

**BOARD OF PENSIONS
ADMINISTRATIVE RULES**

Section:	1 (Eligibility)	Subject:	COORDINATION OF BENEFITS BETWEEN MEDICARE AND THE PLAN
Rule Number:	120		
Reference:		Resource:	
		Original Date:	8/92
		Revision Date:	10/92, 6/95, 3/98, 7/00, 12/04, 2/05

Members or spouses turning age 65 (prior to Board retirement)

If a Member or spouse reaches age 65 and is continuing to work (rather than retire) for any period of time, the person turning 65 should take Part A only of Medicare and waive Part B. To determine who will be primary for Part A charges (in-patient hospital) benefits, the Plan refers to the size of the Member's employing organization. If a church or employer employs fewer than 20 individuals, Medicare will be primary for those charges. If a church or employer, employs more than 20 individuals, the Board of Pensions remains primary for all charges. The same rule apply to a working Member's spouse who turns 65.

The Board of Pensions is not the employer. HCFA has determined in the past that each individual church or employer (identified by a specific Pin number) is the employer for determining if there are more or less than 20 employees.

Age 65 Mailing

A mailing to Members and/or spouses approaching age 65 is sent periodically to get information to these people prior to the attainment of age 65. There will be a revised version of this letter in the future. A copy of the letter currently being used is available by request.

How Medicare and Medical Benefits Are Coordinated

Benefits are coordinated according to the size of your employing organization. The law differentiates between those organizations that employ fewer than 20 Members of the Benefits Plan and those that employ 20 or more Members. Most local churches and employing organizations will be in the former category.

If your organization has fewer than 20 employees who participate in the Benefits Plan, Medicare benefits are primary. Therefore, we recommend you apply for Medicare Part A at age 65 and we recommend that you do not apply for Medicare B benefits. Claims for covered medical expenses should first be submitted to Medicare. The remaining eligible charges should be submitted to the Board (along with the Explanation of Benefits from Medicare), and will be either applied toward your major medical deductible or, if your deductible has been met, reimbursed under the Plan. (Please note that prescription drug bills should be submitted directly to the Board, as Medicare does not cover those costs.)

If your organization has 20 or more employees who participate in the Benefits Plan, the Benefits Plan is your primary coverage. Therefore, we do not recommend that you apply for Part B benefits. When you incur medical expenses, you should submit them to the Board first. If any unpaid expenses are eligible for Part A benefits, you should submit them to Medicare along with the Board's Explanation of Benefits form.

When Questions Remain

Local Social Security offices vary in their understanding of the relationship of Medicare benefits to private plan benefits. If your Social Security office should questions this information, ask to speak to someone in charge, and explain the situation to them. If there is still confusion on your part or the part of Social Security, you can contact the Health Care Financing Administration (a separate government agency). Regional offices are located in Boston, New York, Philadelphia, Atlanta, Chicago, Dallas, Kansas City (MO), Denver, San Francisco, and Seattle.

In addition, there is often confusion in determining who the employer is. In this instance the employer is the local church or employing organization as referenced by the PIN (Permanent Identification Number) used in remitting dues, not the Presbyterian Church (U.S.A.).

Therefore, you may need to refer questions about your coverage or your spouse's coverage to the Board of Pensions for clarification. Please direct your questions, in writing, to Mindy Broad, Insurance Coordinator, Healthcare.