotment (if collecting Social Security) or paid directly to Medicare. If paying directly to Medicare, cost is paid in advance & usually billed quarterly.

Medicare Part D – drug coverage – not allowed unless you opt for the Unicare MedicareRx Rewards.

Medicare Part A & B is required for anyone Medicare eligible that is covered under a **retiree's** health insurance. The District is charged a reduced rate for our **retirees'** insurance when they (or their spouse) become Medicare eligible.

A person can become Medicare eligible because of age (65), 24 months on Social Security disability or specific illness (e.g. End Stage Renal Failure).

Because the District requires Part A & B for our retirees & their spouses, the District fully reimburses for the cost of Medicare Part B. The cost is based on their Modified Adjusted Gross Income (MAGI) reported on their tax return from 2 years earlier.

Reimbursement of Medicare Part B is done 2 times per year – the last working day of June & the last working day of December.

The District requires a copy of the Medicare card showing Part B for both the retiree & their spouse. The copy of the card is what triggers the reimbursement. If the District is not provided with a copy of a card prior to the check run, the District does not provide retro reimbursement.

When a retiree dies, we reimburse up to the month of their death. Their spouse is reimbursed for the month of the retiree's death. If the surviving spouse was an eligible retired employee of the District, they can sign up for an individual policy at the rate in place when they retired and the Medicare reimbursement continues (if they opt for health insurance). If the surviving spouse was not an employee of the District, they are offered health insurance, but at 100% of the cost and the Medicare reimbursement ends.

A letter is mailed in the beginning of the year to all retirees. It states the current standard rate for the cost of Medicare Part B. If a retiree (spouse) pays more than the standard rate, proof is required. Note: Social Security provides notification of the coming year's cost every year around the 3rd week of November. A copy of that proof is kept in the Medicare Reimbursement File and in the retiree's file.

If you have questions, please contact:

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