

**INSURANCE and DISBURSEMENT SERVICE**

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ESSENTIAL INFORMATION: Action May Be Required**Important Notice Regarding the U.S. Medicare Outpatient Medical Services Plan
"Medicare Part B" For Calendar Year 2011**

To: UN After Service Health Insurance Participants Enrolled in a HQ's US-based Plan
From: Christophe Monier, Chief, Insurance and Disbursement Service, Accounts Division
Date: 27 December 2010

Who should read this Notice

This Notice is primarily intended for retired individuals who are enrolled in a Headquarters US-based medical insurance plan (e.g., Aetna, Blue Cross, or HIP) and who are either **already enrolled in Medicare Part B, have a dependent enrolled in Medicare Part B, are eligible for Medicare Part B but not enrolled, or have a dependent eligible for Medicare Part B but not enrolled.**

If you or a covered dependent(s) are currently not eligible for Medicare Part B for any reason, e.g. you are not yet 65 years of age; please retain this Notice in the event that you or a covered dependent(s) should become eligible and/or covered by Medicare Part B.

Please note that it is not necessary to have contributed to the US Social Security to be eligible for Medicare Part B. Therefore, it is imperative that you refer to Annex 1 regarding Medicare Part B eligibility requirements.

Contents

The present Notice contains important information about your outpatient medical services coverage under the UN Headquarters (UNHQ) Medical insurance plans; together with additional information about the Medicare Part B benefit.

Note: Medicare outpatient medical services benefit is called Medicare Part B or simply Part B.

There are **5 Annexes** attached to this Notice:

- **Annex 1** is a Summary of Eligibility Rules for Medicare Part A and Part B.
- **Annex 2** is a list of "Frequently Asked Questions (FAQs)" regarding the coordination of Medicare Part B and UNHQ Medical Insurance plans.
- **Annex 3** is a Medicare Part B Premium Reimbursement form.
- **Annex 4** is a Declaration of Medicare Part B Ineligibility form.
- **Annex 5** is a Social Security Administration Medicare Part B Enrolment form.

Please read this Notice and the Annexes carefully.

Overall Summary

Effective 1 January 2011, the UNHQ will require all UN After Service Health Insurance (ASHI) participants who have not reached age 75 as of 1 January 2011, including dependents, to enroll in Medicare Part B if eligible and will reimburse those eligible and enrolled their Medicare Part B premium upon receipt of proof of coverage. Additional information regarding the reimbursement process can be found in Annex 3 (Medicare Part B Premium Reimbursement form) and section IV of Annex 2 (a list of “Frequently Asked Questions”).

ASHI participants currently enrolled in Medicare Part B regardless of age

- For participants and dependents already enrolled in Medicare Part B, the UN will reimburse your premium upon proof of coverage beginning 1 January 2011 regardless of age.

ASHI participants not yet 75 years old, eligible for Medicare Part B and not enrolled

- For Medicare Part B eligible participants enrolled in U.S. based benefit plans, who have not attained the age of 75 as of 1 January 2011, Medicare Part B enrollment will be required as of 1 January 2011. Medicare Part B annual enrollment period is January through March of each year with a Part B coverage effective date of 1 July of the same year. Therefore, eligible participants who have not attained the age of 75 as of 1 January 2011, must enroll in Medicare Part B no later than 31 March 2011 to ensure that they are covered by Part B by 1 July 2011. As of that date (1 July 2011), the UNHQ medical insurance programme will require insurance plans (i.e., Aetna, Empire, and HIP) to adjudicate medical claims for participants and any eligible dependent(s) as if they were enrolled in Medicare Part B regardless of their enrollment status. Normal age of eligibility for Medicare Part B is 65. However, there are provisions for participants determined disabled by Social Security to join Medicare Part B before the attainment of age 65.
 - Participants in this group may be subject to a penalty for late enrollment. As the UNHQ Medical insurance programme has decided that Medicare Part B enrollment is now required, the UNHQ Medical insurance programme will reimburse monthly the Part B premium including the penalty amount associated with enrolling in Part B effective for 1 July 2011. For Part B eligible participants who decide not to enroll in 2011 but then do so at a later date, the additional penalty amounts resulting from the delayed enrollment beyond 1 July 2011 will not be reimbursed.
 - For example, if a Medicare Part B eligible participant is age 67 and is currently not enrolled in Part B, the participant would need to enroll during the Medicare Part B annual enrollment (January 2011 to March 2011). Their Medicare Part B would become effective 1 July 2011. If the participant does not enroll in time for their coverage to be effective as of 1 July 2011 their claims will be adjudicated as if they were enrolled in Medicare Part B. If they decide to enroll at a later point in time the resulting penalties will be the responsibility of the participant. Therefore, in this example if the participant decided to enroll during the January to March 2012 enrollment period, one year of the penalty will be at their cost.

ASHI participants age 75 and older, eligible for Medicare Part B and not enrolled

- For Medicare Part B eligible participants, who were age 75 or older before 1 January 2011 and **not** enrolled in Medicare Part B, you are exempt from the Medicare Part B requirement. If you are interested in joining Medicare Part B, please contact us via email (ashi@un.org or (212) 963-5813) as the United Nations may reimburse your premium upon receipt of proof of coverage. However, pre-approval will be required.

ASHI participants not yet eligible to enrol

- For participants enrolled in U.S. based benefit plans, who are not yet Medicare Part B eligible as of 1 January 2011, Medicare Part B enrollment is required as of the date the person becomes eligible. Therefore, a participant who turns 65 on or after 1 January 2011 will be required to enrol in Medicare Part B as soon as they are eligible. The UNHQ medical insurance programme will require insurance plans (e.g., Aetna, Empire, and HIP) to adjudicate medical claims as if the participant and any eligible dependent(s) have enrolled in Medicare Part B as of the first day of the month in which the participant turns age 65.
 - Participants in this group who enroll during the 3 month timeframe before the 1st of the month in which they turn 65 will not be subject to any penalties and their Medicare Part B coverage will be effective the first of their birthday month. Therefore, the UNHQ Medical insurance programme will not reimburse any penalty amounts for participants who decide to enroll at a later date and will adjudicate claims as if the participant's Medicare Part B coverage became effective the first of the participant's birthday month .
 - For example, if a Medicare Part B eligible participant turns age 65 on the 15 September 2011 and they enroll during the 3 months (June, July, or August) prior to the first of month in which they turn 65, their Medicare Part B would become effective 1 September 2011 and the UNHQ medical insurance programme will adjudicate medical claims from 1 September 2011.

As the UNHQ medical insurance programme will now reimburse the Medicare Part B premium of ASHI participants, the co-pay waivers for prescription drugs and physician office visits of participants, enrolled in Part B and either Aetna or Blue Cross who also obtain services from an Aetna or Blue Cross in-network participating provider, **will cease effective 1 July 2011.**

Additional Details

Detailed information about Medicare Part B coverage is available in the 2011 "Medicare and You" handbook published by Medicare. You may have received a copy in the mail already, or you can contact a Medicare office for a copy, or view the entire booklet online at www.medicare.gov. You may also contact Medicare by phone at **1-800-633-4227** (TTY users call 1-877-486-2048). **The UN Insurance Office does not have a supply of these handbooks.**

Remember: Keep this Notice with your other Insurance documents, where you can find it.

ANNEX 1

Summary of Eligibility Rules for Medicare Part A and Part B

Medicare eligibility rules are complex because they must take into account the many possible variations among participants. The complete set of rules can be obtained directly from the Medicare Administration. Although the information below is summarized, it includes the most common ways in which retired UN staff members and their dependents become eligible for Medicare. Observe that in general each participant earns Medicare eligibility independently. Exceptions to this general rule are noted below.

1. Medicare coverage (general statements)

- 1.1. It is not necessary to be a United States (U.S.) citizen to be covered by Medicare
- 1.2. It is not necessary to have contributed to Social Security to be eligible for Medicare Part B.
- 1.3. Medicare Part A and Part B do not pay benefits to participants who do not reside in the U.S.

2. Part A (hospital insurance)

2.1. You are eligible for Part A without payment of any premium if you are:

- 2.1.1. age 65 or greater and eligible to receive any type of monthly Social Security benefit. You may be eligible for a monthly Social Security benefit as a retired worker, or as the spouse or widow(er) of a retired worker or disabled worker.
- 2.1.2. the recipient of a monthly Social Security disability benefit for at least 2 years as a worker, surviving spouse, or adult child of a retired, disabled, or deceased worker - regardless of your age.

2.2. Note: if your spouse does not qualify for premium-free Part A based on his or her own work record, your spouse can qualify at age 65 based on your work record provided (a) you are at least 62 and eligible for monthly Social Security benefits, even if you are still working and haven't applied yet for Social Security, or (b) you are receiving a monthly Social Security disability benefit.

3. Part B (medical insurance)

- 3.1. Medicare Part B always requires a premium payment by each person who enrolls.
- 3.2. Enrollment in Part B is automatic if you are enrolled in Part A.
- 3.3. Even if you are not eligible for premium-free Part A, you can almost always purchase Part B insurance at age 65 provided that you are either
 - 3.3.1. a U.S. citizen, **or**
 - 3.3.2. a lawfully-admitted resident who also has resided in the U.S. continuously for 5 years upon attainment of age 65, including years in the U.S. under a G-4 visa.