



Information for Enrollees who are Age-Eligible for Medicare

LCMS Group Health Insurance Plan Underwritten by Blue Cross Blue Shield of Illinois

Evaluating Your Status: Enrollees in our group plan are evaluated for Medicare-primary status based on age-eligibility for Medicare, employment status and whether the premiums are paid by a personal or corporate check. If an enrolled LCMS *member* turns 65, has enrolled in Medicare Parts A & B and pays the BCBSIL premium by personal check, he or she may change to our Medicare primary section, if that is their preference. If the premium is paid by corporate check, the employer, and the size of the employer group will determine when a person can switch to Medicare as primary. If there are 20 or more employees, the person who is age 65 may NOT rely on Medicare as primary until retirement. A member who is already retired is not eligible to apply for new enrollment in the LCMS group insurance plan.

A small employer with fewer than 20 employees may complete a Medicare Secondary Payer (MSP) Consent & Election form indicating that the employer wishes to be treated as a “small employer plan” for purposes of MSP *small employer exception* regulations. They name the employee(s) for whom they are applying and provide the birth date and Social Security number of the individual(s). Those election forms come to our office, ideally within 90 days prior to the employee’s 65th birthday, and we file them with the Centers for Medicare and Medicaid Services/Coordination of Benefits offices. Approval is sent to our office and a copy is sent to the individual and the employer. *Without ample notification, eligibility for Medicare as primary can be delayed.*

If the size of the employer group should grow to 20 or more at any time we must be notified. Surveys are mailed to each participating employer annually. The status of any employed person age 65 who is relying on Medicare as primary will change if the size of the employer group changes. He or she will lose the eligibility to rely on Medicare as primary if the employer group size reaches 20.

Notify Us Before You Turn 65: Our office should be notified well in advance of the 65th birthday when a person (an employee or a member of LCMS) wishes to rely on Medicare as primary at age 65. We will need a signed policy change form, and a copy of that person’s Medicare ID card, showing that they have enrolled in Medicare Parts A & B, as soon as it is received. If the person is not retired, and the premium is paid by a corporate check, we will also need the signed Consent & Election form described above signed by that person’s employer. Remember, there is a charge for Part B of Medicare. The fee is calculated based on the person’s income.

IMPORTANT: The desired enrollment date for switching to our section 6599, for those who have Medicare as primary, may be delayed, possibly to a date after the person’s original eligibility date for Medicare, if we do not receive all the required documentation in a timely manner. Employed members must provide a completed election form from their employer. We can provide the form.

Claims: Our plan is unique. Blue Cross Blue Shield of Illinois (BCBSIL) refers to our plan as a “carve out”, which indicates that they carve out, or set aside, what Medicare has paid on a claim, and basically make sure that the medical and surgical services a person receives are covered if they would be for any person within our group who is under 65, although the payment level will depend on Medicare’s price schedule. This is a customized plan, and not a true Medicare Supplement. It is a little better than some supplemental plans in that it will not usually deny coverage for a service that would be covered for an enrollee in our group who is under-65, even if Medicare were to deny coverage for that service. Our enrollees have creditable prescription drug coverage and no lifetime limit on covered benefits.

Medicare Deductible: *Yes, our plan covers the annual Medicare deductible.*

Non-Participating Providers: If you should go to a Medicare nonparticipating provider, the claims process is essentially the same. However, there are limits on how much they can charge. The claim would have to be filed with Medicare; you wait for Medicare's Explanation of Medicare Benefits (EOMB), and then file the claim with BCBSIL along with the Medicare EOMB, also called a Summary of Claims Notice. If there is a payment made, the patient *can be* liable for anything over the Medicare allowed amount.

Opt-Out Providers: If you go to a provider who has opted out of the Medicare program, BCBS may limit reimbursement to you at 20 percent of the allowable charges. Remember that claims will not be paid in full for those who go to providers who have opted out of Medicare. Claims for services from providers who have opted out of Medicare cannot be submitted to Medicare. You are waiving your right to benefits that would be covered by a provider who accepts Medicare. You should be provided with a written contract and explanation by any "opt-out" providers.

Prescription Drugs: Our prescription drug coverage is different for our members who are in the Medicare-primary section, from that of our enrollees who are under 65. Medicare-primary enrollees have a separate \$500 annual deductible for prescription drugs. Then, a 20 percent co-insurance amount is paid for prescriptions, until a maximum of \$1500 out-of-pocket is met. Co-insurance paid for other services will also go toward that \$1500 out of pocket expense. You are reimbursed at 80 percent for prescriptions, until that \$1500 out of pocket limit is met.

Our prescription drug coverage is "creditable", which is to say, it is as good as, or better than Medicare Part D, so you need not apply for Part D until you leave our group, if you wish to do so. There is no cost penalty for late enrollment in Part D if you can prove that you had creditable coverage for prescription medications with another plan such as ours. If you use the mail-in home delivery service (PRIMEMAIL) you receive additional discounts for your regular maintenance medications. You pay a reduced cost for a 60 day supply and you receive a 90 day supply of the medication, with only a few exceptions. We have PRIMEMAIL registration forms available and will send them by mail or email.

Wellness Benefits: Wellness benefits (also referred to as preventive services) have no lifetime limit for coverage at this time. Members in our Medicare primary section are encouraged to have annual physicals and certain routine tests. Claims must be submitted to Medicare first, and if Medicare declines coverage for any preventive services on our list, BCBS will cover them. (See the separate list of covered preventive services)

Benefit Limits: If you should use up your Medicare benefits for one calendar year, BCBS will become primary coverage for you and will pay your bills accordingly.

Medicare changes its rules frequently, and if BCBSIL were to put on paper how they adjudicate a claim for enrollees in our unique group, it could change within a short time, and present a problem with maintaining accurate, up to date printed documents. In general, our enrollees have been very satisfied with this group coverage and many in our Section 6599 (Medicare-primary) have stayed with our group for many years, even after retirement, and in some cases, even after they have moved out of state.

Our benefit booklets, describing covered services for all enrollees in the LCMS plan can be found on the Insurance page of our website at LCMSIllinois.org. Although the booklets are prepared for those in our regular PPO, with the \$500 or the \$2000 deductible, in general, the covered services remain the same for those in the Medicare primary section. All claims go to Medicare first (unless you go to an opt-out provider) and then there is cross-over billing to BCBSIL.

This BCBS of Illinois plan provides some extensive benefits:

- Foreign travel and out of state travel is covered should medical services be needed*
- There is no limit on the number of units of blood that will be covered as needed
- There is no limit on the number of days of Hospice care
- There is no limit on the number of days coverage for skilled nursing services needed
- Hospital inpatient days are unlimited
- Some providers and facilities are no longer accepting Medicare. Our plan will cover most qualified providers and facilities even if they do not accept Medicare.

* You have access to medical services, doctors and hospitals around the world. International claim forms are available online at www.BCBS.com/bluecardworldwide. Call 800-810-2583 to locate doctors and hospitals or obtain medical assistance services when outside the United States.

Questions? Call 847-482-0222, or email to LakeDocs@aol.com.

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