

## Ask the Welfare Fund – January 2011

**QUESTION:** I am a retired Education Administrator receiving Medicare for the past three years. I recently received my letter from Social Security indicating what my monthly Social Security check would be, and it listed a deduction for Medicare Part-D. I thought we paid for Medicare Part-D through pension deduction. Why is Social Security taking money out of my check?

**ANSWER:** You have been included in one of the better-hidden provisions of the Patient Protection and Affordable Care Act of 2010 ( Health Care Reform). The legislation extended, for the first time, the means-testing that created the IRMAA adjustments to Medicare Part-B to Part-D. The income parameters for this assessment are described in an article on page xxx. As with the IRMAA adjustments, adjusted gross income is taken from your tax return of 2 years ago ( 2011 amounts are based on 2009 tax returns ), and is adjusted each year. IF your income was inflated in 2009,perhaps due to sale of a residence or investment distributions, and returned to a lower level in 2010, you may not be assessed an extra amount in 2012. Unlike Medicare B IRMAA amounts, there is currently no provision for the City to reimburse the Part D amount.

**QUESTION:** I retired in 2010. I attended your pre-retirement workshop and, as you promised, I remember you saying something about getting reimbursed for prescription drug co-pays, but do not remember the process. Please refresh my memory.

**ANSWER:** As I often told my children when they were young and asked a question, “Nothing would give me more pleasure” (except I mean it now). Since the CSA Retiree Welfare Fund does not provide a prescription drug benefit, retirees must purchase the drug benefit through the optional benefits rider to their City-provided coverage ( or be covered by a spouse’s drug plan ). If you are in the GHI drug plan, please send a copy ( do not send your original – the postal service will be guaranteed to lose your submission ) of the quarterly reports received from Express Scripts to the Fund once you receive the October – December 2010 report. We will review the submissions, and file them in date order. While you are submitting the reports, we are sending a list of all our retirees to GHI, who will return an electronic file of all prescriptions filled by our retirees. This file is matched

to our database, and when all is in order, reimbursements are made in the order the claims were received.

If you are in a non-GHI plan, please submit a report from the pharmacy indicating the date of the prescription, name and strength of the medication, days supplied, amount the plan paid, and amount you paid.

***Please NOTE: If the cost of the medication is less than the co-pay amount ( for example, prescription costs \$ 7.50 and your co-pay is \$ 10 ) you will pay the full amount of the medication. Since the plan did not pay anything, you have no co-payment, and the amount paid cannot be reimbursed by the Fund.***

**QUESTION:** I am an active Assistant Principal in the Bronx. My 2 year old son is prone to ear infections, for which I need a prescription for Amoxicilyn each time he develops an infection. He had one in November, and my cost for the medication was \$ 4.50. He had another one on New Year's Day, and the cost of the medication was \$ 45.00. What happened? Why did the drug cost so much more this time?

**ANSWER:** You were the "victim" of bad timing. If you had had the prescription filled one day earlier, on New Year's Eve, it would have cost the same \$ 4.50. The reason for the difference is that there is a \$ 50 per person, \$ 150 per family annual deductible on prescriptions purchased from a local pharmacy. The cost of the first prescription ( or prescriptions ) each year go toward your deductible, after which you pay the appropriate co-payment. The good news from all of this is that your son is almost done with his deductible, and it's only the beginning of January.