

## **New York City District Council of Carpenters (“NYCDCC”) Welfare Fund Coverage for Medicare-Eligible Retirees**

The Welfare Fund covers *Medicare-Eligible Retirees* who qualify for the Fund’s retiree coverage through *UnitedHealthcare (“UHC”)* and *Non-Medicare-Eligible Retirees* who qualify for the Fund’s retiree coverage through *Empire BlueCross BlueShield (“Empire”)*. For UHC coverage, you and your Medicare-Eligible dependents must (1) notify the Welfare Fund that you and/or your dependents are Medicare-Eligible, (2) enroll in Medicare Parts A and B on the earliest date possible, and (3) pay the Medicare Part B premium. Failure to do so will make you ineligible for **ANY** retiree coverage under the Welfare Fund (either through Empire or UHC) for a period of time and could have other consequences, including making you financially responsible for reimbursing the Welfare Fund for claims paid while you or your dependents were incorrectly covered by Empire (rather than UHC), and for paying your providers out-of-pocket for claims recouped by the Fund once it becomes aware of your Medicare eligibility. Depending on your claims, this amount may be very significant. We cannot emphasize enough that, unless you are working in Covered Employment and your Welfare Fund coverage is due to bank hours, or you are covered by your spouse’s employment-based group health plan, you and your dependents must enroll in Medicare Part A and Part B as soon as you become eligible for such coverage.

To help you understand this process further, the Fund Office has prepared Frequently Asked Questions (“FAQs”) that address a wide variety of topics related to Medicare-Eligible coverage. To learn more, please scroll down to the FAQs beginning on the following page.

### **Specific Topics**

**General Medicare Questions:** Pages 1-2

**NYCDCC Welfare Fund and Medicare Enrollment:** Pages 2-3

**Medicare Enrollment and Coverage through Spouse:** Pages 3-4

**Medicare Enrollment, Social Security Disability, and Pension:** Pages 4-5

**Medicare Eligibility, Failure to Notify Fund Office, and Part B Premiums:**  
Pages 5-6

## Frequently Asked Questions (“FAQs”)

### 1. What is Medicare?

Medicare is a federal health insurance program which provides health care benefits for (a) people 65 or older, (b) people younger than 65 who have certain disabilities, and (c) people of any age who have permanent kidney failure. **Medicare Part A** (Hospital Insurance) covers inpatient hospital care, skilled nursing facility, hospice, lab tests, surgery, and home health care. **Medicare Part B** (Medical Insurance) covers doctor and other health care providers' services and outpatient care, durable medical equipment, home health care, and some preventive services.

### 2. Who administers Medicare benefits?

The Centers for Medicare and Medicaid Services (“CMS”) manages Medicare. Social Security offices enroll applicants in Medicare and can provide specific information about Medicare. You can sign up for Medicare online at <https://www.ssa.gov/benefits/medicare/>.

### 3. When do I become Medicare-Eligible?

You become Medicare-Eligible under the following conditions:

- i. When you turn age 65\*.
- ii. Two years after you are awarded Social Security Disability benefits, regardless of your age. You can be awarded Social Security Disability *prior* to age 65.
- iii. You are diagnosed with End Stage Renal Disease (“ESRD”). In this instance, there is no waiting period (<https://www.medicare.gov/manage-your-health/i-have-end-stage-renal-disease-esrd>). For the first 30 months, your employment-based plan is the primary payer and Medicare is the secondary payer. If you are diagnosed with ESRD, you should verify the coordination of benefits between Medicare and your employment-based plan.

*\* You can be eligible for Medicare at age 65 even if you defer commencement of Social Security benefits. As explained below, unless you qualify for late enrollment in Medicare, you only have three months before and after your 65<sup>th</sup> birthday to enroll in Medicare without paying a penalty in the form of increased Medicare Part B premiums or having a gap in health coverage.*

### 4. Am I automatically enrolled in Medicare upon becoming Medicare-Eligible?

If you worked for 10 years and are receiving Social Security retirement benefits as a result of having paid taxes, you are automatically enrolled in Medicare Part A (Hospital Insurance) and Part B (Medical Insurance) upon turning age 65. Medicare will send you a “Welcome to Medicare” packet three months before you turn 65. You will still have

other important deadlines and actions to take, so read all of the materials in the packet. *Note: If you live in Puerto Rico, you will only get Medicare Part A. If you want Medicare Part B, you need to sign up for it.*

If you are over 65 (or turning 65 in the next three months) and you are **not** receiving Social Security benefits, you must sign up for Medicare Part A and/or Part B during Medicare's Initial Enrollment Period in order to avoid potential late enrollment penalties. You do not get Medicare automatically.

**5. Are there premiums for Medicare Parts A & B?**

**Part A is free** for most Medicare beneficiaries and covers beneficiaries even if they are covered under a group health plan. **Part B coverage requires a monthly premium payment** which is deducted from your **Social Security** benefit payment. A failure to timely enroll in Medicare Part B will subject you to an increased Medicare Part B monthly premium.

**6. Does the NYCDCC Welfare Fund require me to enroll in Medicare?**

Yes. The only circumstance in which you may be Medicare-Eligible but not required to enroll in Medicare is if you have group health plan coverage (as defined by the IRS) as a result of your or your spouse's active employment. Under the Welfare Fund, you must have "Active" coverage (bank hours) to be eligible for coverage from the Welfare Fund's Empire plan; otherwise, if you do not have bank hours, when you become eligible for Medicare, you **MUST** be enrolled in Medicare Part A & B to be eligible for the Fund's retiree coverage. **If you or your dependents elect not to enroll in Medicare, you will not be eligible for the Fund's retiree health coverage.**

**7. I am retired, and my dependent is under age 65 and has become Medicare-Eligible. Should my dependent enroll in Medicare Part B?**

Yes. In order for your Medicare-Eligible dependents to be properly covered under your retiree benefits, they **MUST** enroll in Medicare Part B, regardless of age. Failure to do so will result in loss of coverage. If your dependent was Medicare-Eligible during the period of your active eligibility or due to your bank hours, your dependent must enroll in Medicare Part B three months prior to the effective date of your retiree coverage. Your dependent will not be penalized, as he/she will be considered a special enrollment due to your active coverage status. All Plan rules regarding Medicare enrollment are the same whether the enrollment is for you or your dependent.

8. **If I am Medicare-Eligible but previously declined or disenrolled from coverage, am I able to re-apply for Medicare Part B?**

Yes. You can re-apply for Medicare with the Social Security Administration office. Enrollment is limited to the General Enrollment Period between January 1 – March 31<sup>st</sup> of each year. If the General Enrollment Period has closed, you may not be able to apply until the next open enrollment period. If you enroll during the General Enrollment Period, Medicare coverage begins on the July 1<sup>st</sup> of the year in which you enrolled.

If you declined Medicare when you were first eligible due to having been covered under a group health plan based on your or your spouse's current employment, you may have a Special Enrollment Period ("SEP") to sign up for Part B. However, if you declined Part B for any other reason, or at any time disenrolled from Part B coverage, you may be subject to a late enrollment penalty. Under Medicare rules, you are charged a premium penalty for every month you are not covered under Part B, starting from when you were initially eligible for it, causing a permanent increase in premium for coverage.

9. **What must I do to ensure that I receive Medicare-Eligible health coverage through the NYCDCC Welfare Fund?**

If you and/or your covered dependent(s) are eligible for Medicare, or become eligible for Medicare, you **MUST** enroll in both Medicare Part A and Medicare Part B as soon as Medicare coverage becomes available in order to have coverage with the NYCDCC Welfare Fund. This requirement applies if you retired on a Regular Pension and later became eligible for Social Security prior to age 65. The only circumstance in which you and/or your dependent may be Medicare-Eligible but are not required to enroll in Medicare is if you (or your dependents) have employment-based group health plan coverage (as defined by the IRS) as a result of your or your spouse's active employment. This exception applies when your bank hours are being run out before having to enroll in Medicare. Additionally, to avoid (a) any interruption to your coverage, (b) a denial of benefits, or (c) the obligation to reimburse the Fund for claims it paid while you were eligible for Medicare or to pay providers for recouped claims, you must provide the Fund copies of your Medicare cards at least 30 days before the effective date of Medicare coverage. This can be done in the following ways:

- i. **In Person-** At the Fund Office, 395 Hudson Street, 9th Floor New York, NY
- ii. **Mail-** NYCDCC Benefit Funds, Attn: Welfare Fund, 395 Hudson Street, 9th Floor, New York, NY 10014
- iii. **Fax-** (212) 366 3301
- iv. **Email-** [Welfare@nycbf.org](mailto:Welfare@nycbf.org) (\*PDF attachments of copy only. Images/pictures of the card will not be accepted.)

**10. I am currently covered under my spouse's group health plan coverage, which was available through my spouse's employment, but is now terminating. Can I enroll in Medicare Part B without a penalty? What is the deadline for doing so?**

Yes. There is no penalty for individuals who do not enroll in Part B or premium Part A when first eligible because they were covered under a group health plan based on their own or a spouse's current employment as long as they enroll in Medicare Part B during their Medicare SEP. The individual can enroll at any time while covered under the group health plan based on their spouse's current employment, or during the 8-month period that begins the earlier of the month employment ends or group health plan coverage ends.

**NOTE:** Even though Medicare allows enrollment during the 8-month period following the termination of your employment-based group health plan coverage, the Welfare Fund requires that you be enrolled in both Medicare Parts A & B at the time your retiree coverage with UHC begins. Any delay in obtaining Medicare coverage will delay your enrollment with UHC and you will be responsible for all claims incurred during such period.

Review the following examples for an application of these rules.

- i. My spouse and I are covered under active Empire coverage through my bank hours. My spouse is now eligible for Medicare. Is my spouse required to enroll in Medicare?

No. Since you are covered by bank hours, your spouse is not required to enroll in Medicare. However, when your bank hours are set to run out and you transition to retiree benefits, your spouse must enroll in Medicare through Medicare's SEP. Unless your spouse (or other dependent) is covered under his/her employment-based health plan, he/she must enroll in Medicare Part A & B to be covered by the Fund's retiree benefits.

- ii. I am older than 65. I continue to work, and I am not on pension. Do I need to do anything?

No. Since you are currently covered by active coverage, you and your spouse are not required to enroll in Medicare. *When your bank hours are set to run out, and you transition to retiree benefits, you and your spouse must enroll in Medicare through Medicare's SEP in order to be covered by the Fund's retiree benefits.*

- iii. My spouse and I currently have retiree coverage through Empire's plan for pre-Medicare retirees. My spouse is now eligible for Medicare, but I am not. Is my spouse required to enroll in Medicare?

Yes. Since you are no longer covered under active coverage through your bank hours, your spouse must enroll in Medicare Parts A & B.

**11. I've been awarded Medicare because I am receiving Social Security Disability benefits. However, I am receiving a Regular Pension (and not a Disability Pension) from the Pension Fund. Do I need to enroll in both Parts A and B in order to have Welfare Fund coverage?**

Yes. The Welfare Fund's UHC plan **requires** enrollment in both Medicare Part A and Part B. Disenrolling in Part B for any reason other than being covered by a group health plan based on current employment will cause you to lose your Welfare Fund retiree coverage.

For example, if you retire at age 55 on a Regular Pension from the Pension Fund and subsequently are awarded Social Security Disability and become eligible for Medicare, you **MUST** (1) notify the Fund immediately, and (2) enroll in Parts A & B in order to transition from the Empire plan for pre-Medicare retirees to the UHC plan for Medicare-Eligible retirees.

**12. I retired on a Regular Pension. I subsequently became disabled and am receiving a Social Security Disability Income benefit ("SSDI"). When should I enroll in Medicare?**

Under Medicare rules, you are eligible for Medicare on the 25<sup>th</sup> month after your entitlement date for SSDI benefits. At that time, the Social Security Administration office will automatically enroll you in Medicare coverage and mail your Medicare card which you should receive up to 90-days prior to the effective date of your coverage. Once received, immediately contact the Welfare Fund and provide the Fund with a copy of your Medicare card to allow ample time to transition your coverage from Empire to UHC, without interruption, on your Medicare effective date.

**13. If my dependent or I become eligible for Medicare but fail to notify the Welfare Fund, will I have any financial liability to the Welfare Fund or to my medical providers?**

Yes, and based on the amount of your claims, your financial responsibility could be extremely high. Once the Fund is notified by you, CMS or a third-party vendor of Medicare-Eligibility, you or your dependent's claims will be reprocessed as non-Empire eligible from the effective date of you or your dependent's Medicare effective date. Claims paid by the Fund during the time you or your dependent were eligible for Medicare will be recouped from the providers and you or your dependent will be responsible for paying the providers for the cost of your medical treatment. You will also be responsible for reimbursing the Fund for any claims that could not be recouped.

**14. Do I have financial responsibility to the Welfare Fund if I was eligible for Medicare Part B but did not enroll in Medicare Part B?**

Yes, and based on the amount of your claims, your financial responsibility could be extremely high. Once the Fund is notified by you, CMS or a third-party vendor of Medicare eligibility, you or your dependent's claims will be reprocessed as non-Empire

eligible from the effective date of you or your dependent's Medicare Part A. Claims paid during the time you or your dependent were eligible for Medicare will be recouped and you or your dependent will be responsible to pay the providers for the cost of services. It will also be your responsibility to reimburse the Fund for any claims that could not be recouped.

**15. What if I am awarded Social Security retroactively but I choose not to enroll in Medicare Part B retroactively because I do not want to pay retroactive Medicare Part B premiums since I had coverage under the Welfare Fund for the retroactive period at issue?**

If you decline retroactive enrollment for Medicare Part B, you will be responsible for any claims paid by the Welfare Fund during the period in which you could have retroactively enrolled in Medicare Part B and you will not have coverage until you are properly enrolled in the Welfare Fund's UHC plan for Medicare-Eligible retirees. You will have the same financial responsibility to the Fund and your providers as described above.

**16. I am eligible for retiree coverage, but I prefer not to enroll in Medicare because I am very pleased with Empire coverage from the NYCDCC Welfare Fund and I do not want to pay the Medicare Part B premiums. Is it ok for me not to enroll in Medicare?**

No. We cannot emphasize enough that, unless you are actively working in Covered Employment and have coverage in the NYCDCC Welfare Fund based on your bank hours, or you are covered by your spouse's employment-based group health plan, you must enroll in Medicare Part A and Part B immediately upon becoming eligible for retiree coverage. If you fail to timely enroll in Medicare and pay the required Medicare premiums, you will not be entitled to **ANY** coverage from the Welfare Fund's coverage through UHC until you are enrolled in Medicare. If you or your dependents do not enroll in Medicare when first eligible, there can be extensive delays (in addition to penalties) enrolling in Medicare at a later date. Be warned that coverage with the Fund's UHC provider will not start until your Medicare enrollment starts. In addition, if you or your spouse or dependent became eligible for Medicare but did not enroll in Medicare when first eligible, and you received coverage under the Empire plan for pre-Medicare-Eligible retirees, you will also be responsible for reimbursing the Fund the full amount of any non-recouped claims paid while you were Medicare-Eligible and paying the providers the full amount owed for any recouped claims and you will not be entitled to coverage until full reimbursement is made and you are enrolled in Medicare. Depending on the number of claims paid by the Fund while you were not eligible for coverage, you could have tremendous financial out-of-pocket liability both to the Fund and to your providers.

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