

MEDICARE: FREQUENTLY ASKED QUESTIONS (FAQS)

Visit the UN Insurance Website at www.un.org/insurance for more FSQs. Click on Health Plans and then click on Medicare.

Why was participation in Medicare Part B made obligatory for all retirees who were eligible and not over 75 on 1 January 2011?

Because experience had shown that retirees who participate in Medicare Part B as well as in an ASHI plan cost the ASHI plan much less than retirees who do not also participate in Medicare Part B. They also cost the plans on average less than active staff cost on average.

Is this good for the retirees and if so why?

It has been shown over the last five or more years that retirees, their dependants and survivors who participate in both an ASHI plan and Medicare Part B cost the ASHI plan half as much as ASHI participants who do not also participate in Medicare Part B. This is because Medicare is primary, i.e., pays first for participants in Medicare Part B covering 80% of the allowed charge and the ASHI plan only pays 20%. Since the premiums for the ASHI plans are based on the experience of all the participants, active staff, retirees, dependants and survivors, the premiums will not rise as fast as in the past and may even decrease over time.

Is the change good for the UN?

Of course! The member States are always reviewing the cost of Health Insurance for active staff and particularly for retirees. Since the UN pays two thirds of the costs of Health Insurance, the other third being paid by the staff and retirees, it will benefit by twice as much as the active staff and retirees combined.

A second benefit arises from the fact that Medicare premiums are determined as one quarter of the cost of the programme. The other three quarters are covered by the U.S. Government.

Do Aetna and Blue Cross stand to benefit by this change?

No. Both companies are only paid for administering the plan and allowing us to use their networks of hospitals and other medical providers. They charge a fee based on the number of participants enrolled. They no longer “insure” our plans, which are now completely “self-insured.” In other words if we experienced extraordinary costs from a pandemic or other catastrophe, the two companies would not be responsible for the extra costs. The UN would be solely responsible for them.

If Aetna and Blue Cross are now secondary, why are our premiums not reduced to take this into account?

This would be logical if these companies were asked to provide Medigap coverage, i.e., just what Medicare does not pay, but ASHI participants are an integral part of the UN’s Health Insurance plans, which do not distinguish between active staff, retirees, dependants and survivors and charge them different premiums based on the experience of the separate groups in the plans. Premiums are always calculated for the participants as a whole. Rating retirees, by definition an older group, separately would not be in the interest of the retirees.

Why are all retirees and their dependants and survivors charged co-pays and a deductible for their ASHI plans since 1 July 2011 when up to now the deductible and co-pays have been waived for ASHI participants who also participated in Medicare Part B?

Because up to 1 January 2011 any retiree who participated in Medicare Part B as well as in an ASHI plan did so entirely at the retiree's cost. The waiver of the ASHI deductible and co-pays was to compensate to a degree for the cost of Medicare Part B. Now that the UN has decided to cover the whole cost of their participation in Medicare Part B, there is no reason to waive the ASHI deductible and co-pays that every other retiree as well as all the staff have to pay.

How can I keep down the cost of co-pays for drugs?

The most effective way to reduce the costs of co-pays for drugs is to use in-network retail pharmacies and to order maintenance drugs, i.e., those you have to take over long periods, from the Aetna or Blue Cross mail-order facilities.

The co-pay for prescription drugs from a retail pharmacy in the Aetna or Blue Cross network is 20% with a minimum of \$5 and a maximum of \$20 per prescription.

The co-pay for a 90-day supply of any drug by **mail order** is \$15.

If you need regular supplies of any drug, it is cheapest to order them from Aetna Mail Order Rx (1-866-612-3862), Aetna Global Mail Order Rx (1-800-231-7729) or Blue Cross Mail Order/Caremark (1-800-839-5691) as appropriate.