



Frequently Asked Questions – Medicare as Primary Payer RCAB Health Benefit Trust Updated June 2023

1. What is the significance of Medicare as a “primary payer” within the context of the Archdiocese Health Plan?

Most employees and employers in the United States pre-pay Medicare premiums throughout their careers through a payroll tax (FICA/MHI). In general, employees are eligible to receive Medicare benefits at age 65. For individuals who are still employed at age 65+ and who are covered by employer-provided insurance, Medicare requires the employer-provided insurance to pay claims first. If the employee has also enrolled in Medicare Parts A and B, Medicare will pay claims as secondary insurance, only after the employer-provided insurance has paid claims. To assist small employers (those with less than 20 employees), for whom funding health insurance is a disproportionate financial burden, Medicare allows these employers to receive an exception from the standard Medicare secondary payer status. For these employers, Medicare pays as the “primary” insurer.

2. Why does the Health Plan participate in the Medicare as Primary Payer (MPP) Program?

Health Plan expenses have continued to increase at a rate of up to 10% per year for the past decade. To help control costs without increasing the amounts paid by employees for health insurance or reducing the level of care, the Trustees adopted the MPP program. Having Medicare pay claims for employees and spouses age 65+ as the “primary” insurance, before the Health Plan pays these claims, helps save over \$1 million per year. These savings are passed on to parishes, schools and employees enrolled in the Health Plan.

3. Will I lose any benefits under the Health Plan by enrolling in Medicare Part B?

No. Your benefit coverage will remain the same and will actually be enhanced in a few areas as explained in Question 12, below. The only thing that will change is the order of payment of your medical claims and the requirement that you provide your Medicare coverage information to your health care providers.

4. Will I have to pay for Medicare Part B premiums and normal payroll deductions for the Health Plan?

No. Your employer will reimburse you on a tax-free basis for your Medicare Part B premiums. This can occur either through the payroll system or an A/P check. To receive the correct reimbursement, be sure your parish payroll/benefits contact has the correct amount of your Medicare Part B premium amount. These amounts are usually increased each year in January, and a notice of the increase is sent to individuals in November preceding the increase.

5. **When I go to Social Security to enroll in Medicare Part B, do I need to let the agent know that my employer (or my spouse's employer) will be applying for a "small employer exception"? Is there a code or other number that I need to supply to identify the employer?**

No, you do not need to notify Social Security of this exception. The RCAB will submit documentation to Medicare notifying the agency of your enrollment in Part B and your eligibility for Medicare to pay bills as the primary insurer.

6. **I am over age 65 and covered by the Health Plan, but my spouse is under age 65 and is also covered by the Plan. How will this be handled?**

You are being asked to enroll in the MPP program now. Your spouse will remain covered by the Plan until he/she turns 65, at which time a request for enrollment in MPP will be sent.

7. **Will I still be enrolled in the same coverage tier of the Plan, i.e., Family or Individual? Will my employer (and I) be charged significantly lower premiums because I am/my spouse is enrolling in Medicare?**

You will remain enrolled in the same coverage tier unless you and/or your spouse terminate Health Plan coverage during open enrollment. Your employee contribution amounts will continue to be set by your location based on your current coverage tier. The amounts charged to your employer will be reduced to allow the location to reimburse you/your spouse for Medicare Part B premiums. In addition, the overall premium charged to employers for an employee/spouse enrolled in the Medicare Primary Payer program for Part B will be reduced by 10%, resulting in a discounted Health Plan payroll deduction for the employee. As a result, the savings from having Medicare pay primary will benefit all members of the Health Plan. This is consistent with the Clergy Funds' MPP program. It is also consistent with the Health Plan's historic treatment of all employees and family members, regardless of age or health condition, as equal for purposes of setting Plan premiums.

8. **Do I need to enroll in a Medigap program once Medicare begins to pay primary?**

No, you do not need to enroll in a Medigap or Medicare Supplement program under the MPP program, because the health plan administrator will continue to pay for claims costs that are not paid by Medicare but are covered under the Health Plan.

9. **Do I need to sign up for Medicare Part D or find another way to pay for my prescriptions?**

No. Your prescription coverage through CVS remains intact and is not affected by the change to the MPP program, with the exception of a reduced co-pay for generic medications, outlined below.

10. **I am over age 65 and have already enrolled in Medicare Parts A and Part B. I am not yet collecting Social Security benefits. What should I do next?**

Please make a copy of your Medicare card and provide it to your location's business manager/payroll contact and the Benefits Office to confirm your enrollment. Please also provide a copy of your most recent quarterly invoice for Medicare Part B premiums to your location's business manager/payroll contact and the Benefits Office. The Benefits Office will submit your information to Medicare, and once Medicare confirms your enrollment in MPP, your location will begin reimbursing you for Part B premiums.

11. I am over age 65 and have already enrolled in Medicare Parts A and Part B. I am also collecting Social Security benefits. What should I do next?

Please make a copy of your Medicare card and provide it to your location's business manager/payroll contact and the Benefits Office to confirm your enrollment. Your Medicare Part B premiums are being deducted automatically from your monthly Social Security payments, so you will need to provide documentation of these Part B premium amounts to your location's business manager/payroll contact and the Benefits Office. The Benefits Office will submit your information to Medicare, and once Medicare confirms your enrollment in MPP, your location will begin reimbursing you for Part B premiums.

12. I understand that my enrollment in Medicare Part B will make me eligible for some additional benefits. What are they and how can I learn more?

Employees and spouses who enroll in the MPP program will be eligible on the date when Medicare becomes the primary payer for the following benefits:

- The overall premium charged to employers for an employee/spouse enrolled in the Medicare Primary Payer program for Part B will be reduced by 10%, resulting in a discounted Health Plan payroll deduction for the employee.
- \$5 co-pay for CVS Minute Clinics. A variety of services are available at MinuteClinics located around the Boston area.
- \$5 co-pay for generic prescription medications under the Enhanced Plan (or \$10 co-pay under the Basic Plan).
- \$100 vision care reimbursement. For employees under age 65, the Health Plan pays for an annual eye exam but does not provide an allowance for eyeglass frames or contact lenses. You will be eligible to submit a request for reimbursement for up to \$100 per Plan Year toward frames or lenses.
- Medicare Part B pays for common expenses in full or with a lower out-of-pocket cost than the RCAB Health Plan. Depending on the service and whether you have already satisfied any Medicare deductibles, enrolling in the MPP program may allow you to avoid or reduce payment of out-of-pocket medical expenses. A searchable database of what Medicare Part B covers, including information about full or partial coverage, is located at [medicare.gov/coverage](https://www.medicare.gov/coverage).

13. How can I obtain additional information about this process?

Please visit catholicbenefits.org/health/medicare.htm or contact the Benefits Office below for more information.

Clare Florentino	(617) 746-5648	cflorentino@rcab.org
Donna Ynaya Porter	(617) 746-5641	dporter@rcab.org
Benefits Office main line	(617) 746-5640	benefits@rcab.org