

CITY of HOLLYWOOD, FLORIDA

Office of Human Resources

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Tammie L. Hechler, MPA, SPHR, IPMA-CP, SHRM-SCP

Director

March 20, 2017

RETIREE NAME

Re: Updated Information for Retirees and Spouses Eligible for Medicare

Dear Retiree,

This is a follow up and reminder letter informing retirees and spouses enrolled in the City of Hollywood's medical plan of changes occurring in the manner in which claims are processed when one becomes Medicare eligible and is not actively working.

Prior to a non-Medicare eligible retiree reaching age 65, Cigna processes claims as the primary insurer. Upon a retiree reaching age 65 and becoming Medicare eligible, claims are processed with Medicare being the primary insurer and Cigna as secondary.

Effective January 1, 2018, if a Medicare eligible retiree is not enrolled in BOTH Medicare Part A and Part B, Cigna will process claims as secondary. This means the retiree could be responsible for payment of claims that Medicare would have paid if the retiree HAD been enrolled. This will impact your overall healthcare cost significantly.

If eligible, it is important that you sign up for Medicare Part A and Part B to ensure that your claims are processed correctly at the start of the new plan year beginning January 1, 2018.

We understand that some retirees may incur penalties for late enrollment. The Gehring Group and the City of Hollywood have requested equitable relief on your behalf with Medicare based on this change. We are currently awaiting response. At this point, we do not have a timeframe for the decision and we do not know if it will be granted or not. In the meantime, the Social Security Administration has advised us to notify you to wait to enroll enroll until a decision is made. They have assured us that they will protect our retirees under the 2017 General Enrollment Period ending March 31, 2017 even if a decision is made by CMS after that date.

If you have already applied and equitable relief is granted, Social Security will work with the office where you applied to ensure that the relief is granted.

Also, due to the increased expenditure of enrolling and paying for Medicare Part B, the City of Hollywood will be holding a special open enrollment prior to the Medicare Part B effective date of July 1, 2017. This group of retirees will be allowed to switch from the OAP Plan to the OAPIN Plan. The OAPIN Plan is significantly less expensive for retirees who are paying for retiree and dependent coverage. More information on this special open enrollment will be forthcoming.

If you have questions related to Social Security/Medicare, please contact Eloy Figueredo at 866-613-3962 or email <u>Eloy.Figueredo@ssa.gov</u>. If you have questions related to CIGNA or claim processing, please contact Joel Stacco at 954-921-3578 or email <u>joel.staco@cigna.com</u>.

Enclosed for your ease is a Medicare Part B Enrollment Form.

Sincerely,

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Tammie L. Hechler Human Resources Director

> **Our Mission:** We are dedicated to providing municipal services for our diverse community in an atmosphere of cooperation, courtesy and respect. We do this by ensuring all who live, work and play in the City of Hollywood enjoy a high quality of life.

> > "An Equal Opportunity and Service Provider Agency"

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE & MEDICAID SERVICES	Form Approved OMB No. 0938-1230
APPLICATION FOR ENROLLMENT IN MEDICARE PART B (MEDICAL INSURANCE)	
1. Your Social Security Claim Number Beneficiary Identification Code (BIC)	
2. Do you wish to sign up for Medicare Part B (Medical Insurance)?	
3. Your Name (Last Name, First Name, Middle Name)	2.585
4. Mailing Address (Number and Street, P.O. Box, or Route)	
5. City	State Zip Code
6. Phone Number (including area code)	
7. Written Signature (DO NOT PRINT)	8. Date Signed
SIGN HERE	
IF THIS APPLICATION HAS BEEN SIGNED BY MARK (X), A WITNESS WHO KNOWS THE APPLICANT MUST SUPPLY THE INFORMATION REQUESTED BELOW.	
9. Signature of Witness	10. Date Signed
11. Address of Witness	
12. Remarks	5

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1230. The time required to complete this information is estimated to average 45 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.