
A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

Your Retired Health Benefits and Medicare Part A & B

State Health Benefits Program • School Employees' Health Benefits Program

See the Medicare & You 2012 handbook (available from Social Security at www.medicare.gov or call 1-800-633-4227) for a detailed description of eligible Medicare benefits or your Summary Program Description for additional information.

NEW PLANS OFFERED

Chapter 78, P.L. 2011 requires that the SHBP/SEHBP offer additional medical plan choices to participating members. While there are no changes to the current medical plans, the new plans have lower premiums. Retirees who pay the full cost of coverage may want to review the new plans to see if they are more cost effective.

- **NJ DIRECT plan design:** NJ DIRECT10, NJ DIRECT15, NJ DIRECT1525, and NJ DIRECT2030;
- **Aetna plan design:** Aetna HMO, Aetna1525;
- **CIGNA plan design:** CIGNA HMO, CIGNA1525, and CIGNA2030;

Your choice of a medical plan in retirement is a personal decision based on your needs and the needs of your family. Even though your health benefits program offers several medical plans administered by: NJ DIRECT, CIGNA HealthCare, and Aetna HMO, no one plan is best suited for everyone, especially when an individual becomes eligible for Medicare. The charts in this fact sheet provide an easy way to compare the benefits of Medicare and the plans offered by the health benefits program by summarizing what each plan provides for a specified service.

MEDICARE AND YOUR HEALTH PLAN

The benefits listed on the charts are selected as those most likely to be of interest to you. To be eligible for these benefits, both Parts A and B of Medicare must be obtained once you become Medicare eligible*. NJ DIRECT plans and CIGNA HealthCare plans will not pay for benefits which should have been paid by Medicare. Aetna HMO plans are primary to Medicare and pay eligible expenses directly, replacing the need for claims to first be paid by Medicare and then by a secondary plan.

YOUR PRIMARY COVERAGE/PAYER

Under NJ DIRECT plans (in-network) and CIGNA HealthCare plans, claims are coordinated by first submitting them to Medicare. This coordination of benefits with Medicare is handled by NJ DIRECT or by CIGNA HealthCare. Benefits and plan procedures remain the same as they did prior to enrolling in Medicare; simply pay the normal copayments to the provider. The deductibles and coinsurance required by Medicare will be paid in full by your medical plan.

Under Aetna HMO plans, the coverage provided is a Medicare Advantage HMO, which means that eligible claims are paid by the medical plan. You do not need to coordinate coverage between Medicare and Aetna.

**If you are eligible but did not obtain or dropped Medicare coverage, your health benefits will be terminated. Please contact your local Social Security office to obtain or reinstate your Medicare coverage. Open enrollment for Medicare is held from January 1, 2012 through March 31, 2012 with an effective date of July 1, 2012.*

For the NJ DIRECT plans, the out-of-network coverage for claims is coordinated by first submitting them to Medicare. Unreimbursed expenses may then be sent to NJ DIRECT by Medicare for further reimbursement. You may still have out-of-pocket expenses such as deductibles, coinsurance, and costs above reasonable and customary allowances.

If NJ DIRECT does not receive your Medicare claim information automatically, you must submit a *Medicare Summary Notice* directly to your plan (this comes with your Medicare reimbursement). Be sure your physician's or provider's name is clearly indicated on the *Medicare Summary Notice*.

NOTE: If any of your doctors do not accept Medicare, all expenses incurred for services rendered by these doctors are not eligible for coverage under your medical plan and will not be paid.

To find a participating physician contact the plans directly:

- NJ DIRECT plans: 1-800-414-7427 or online at: www.horizonblue.com/shbp
- Aetna HMO plans: 1-866-234-3129 or online at: www.aetna.com/statenj
- CIGNA HealthCare plans: 1-800-564-7642 or at: www.cigna.com/stateofnj

A Note About Medicare Part D

Chapter 78, P.L. 2011, created two Plan Design Committees to review existing plans and create new plan offerings for members. The committees approved the change of prescription drug coverage for Medicare eligible retirees to the Medicare Part D program effective January 1, 2012. The design of the plan provides that the current copayments and out of pocket maximums will not change. Medco Health Solutions will be administering the new program and enrollment in the Medco Medicare Prescription Drug Plan will be automatic.

This fact sheet has been produced and distributed by:

**New Jersey Division of Pensions and Benefits • PO Box 295 • Trenton, New Jersey 08625-0295
(609) 292-7524 • TDD for the hearing impaired (609) 292-7718**

URL: <http://www.state.nj.us/treasury/pensions> • E-mail: pensions.nj@treas.state.nj.us

This fact sheet is a summary and not intended to provide total information.
Although every attempt at accuracy is made, it cannot be guaranteed.

**CLAIMS ELIGIBLE FOR CALENDAR YEAR 2012 UNDER
MEDICARE PART A HOSPITAL INSURANCE AND YOUR RETIRED HEALTH BENEFITS PLAN**

SERVICE	BENEFIT	MEDICARE PAYS	CIGNA HMO PLANS, AND NJ DIRECT PLANS (IN-NETWORK)	AETNA HMO PLANS* <small>*Claims paid directly by Aetna (No coordination with the original Medicare plan)</small>	NJ DIRECT PLANS: OUT-OF-NETWORK
HOSPITALIZATION Semi-private room and board; including routine general nursing care, operating and recovery rooms, anesthesia, X-rays, lab tests, oxygen, drugs, and dressings.	First 60 days	All but \$1,156	All eligible charges not covered by Medicare.	100% of eligible charges	For NJ DIRECT10 80% for NJ DIRECT15, 1525, 2030 70% of eligible charges not covered by Medicare except for a \$200 deductible per hospital stay ² (\$500 for NJ DIRECT2030) and subject to the annual maximum ³ .
	61st through 90th day	All but \$289 per day			
	91st through 150th day	All but \$578 per day			
	Up to 365 days After 365 days	Nothing Nothing			
POST-HOSPITAL SKILLED NURSING FACILITY CARE⁴ This is not nursing home care. Services include room and board, routine nursing care, physical/occupational and speech therapy.	First 20 days	100% of approved amount	Nothing (covered by Medicare).	100% of eligible charges	Nothing (covered by Medicare).
	21st through 100th day	All but \$144.50 per day	All eligible charges not covered by Medicare.	100% of eligible charges No coverage beyond 100 days per "benefit period" (different than calendar year)	For NJ DIRECT10 80% for NJ DIRECT15, 1525, 2030 70% of eligible charges not covered by Medicare up to 60 days to annual maximum ³ ; after 60 days – nothing.
	101st through 120th day	Nothing	100%	Covered by Medicare at a Medicare certified hospice.	For NJ DIRECT10 80% for NJ DIRECT15, 1525, 2030 70% of eligible charges not covered by Medicare after deductible, including outpatient prescription drugs, inpatient respite care, and inpatient room and board.
HOSPICE CARE Nursing care, physician services, counseling services, respite care, medical applications and supplies, short-term inpatient care, health aide services, and homemaker services.	Covered if doctor certifies need.	All but limited cost for outpatient prescription drugs and inpatient respite care. Inpatient room and board services are generally not covered.	Eligible charges not covered by Medicare, including prescription drugs, respite care, and inpatient room and board.	Covered by Medicare at a Medicare certified hospice.	For NJ DIRECT10 80% for NJ DIRECT15, 1525, 2030 70% of eligible charges not covered by Medicare after deductible, including outpatient prescription drugs, inpatient respite care, and inpatient room and board.

1See the *Medicare & You 2012* handbook for an explanation of the 60 LIFETIME RESERVE DAYS.
 2Local Education retirees are not subject to the separate hospital deductible.
 3Annual maximum out-of-pocket expenses for Medicare approved. Medicare stipulates a confinement must follow at least three days of in-hospital care and start within 30 days of discharge from the hospital.
 4Skilled Nursing Facility Care – The facility must be Medicare approved.

**CLAIMS ELIGIBLE FOR CALENDAR YEAR 2012 UNDER
MEDICARE PART B MEDICAL INSURANCE AND YOUR RETIRED HEALTH BENEFITS PLAN**

SERVICE	MEDICARE PAYS	CIGNA HMO PLANS, AND NJ DIRECT PLANS (IN-NETWORK)	AETNA HMO PLANS *Claims paid directly by Aetna (No coordination with the original Medicare plan)	NJ DIRECT PLANS OUT-OF-NETWORK
MEDICAL EXPENSES Physician's care, including surgeon's and assistant surgeon's fee.	80% of approved amount after \$162 Medicare deductible ¹ .	100% of eligible charges not covered by Medicare subject to plan copayments.	100% of eligible charges subject to plan copayments.	For NJ DIRECT10 80% for NJ DIRECT15, 1525, and 2030 70% of eligible charges not covered by Medicare after deductible (subject to reasonable and customary charges) ³ .
OUTPATIENT MENTAL HEALTH SERVICES	50% of approved amount.	CIGNA pays 100% of eligible charges not covered by Medicare subject to plan copayments and visit limits ² . NJ DIRECT covers 90% of the eligible charges not covered by Medicare.	100% of eligible charges subject to plan copayments.	For NJ DIRECT10 80% for NJ DIRECT15, 1525, and 2030 70% of eligible charges not covered by Medicare after deductible (subject to reasonable and customary charges) ³ .
DURABLE MEDICAL EQUIPMENT	Full cost of services. 80% of approved amount.	CIGNA- covered at 100% of eligible charges not covered by Medicare, after a \$100 copayment. NJ DIRECT - covered at 90% of eligible charges not covered by Medicare.	100% of eligible charges.	For NJ DIRECT10 80% for NJ DIRECT15, 1525, and 2030 70% of eligible charges not covered by Medicare ³ after deductible.

¹ Provider must accept Medicare.
² Biologically-based mental health conditions are treated like any other illness and are not subject to annual or lifetime mental health dollar maximums or separate mental health visit limits.

³ Annual maximum out-of-pocket expenses for coinsurance for all eligible charges is \$2,000 per individual for NJ DIRECT10, 15, and 1525. \$5,000 for NJ DIRECT2030.

NOTE: Your Medicare Part B premium is based on several factors: income; the timeliness of the application for Part B; and the date when deductions began for Part B. For more information about premiums, call Social Security at 1-800-772-1213 or visit the Centers for Medicare & Medicaid Services Web site at: www.cms.hhs.gov