
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 2009 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.

Your choice of a health care plan in retirement is a personal decision based on your needs and the needs of your family. Even though your health benefits program offers three medical plans: NJ DIRECT, CIGNA HealthCare, and Aetna Medicare Open, 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 health benefits, both Parts A and B of Medicare must be obtained once you become Medicare eligible*. NJ DIRECT and CIGNA HealthCare will not pay for benefits which should have been paid by Medicare. The Aetna Medicare Open Plan is a private fee for service plan that pays eligible expenses directly and replaces the need for claims being paid by the Medicare plan first, then from a secondary plan.

YOUR PRIMARY COVERAGE/PAYER

Under NJ DIRECT in-network and CIGNA HealthCare coverage, 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 health plan.

Under Aetna Medicare Open, the coverage provided is a Medicare Advantage Private Fee-for-Service program, which means that claims are paid by the health plan. You do not need to coordinate coverage between Medicare and Aetna.

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

If your plan 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

**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 through March 31 with an effective date of July 1.*

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coverage under your health benefits plan and will not be paid.

To find a participating physician contact the plan directly:

- NJ DIRECT at 1-800-414-7427 or online at www.horizonblue.com/shbp
- Aetna Medicare Open (PFFS) at 1-866-234-3129 or online at www.aetna.com/statenj
Since the Aetna Medicare Open is available to all providers that accept Medicare and also agree to bill the Aetna plan, there is no “network” listing, but check with your provider to ensure that they will accept your Aetna plan.
- CIGNA HealthCare at 1-800-564-7642 or www.cigna.com/stateofnj

A Note About Medicare Part D

Most Medicare eligible retirees and/or their Medicare eligible dependents need not enroll in Medicare Part D prescription drug coverage. The prescription drug benefits provided through the SHBP and SEHBP Retired Group medical plans are equal to or better than the benefits provided by the standard Medicare Part D plan. While some Retired Group members who qualify for low income subsidy programs may find it beneficial to enroll in Medicare Part D, once you and/or your dependents enroll in Medicare Part D, your Retired Group prescription drug benefits will be terminated for both you and your dependents.

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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 2009 UNDER
MEDICARE PART A HOSPITAL INSURANCE AND YOUR RETIRED HEALTH BENEFITS PLAN**

SERVICE	BENEFIT	MEDICARE PAYS	CIGNA HEALTHCARE, AND NJ DIRECT IN-NETWORK PAYS	AETNA MEDICARE OPEN <small>*Claims paid directly by Aetna (No coordination with the original Medicare plan)</small>	NJ DIRECT OUT-OF-NETWORK PAYS
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 \$1,068	All eligible charges not covered by Medicare.	100% of eligible charges	For NJ DIRECT10 80% / For NJ DIRECT15 70% of eligible charges not covered by Medicare except for a \$200 deductible per hospital stay ² and subject to the annual maximum ³ .
	61st through 90th day	All but \$267 per day			
	60 RESERVE DAYS ¹	All but \$534 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 \$133.50 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 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	For NJ DIRECT10 80% / For NJ DIRECT15 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	

¹See the *Medicare & You 2008* 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 coinsurance for all eligible charges is \$2,000 per individual.

⁴Skilled Nursing Facility Care – The facility must be 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.

**CLAIMS ELIGIBLE FOR CALENDAR YEAR 2009 UNDER
MEDICARE PART B MEDICAL INSURANCE AND YOUR RETIRED HEALTH BENEFITS PLAN**

SERVICE	MEDICARE PAYS	CIGNA HEALTHCARE, AND NJ DIRECT IN-NETWORK PAYS	AETNA MEDICARE OPEN	NJ DIRECT OUT-OF-NETWORK PAYS
MEDICAL EXPENSES Physician's care, including surgeon's and assistant surgeon's fee.	80% of approved amount after \$135 Medicare deductible ¹ .	100% of eligible charges not covered by Medicare subject to plan copayments.	*Claims paid directly by Aetna (No coordination with the original Medicare plan) 100% of eligible charges subject to plan copayments.	For NJ DIRECT10 80% / For NJ DIRECT15 70% of eligible charges not covered by Medicare (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 up to annual lifetime maximums.	100% of eligible charges subject to plan copayments.	For NJ DIRECT10 80% / For NJ DIRECT15 70% of eligible charges not covered by Medicare after a \$100 deductible ² and up to \$15,000 annual and \$50,000 lifetime maximums.
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 70% of eligible charges not covered by Medicare ³ .

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.

NOTE: Since January 1, 2007 your Medicare Part B premium is based on your income. For 2009, if your income is above \$85,000 (single) or \$170,000 (married couple)

then your Medicare Part B premium may be higher than the standard premium of \$96.40. For more information about premiums based on income, call Social Security at 1-800-772-1213 or visit the Centers for Medicare & Medicaid Services Web site at: www.cms.hhs.gov