

ASK THE WELFARE FUND
BY: IRWIN SHANES, ADMINISTRATOR

QUESTION: I am a retired Assistant Principal covered by Medicare. I received communication from both the City Office of Labor Relations and our Welfare Fund advising me that I need not enroll in a Medicare D plan because our drug plan is equal to or better than Medicare D. Now I find that I am in Medicare D and paying more for most of my drugs than I did before. Please explain.

ANSWER: Medicare D is a Federal Law that went into effect on January 1, 2006. All Medicare eligible citizens are required, by this law, to enroll in a Medicare D drug plan during the open enrollment period or face serious penalties of higher rates if they join later.

The Office of Labor Relations and the MLC were able to simplify this process for City retired employees by arranging with all the City health plans to provide an enhanced Medicare D qualified program with automatic conversion from the previous plan. You were advised that by doing nothing your automatic conversion to a qualified plan better than the basic Medicare D, would be a wiser choice than enrolling in one of the 100+ other plans you could choose from and possibly jeopardize your medical coverage in the process.

QUESTION: The CSA Retiree Welfare Fund announced that the Fund would continue to reimburse Department of Education Medicare eligible retirees their Medicare D co-payments just as they did before Medicare D. Why has that changed?

ANSWER: Under the GHI Medicare plus plan the Medicare Law requires that patients must incur out of pocket costs through co-payments of 25% to \$2,250 in drug costs, then pay 60% of drug costs until they have incurred \$3,600 in out of pocket costs. After that level is reached the member only pays 5% while Medicare pays 85% and GHI pays 15%.

The Medicare D Law requires that if a patient receives any reimbursement for their costs from a source, such as the

CSA Retiree Welfare Fund, it must be reported to the drug plan because it reduces the patient's out of pocket costs which will then require an adjustment in GHI and Medicare costs. The City Office of Labor Relations advised us that we could not reimburse these co-payments because it effects the City group's experience and consequently the premium of the GHI program. It has also effected my sanity and has increased my drug consumption.

QUESTION: I am an active Elementary School Principal. My husband is seriously ill and has had major surgery. He is now undergoing chemotherapy which will be followed by radiation therapy. We are enrolled in GHI but most of the providers of his medical services are not participating providers and we are incurring substantial costs not fully reimbursed by GHI. I was told that our Welfare Fund provides some financial assistance. Can you help me and, if so, how much time can I have to file a claim?

ANSWER: Yes, we can help you and you must file a claim with us within 12 months of the date the costs were incurred or the date of payment of your claims from GHI. Send us the itemized bills and the corresponding explanation of benefits of the GHI payment or come on down to our office with all your bills and GHI statements and we will help you put things together. If your husband's out-of-pocket unreimbursed reasonable and customary expenses exceed \$1,500 for the calendar year, we will be able to reimburse your excess costs at 80% until we have reimbursed you \$1,000 and thereafter we will reimburse 100% of his remaining covered expenses up to \$50,000 in a calendar year. Call me before you come so that I can arrange to meet with you or have one of our key staff members meet with you privately.