

# AT&T Ameritech /SBC Retirees - We are AASBCR®

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## BLUE BULLETIN

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Please note: This Blue Bulletin is intended to provide a general overview of the components of Medicare including Original Medicare, Medicare Advantage Programs and Medicare Prescription Drug Plans. It also discusses the relationship between the Aon retiree health exchange and Medicare, the AT&T Health Reimbursement Account, the AT&T Group Medicare Advantage Plan and CarePlus. As mentioned, this bulletin only provides general information on the topics discussed. If you need additional information or have questions about any of the topics discussed, we have included links to websites that will provide that information. You will find those links within each topic area, and we have added them at the end of this bulletin for your convenience and use.

### Original Medicare Basics

#### Enrollment Information

If you qualify for Medicare, 2 to 3 months before you turn 65, Medicare will send you a Medicare card showing that you are entitled to both Medicare Part A and Part B benefits. (You may have to sign up if you are 65 and not getting Social Security.)

#### Medicare Part A

Medicare Part A is automatic and most people who have paid Medicare taxes for 40 quarters or more, don't have to pay a monthly premium. Medicare Part A covers hospital care, skilled nursing care, nursing home care (as long as custodial care isn't the only care needed), hospice, and home health services. Most people do not pay a monthly premium for Part A because they have paid Medicare taxes for 40 or more quarters while employed. While there is no monthly premium, there is a **\$1556** deductible for each benefit period.

#### Medicare Part B

Medicare Part B covers two types of services. They are

- Medically necessary services or supplies required to diagnose or treat your medical condition and meet accepted standards of medical practice
- Preventive services which include health care to prevent illness or detect it at an early stage when treatment is most likely to work best.

Part B coverage also includes durable medical equipment when your doctor prescribes it for use in your home, such as walkers, wheelchairs and hospital beds. Diabetic supplies, including monitors, test strips, lancet devices, blood sugar control solutions and, in some cases, therapeutic shoes are also covered. In addition to the monthly

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premium there is a **\$233** per year deductible. You pay nothing for most preventive services if you get the services from a health care provider who accepts Medicare assignment.

The standard Part B premium amount in 2022 is **\$170.10**. Most people pay the standard Part B premium amount, however, if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

It's important to note that if you don't elect to get Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B but didn't sign up. In most cases, you'll have to pay this penalty each time you pay your premiums, for as long as you have Part B. And the penalty increases the longer you go without Part B coverage. So, a good rule of thumb is sign up when you first have the chance.

You can find a wealth of information about Medicare and sign up for a Medicare account by visiting the Medicare website at [Medicare.gov: the official U.S. government site for Medicare | Medicare](https://www.medicare.gov). You can also learn more about Medicare by visiting the UHC website sponsored by AT&T at [AT&T Understanding Medicare Guide \(uhcretiree.com\)](https://www.uhcretiree.com)

## Medicare Supplement Insurance

In Original Medicare, you generally pay some of the costs for approved services. Medicare Supplement Insurance (Medigap) is extra insurance you can buy from a private company that helps pay your share of costs. Under Medicare Supplemental insurance, each Medicare Supplement insurance plan offers a different level of basic benefits, but each lettered plan must include the same standardized basic benefits regardless of insurance company and location. For example, Medicare Supplement Plan G in Florida includes the same basic benefits as Plan G in North Dakota. Please note that if you live in Massachusetts, Minnesota, or Wisconsin, your Medicare Supplement insurance plan options are different than in the rest of the country. Medicare Supplement insurance plans do not have to cover vision, dental, long-term care or hearing aids.

## Medicare Advantage Plans

Medicare Advantage (MA) plans are offered by insurance companies and are a substitute for Original Medicare. Medicare pays a fixed amount each month to the insurance companies offering Medicare Advantage Plans. These companies must follow rules set by Medicare. Each Medicare Advantage Plan can charge different out-of-pocket costs. They can also have different rules for how you get services, like requiring a

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referral to see a specialist or which doctors or facilities you must see for non-emergency services such as urgent care.

Medicare Advantage Plans must cover all of the services that Original Medicare covers. However, unlike original Medicare, the MA Plan and not Medicare determines how much you pay for the covered services. In all types of MA Plans, you are always covered for emergency and urgently needed care. Many MA Plans cover prescription drugs and also provide additional benefits like vision and dental coverage. However, an MA plan can choose not to cover the costs of services that aren't medically necessary under Medicare. If you're not sure whether a service is covered, check with your provider before you get the service.

If you decide to enroll in any Medicare Advantage Plan, you must be enrolled in Medicare Parts A and B and continue to pay your Part B premiums so that the money you pay for Part B is available to the insurance company that provides your Medicare Advantage Plan.

Your Medicare Advantage Plan is a *REPLACEMENT* for Medicare. It's important to know that if you have a Medicare Advantage Plan and decide to have surgery or another medical procedure, or if your MA doctor sends you to a rehabilitation center, you must verify the network status of any new doctor, hospital or facility before you receive care, even if an in-network doctor has referred you. Do not assume that an in-network doctor agreement includes all referral services at in-network rates. In the end, it is your responsibility to verify network status of any providers

## Medicare Part D Prescription Drug Plans

All Part D plans must cover a wide range of prescription drugs, including most drugs in certain "protected classes", like drugs to treat cancer or HIV/AIDs. Information about a plan's list of covered drugs is called a *formulary*. Many plans place drugs into different levels called *tiers* on their formularies. Drugs in each tier have a different cost. A drug in a lower tier will generally cost less than a drug in a higher tier.

Many Part D plans have contracts with network pharmacies. These pharmacies agree to provide members of certain plans with services and supplies at a discounted price. In some plans, your prescriptions are only covered if you get them filled at network pharmacies. Along with retail pharmacies, your plan's network might include preferred pharmacies, a mail-order program, or an option for retail pharmacies to supply a 2- or 3-month supply.

Stand-alone Part D plans usually have monthly premiums and co-pays for prescriptions. After reaching the annual deductible (which can vary by plan – some Part D plans do not have a deductible) the plan charges either a set amount for all drugs in a tier or a

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percentage of the cost of the drug. If your Part D plan does have a deductible, it may **not** exceed **\$480** in 2022.

Most Medicare drug plans have a coverage gap (also called the "donut hole"). This means there's a temporary limit on what the drug plan will cover for drugs. The coverage gap in 2021 begins after you and your drug plan have spent **\$4430** on covered drugs. Depending upon your income level, you may be able to avoid the donut hole by applying for the Medicare Part D Extra Help Program. This program is designed to lower Part D costs for those who meet specific income and asset criteria. Learn more about this program by visiting its website at [Extra Help with Medicare Prescription Drug Plan Costs | SSA](#).

*It is important to note that if you go without Part D coverage or creditable prescription drug coverage for any continuous period of 63 days or more, you will have to pay a penalty for as long as you have a Medicare drug plan.*

## How does Medicare work with the Aon retiree health exchange?

If you or your spouse is Medicare eligible, it is important to enroll in Medicare Parts A and B and remain enrolled in order to receive coverage through the Aon Retiree Health Exchange. The Aon Retiree Health Exchange works on behalf of AT&T to aid eligible Medicare retirees and their spouses in selecting the right Medigap Supplemental or Medicare Advantage plan and Part D Prescription Drug Plan. When you or your spouse become Medicare eligible your AT&T health care is cancelled, and you should enroll in a Medigap Supplemental Plan or a Medicare Advantage Plan. All Medigap Supplemental Plans are secondary to original Medicare. These plans cover part or all of the 20% not covered by original Medicare, which is considered the participant's responsibility.

A variety of insurance plans and price ranges are offered through Aon. These insurance plans include Medicare Supplemental Plans (Medigap) and Medicare Advantage Plans (MA Plans) as well as Medicare Prescription D Plans. Not all available policies are listed on the Aon Exchange. Be sure to ask what other policies are available before choosing a plan. Besides Aon, you may want to check the Medicare website as well as independent Medicare insurance agents for information on available plans and to see what is offered in your area. There is another non-biased and free resource available to you through your State Health Insurance Assistance Program (SHIP). Visit the SHIP website at [Home | State Health Insurance Assistance Programs \(shiphelp.org\)](#) and click on the "Find Local Medicare Help" button to locate your local SHIP office.

Remember, you **must** enroll through the Aon Retiree Health Exchange for either medical or prescription drug coverage in order to qualify for the Health Resources Account (HRA) money which AT&T is offering in 2022 for both eligible retirees and their

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eligible spouses. Be sure that if you choose a supplemental medical plan from some other entity other than Aon you enroll in a Part D Prescription Drug Plan (PDP) through Aon to qualify.

## Health Reimbursement Account (HRA)

If your healthcare is subsidized today by AT&T, you will get an HRA when you become Medicare eligible. You must go through the Aon Retiree Health Exchange and purchase either a medical plan or prescription drug plan to qualify for the HRA. The annual HRA amount set by AT&T is \$2700 for all eligible retirees and \$1500 for all eligible dependents. The HRA for both the retiree and the dependent will be co-mingled in one account. The HRA is tax-free for reimbursable healthcare expenses only. It can be used to reimburse insurance premiums after the participant pays and can also assist with Medicare A and B co-pays and prescription drug co-pays. Arrangements for automatic reimbursement of monthly premiums can be made through most insurance companies. Any amounts not used in the current year are rolled over to the following year. You can track the money available in your HRA or submit eligible expenses for reimbursement through Your Spending Account (YSA) on line or through the Benefit Center.

Remember, in order to take advantage of the AT&T HRA, you must purchase either a Medigap Plan, a Prescription Drug Plan or a Medicare Advantage Plan through the Aon Retiree Health Exchange. If you choose the Medicare Advantage Plan offered by AT&T you would not go through Aon but you won't qualify for a HRA.

For more information about your AT&T HRA you can view the HRA Guide at [AT T HRA Guide.pdf \(aasbcr.org\)](#).

## AT&T Group Medicare Advantage Plan

The AT&T Group Medicare Advantage Plan is available only to AT&T retirees through the Benefit Center and is different from Medicare Advantage plans offered through the Aon Exchange. This plan is offered at no charge to the retiree, but retirees who sign up for this plan will **not** be eligible for the \$2700 HRA. A retiree's eligible dependent may also sign up for this plan at a cost of less than \$100 per month but in doing so the dependent will no longer be eligible for the \$1500 HRA.

You can learn more about the AT&T Group Medicare Advantage Plan by accessing the following website: [ATT 2022 Announcement Letter and FAQs.pdf \(uhc.com\)](#)

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## CarePlus

As many of you know, AT&T offers its retirees a supplemental benefits program called CarePlus. Your benefits under the CarePlus Program include both Expanded Services

and Experimental CarePlus. *Expanded Services* provides coverage that AT&T determines may be beneficial to participants, including services like:

- Hearing Aids
- Dental Services Provided in a Medical Care Facility
- Doula Services and Childbirth Classes

*Experimental CarePlus* is an optional supplemental medical program designed to cover specific procedures not covered under AT&T's basic medical programs. This program provides coverage for certain experimental or investigational treatments and services. Covered procedures and services are limited to those included on the Experimental CarePlus covered procedures and services list which can be found on the AT&T CarePlus website at [Experimental Careplus – AT&T CarePlus \(att.com\)](http://att.com)

To learn more about CarePlus coverage or to access the CarePlus reimbursement forms, visit the AT&T CarePlus website at [AT&T CarePlus \(att.com\)](http://att.com)

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The following websites provide a wealth of information about the subjects we mentioned in this bulletin:

1. The official Medicare website at:

[Medicare.gov: the official U.S. government site for Medicare | Medicare](http://www.Medicare.gov)

2. Additional Medicare information and Information about AT&T's Medicare Advantage Plan can be found at the United Healthcare managed website at:

[AT&T Understanding Medicare Guide \(uhcretiree.com\)](http://www.uhcretiree.com)

3. The Medicare Part D Extra Help Program is designed to lower Part D costs for those who meet specific income and asset criteria. You can find more information about this program by visiting its website at:

[Extra Help with Medicare Prescription Drug Plan Costs | SSA](http://www.ssa.gov/extra-help)

4. There is another non-biased and free resource available to you through your State Health Insurance Assistance Program (SHIP). Visit the SHIP website and click on the "Find Local Medicare Help" button to locate your local SHIP office. You will find the SHIP website at:

[Home | State Health Insurance Assistance Programs \(shiphelp.org\)](http://www.shiphelp.org)

5. You can learn more about the AT&T Health Reimbursement account by viewing the brochure on the AASBCR® website at:

[AT\\_T HRA Guide.pdf \(aasbcr.org\)](http://www.aasbcr.org/AT_T_HRA_Guide.pdf)

6. You can learn about the HRA mobile reimbursement application for use with smartphones by viewing that brochure on the AASBCR® website at:

[AT\\_T HRA Reimburse Me App.pdf \(aasbcr.org\)](http://www.aasbcr.org/AT_T_HRA_Reimburse_Me_App.pdf)

7. You can learn about CarePlus and download appropriate forms by visiting the CarePlus website at:

[Home Page - AT&T CarePlus \(att.com\)](http://www.att.com)