

What Medicare-Eligible PSC Retirees Need to Know about Changes to their NYC Health Coverage

We will add to and update this page as more information becomes available.

See “Important Contact Information” on this web page for websites and phone numbers.

1. Effective **September 1, 2023, all Medicare-eligible retirees and dependents (age 65+)**—except those in HIP VIP—**will be automatically enrolled into the City of New York Aetna Medicare Advantage plan¹** (including those retirees enrolled in other Aetna MA plans through NYC), as will their Medicare-eligible dependents. You will pay no premium for this plan.
 - PSC retirees will continue to be covered by the PSC/CUNY Welfare Fund for their prescription drugs, dental, vision and hearing benefits. (The Aetna MA drug plan will not apply to you.)
 - The NYC Aetna MA plan is an employer-based group plan, somewhat different from Aetna plans which individuals can buy.
 - Dependents of PSC Medicare-eligible retirees who are under age 65 will be enrolled in the current GHI/Empire Blue Cross plan on 9/1/23, *even if they are not currently in GHI.* (Dependents of retirees in the HIP VIP plan will be enrolled in HIP HMO.)
 - All non-Medicare-eligible retirees (those under 65) and dependents under 65 will continue to be covered by their current plans through 2023.
 - Senior Care and all other retiree health plans (other than HIP VIP) will no longer be offered.²
 - At this time, NYC is not offering any supplemental plan to traditional Medicare.
 - Retirees should have received a letter from the NYC Office of Labor Relations dated March 10, 2023, concerning these changes.
 - Aetna will reportedly mail two packets of informational materials about the new plan to retirees this month.
 - Be sure the NYC Employee Benefits Program has your updated mailing address.
2. What **alternatives** do retirees have to the Aetna MA plan? *As of early April 2023:*
 - You can opt to join HIP VIP—a Medicare Advantage HMO—if you live in NYC, Nassau, Suffolk, Westchester, Rockland or Orange counties.³
 - To stay in traditional Medicare, you must waive NYC health care coverage altogether.
 - Traditional Medicare covers 80% of Medicare-approved payments for doctor visits and other non-hospital services as well as most of the cost of hospital care less a deductible for each admission).
 - If you want supplemental coverage like Senior Care to fill in for Medicare’s co-insurance and deductible gaps, you must purchase your own Medigap health plan.
 - Retirees and dependents of retirees who waive NYC health coverage will lose NYC coverage. As of this writing, they will also lose PSC-CUNY Welfare Fund benefits, but the PSC is working to remedy this so that Welfare Fund benefits continue even for those who waive NYC health coverage.

¹ Retirees who are not 65+ and Medicare eligible will continue to be covered under their current health plans. 65+ retirees who have formally “waived” NYC health coverage in the past because they have other health coverage, by having previously submitted a waiver form on the OLR Health Benefits Program website, will NOT be automatically enrolled in the Aetna MA plan.

² Payment for 365-day hospital coverage will not be deducted from pension payments as of 9/1/23.

³ To enroll in the Aetna MA plan from HIP VIP, use the Special Retiree Enrollment/Waiver Form on the OLR website.

- To waive NYC coverage, *do NOT contact Aetna*. You must fill out and submit the Special Retiree Enrollment/Waiver Form—which will be available on the OLR website on May 1—between May 1 and June 30, 2023.
- If you want to enroll in HIP VIP instead of the Aetna MA plan, you must **contact Aetna** by phone or email between May 1 and June 30, 2023. (This is what Aetna means by “opt out.”)
- Do not rush to opt out. PSC encourages all retirees to study carefully the health care and cost implications of opting out of NYC health coverage as well as the coverage the Aetna plan provides and whether it can work for you, so you can make an informed choice.

3. How to think through your options:

- A. Carefully consider your (and your dependents’) health care needs:
 - Study the materials that are online or mailed to you.
 - Use the Aetna website to determine if your providers are in the Aetna network and talk to your doctor. (NOTE that not all providers are aware of the new plan.)
 - Sign up for an information session (Aetna has many scheduled on its website and PSC will schedule one or two this month for PSC retirees).
 - Call the Aetna dedicated phone line and ask questions.
 - If you are under ongoing treatment, have surgery (or follow-up) scheduled after September 1st, use medical equipment (pumps, etc.) for a chronic condition, call Aetna and ask to speak to a nurse about Continuity of Care.⁴
- B. Consider the costs to you of waiving NYC health care coverage—one median estimate is \$6,700 per year per person in NYC:
 - For basic health coverage, you will continue to be covered by traditional Medicare (which pays 80% of the Medicare-approved costs for non-hospital services as well as most hospital costs), but you will most likely want to purchase a Medigap plan to cover the “gaps” in hospital and non-hospital costs (doctors, physical therapy, etc.) that Medicare does not pay for (what your current NYC supplemental plan covers now). In NYS, a Medigap plan can cost between \$1,000 and \$6,000 per person per year.⁵ You must study what is available to purchase a plan that meets your health care and financial needs.
 - Review the 2023 Medicare document on choosing a Medigap policy: <https://www.medicare.gov/publications/02110-medigap-guide-health-insurance.pdf>
 - Because Medigap plans are different in different states—because states set the regulations that control eligibility (e.g., when you can enroll, pre-existing conditions, etc.) and rates—you should find out what is available and what the rules are in the state where you live or might move to. (Google “medigap plans in [state]” and contact the Medicare Rights Center for information.)
 - To price both Medigap and Medicare Part D drug plans around the country, start with this Medicare page: <https://www.medicare.gov/plan-compare>

⁴ Review Aetna's Continuity of Care brochure and submit the Continuity of Care form, both of which can be found on the OLR website, to discuss your needs with an Aetna nurse case manager in advance of September 1st.

⁵ Deductibles and co-pays in individual-market health insurance and drug plans will add to costs.

- You will not be reimbursed by NYC for your Medicare Part B payments (currently worth about \$2,000 per year per person) or for Part B IRMAA payments. (Both Part B & IRMAA are deducted from your monthly Social Security payment.)
- Your dependents will lose NYC health coverage and related benefits.⁶
- Under current Welfare Fund rules and PSC-CUNY contract language, retirees who waive NYC health coverage will also lose access to Welfare Fund benefits (prescription drugs (SILVERSCRIPTS), dental (Guardian or DeltaCare), vision (Davis) and hearing (Hear USA)) and will, at the least, need to select a premium-based Part D (prescription drug) plan on the individual market, which might cost \$500 per year⁷ for premiums, plus deductibles and co-pays for individual drugs.
NOTE that PSC, CUNY and the Welfare Fund Trustees are currently reviewing these rules and working to change them.

4. **You have the right to change health plans:**

- NYC retirees who waive NYC health coverage now and want to enroll in the Aetna MA plan later may do so. Retirees who want to disenroll from the Aetna MA plan and waive NYC health coverage at a later date, for traditional Medicare and a Medigap plan, may also do so.
- Your right to Medicare coverage is permanent, and there is no penalty for disenrolling or re-enrolling in an MA plan. Your right to buy a Medigap policy is sometimes constrained by state regulations, and rules about pre-existing conditions vary from state to state.
- Because this is an employer-sponsored MA plan, NYC rules for when you can change plans will likely apply:
 - During the annual NYC retiree open enrollment period, in November each year. The plan change will take effect the following January; or
 - NYC retirees can exercise their “once in a lifetime” right to change health plans outside the normal open enrollment period, once they have been retired for a year, to take effect the following month⁸; or
 - If there is a “qualifying event” (such as the death of a spouse) so that the health coverage a retiree had is no longer available, to take effect the following month. (See footnote #8)

⁶ A dependent who is eligible for and enrolled in traditional Medicare will continue to be covered by traditional Medicare.

⁷ You will continue to be covered by any long-term care or catastrophic major medical plans you joined through the union because the Welfare Fund does not administer or pay for those; members pay for them directly.

⁸ If the enrollment change is requested mid-month or later, the new coverage will be effective the first of the month after the following month due to the federal “21-day rule.”