

# FDAC Employment Benefits Authority

## Medical Insurance and Medicare

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### How Medicare Works with FDAC EBA Health Net Coverage

The following is a brief description of how FDAC EBA's Health Net medical plans work with Medicare (for Employees/Retirees).

1. When you are retired and become Medicare eligible at age 65 you must enroll in Medicare Plans A and B. As a retiree covered in a retiree group health plan, Medicare becomes primary, while our retiree group health plan is secondary.
2. You must complete the Health Net Medicare Part D enrollment form. Contact your district administrator for the form.
3. You continue to have "credible" prescription coverage through Health Net and therefore you do not need to enroll in Medicare Plan D. If your prescription coverage should end for any reason you can enroll in Medicare D at that time without any penalty.
4. When you enroll in Medicare coverage and have a Health Net:
  - PPO plan you can go to any physician of your choice<sup>1</sup>. Your physician does not have to "accept a Medicare assignment."
  - HMO plan you must continue to go to your "primary care" physician<sup>2</sup>, however your primary care physician does not have to "accept a Medicare assignment."
5. When you go to your physician provide them with your Medicare and Health Net card.
6. If your physician does accept Medicare, their office will bill Medicare and then Health Net. Health Net benefits and copayments remain the same; there is no change in your coverage due to your Medicare enrollment. The fact that Medicare is now being billed for your medical expenses is transparent to you and handled by your physician's office.  
If your physician does not accept Medicare, Health Net is billed for all of your medical expenses.
7. Health Net plans offer you more flexibility in that you can continue to go to your primary care physician if you have a HMO plan or go to any physician of your choice if you have a PPO plan.
8. Your dependents who becomes eligible for Medicare are not required to enroll in Medicare A&B and/or Part D, if the retiree is NOT Medicare-eligible or if the employee is still covered as an active employee under the group health plan. However, if the subscriber is retired and becomes Medicare-eligible, the dependent that is Medicare-eligible must also enroll in Medicare A & B as well, in order to continue coverage in the retiree group health plan.

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<sup>1</sup> Your physician must be part Health Net's PPO network and accept Health Net PPO insurance.

<sup>2</sup> Your physician must be part of Health Net's HMO network and accept Health Net HMO insurance.

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## **How Medicare Works with FDAC EBA Kaiser Coverage**

The following is a brief description of how FDAC EBA's Kaiser medical plan works with Medicare (for Employees and Retirees):

1. When you are retired and become Medicare eligible at age 65 you must enroll in Medicare Plans A and B. When you enroll in Medicare you must also enroll in the Kaiser Senior Advantage plan. Kaiser is a Medicare Advantage Plan and in effect you are assigning your Medicare coverage to Kaiser.
  2. You will continue to have "credible" prescription coverage with Kaiser Senior Advantage and therefore you do not need to enroll in Medicare Plan D. If your prescription coverage through your medical insurance should end for any reason you can enroll in Medicare D at that time without any penalty.
  3. Your Kaiser premium amount decreases to reflect Senior Advantage coverage. Your Kaiser benefits remain the same; there is no change in your coverage due to your Medicare enrollment.
  4. When you enroll in Medicare coverage and have a Kaiser Senior Advantage coverage you must continue to go to Kaiser clinics and physicians just as you would prior to enrolling in Medicare.
  5. Kaiser will have your Medicare card information in their system when you are enrolled in their Senior Advantage plan.
  6. Kaiser coordinates with Medicare and accepts their payment for their services.
  7. Your dependents who becomes eligible for Medicare are not required to enroll in Medicare A&B and/or Part D, if the retiree is NOT Medicare-eligible or if the employee is still covered as an active employee under the group health plan. However, if the subscriber is retired and becomes Medicare-eligible, the dependent who is Medicare-eligible must also enroll in Medicare A & B as well, and enroll in the Kaiser Senior Advantage plan.
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