



LOCAL GOVERNMENT HEALTH INSURANCE BOARD

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May 6, 2019

MEMORANDUM

TO: Local Government Units

FROM: James J. Bradford, COO
Local Government Health Insurance Board

SUBJECT: Blue Advantage Coverage Requirements for Medicare Retirees

All retirees entitled to Medicare who can continue their health insurance coverage through their unit will be enrolled in Blue Advantage, a comprehensive Medicare Advantage Health and Prescription Drug Plan. To ensure that your Medicare retirees have adequate coverage and are not subject to a recall of claims, **it is important that each unit understands the following:**

- Federal law requires a 21-day opt-out period before a retiree can be enrolled in Blue Advantage. Blue Advantage coverage cannot be backdated. Therefore, if the unit does not provide the Local Government Health Insurance Board (LGHIB) at least 30 days' notice of an employee's retirement, that Medicare retiree will be subject to a reduction in benefits and recall of claims until he/she can be enrolled in Blue Advantage. **Note: due to a unit's late notification of an employee's retirement, both the unit and the retiree will be liable for any claims that cannot be recalled.**

Action required: Notify the LGHIB at least 30 days prior to an employee's retirement date and at least 30 days prior to a Non-Medicare retiree becoming Medicare eligible

- To be enrolled in Blue Advantage, a Medicare retiree must have Parts A and B. Medicare retirees without Parts A and B will be enrolled in the Local Government Health Insurance Plan (LGHIP – Group 30000) with limited benefits. Coverage for Medicare retirees enrolled in the LGHIP will be reduced by those benefits that would have been payable under Medicare Parts A and B. **Note: Medicare retirees enrolled in the LGHIP – Group 30000 will not have prescription drug coverage. Medicare retirees must be enrolled in Blue Advantage in order to have prescription drug coverage.**

Action required: Notify your Medicare retirees that they must have Medicare Parts A and B to have adequate coverage.

Please call the LGHIP staff should you have any questions or need further information regarding retiree coverage.