

Please read and retain for your records.

In order to provide Medicare guidance and direction and remain compliant with the language in the NY44 Health Benefits Plan Trust Summary Plan Description, please refer to this document and updated materials. We are providing the following scenario which you may encounter when dealing with the spouse of a retired employee. The answers to the questions below are based on the following situation.

A spouse of a retired employee receives a letter from the Third-Party Administrator (either MVP or Nova/Independent Health) of the NY44 Health Benefits Plan Trust. The letter states that the spouse, who recently turned 65, must have Medicare Part A and B as a requirement of the plan. The spouse is actively working for a group with more than 20 employees and is enrolled in his employer's health plan. The spouse is also covered by the retired employee's NY44 Health Trust Plan.

Based on this scenario:

Who pays first? The primary payer is the plan of the active employee

What happens if the primary payer does not cover all the services billed by the provider? The bills are sent to the secondary payer to determine any eligible services.

How is the secondary payer determined? The Medicare Coordination of benefits rules and regulations are applied to make that determination. The retiree should complete a new NY44 application upon retirement. Other insurance should be recorded on the Other Insurance form provided by NY44. If the retiree or spouse has other insurance, please make sure it is reported so that benefits are coordinated appropriately.

What does that mean for the spouse? It means that the retired employee's plan and Medicare will be billed for expenses that the primary payer did not cover.

Why would the retired employee's plan require Medicare Part A and Part B? In this case, the spouse is covered by a retiree's plan. Medicare is the primary payer of a retired employee's plan, making it the secondary payer for the spouse in this case. Therefore, Parts A and B are required as stated in the Summary Plan Description of the retiree's plan.

When is the NY44 plan billed? In this example, after the primary and secondary plans review the spouse's claims, any remaining balance outstanding is sent to the NY44 plan for payment based upon the plan coverage and eligible services. This is called the tertiary payer. When Medicare is primary payer, the NY44 Trust will pay eligible expenses up to Medicare's reimbursement level.

The example above illustrates the order of claims payments.

If the employee is retired and age 65 or over, all enrollees eligible for Medicare need Part B (please refer to the NY44 Health Trust's Summary Plan Description). **Beginning July 1, 2023, failure to enroll in Medicare Part A and Part B within six (6) months of an enrollee's first date of eligibility will result in the loss of medical coverage through the NY44 Trust effective six (6) months from the date of first eligibility, and enrollees will not be eligible for COBRA continuation.**