

FAQ – How Turning 65 or Retiring Affects Health Insurance Coverage

Holston Conference of the United Methodist Church

Turning 65 While Still Appointed

Q: What happens with my insurance coverage if I am still actively appointed when I turn 65?

A: If you are still actively appointed with the Holston Conference, and you are enrolled in the Health Insurance Plan when you turn 65, you will remain on the Active Health Insurance Plan – nothing will change about your coverage.

However, you need to enroll in Medicare Part A and waive Medicare Part B so that you don't incur penalties:

Here are the steps you should take a few months before you turn 65:

1. Go to <https://www.medicare.gov/sign-up-change-plans/get-started-with-medicare> to see when and how to enroll in Medicare
2. Notify Julie Graham at juliegraham@holston.org prior to enrolling in Medicare. She will provide you with a Form L-564 to prove that you are still working and are currently covered by insurance.
3. Enroll in Medicare Part A (hospitalization)
4. Waive enrollment in Medicare Part B (medical)

Q: What if I'm not 65 and still actively appointed, and my spouse turns 65 before I do?

A: If you are still actively appointed in the Holston Conference and you are on the Active Health Insurance Plan, then your spouse can remain on the Active Plan with you until you retire. Nothing will change with your spouse's coverage. If your spouse decides to stay on the Active Plan, he/she will need to take the same steps outlined above to enroll in Medicare Part A and waive Medicare Part B. When you retire, then your spouse can transition to the Conference Medigap supplement if that is his/her choice.

Q: What do all the letters for Medicare plans stand for?

A: In general:

Part A: Hospitalization Coverage

Part B: Medical Coverage

Part C: Medicare Advantage Plans (bundled plans offered by private companies)

Part D: Prescription Drug Coverage

Retirement and Health Insurance:

Q: What are my options for health insurance when I retire?

A: If you are 65 or older you may transition to the Blue Cross Blue Shield of Tennessee Medicare Supplement Plan D. You may retain the same dental and vision coverage that you already have under the Conference Active Employee Plan.

The Medicare Supplement Plan D offered by the Holston Conference through Blue Cross Blue Shield of Tennessee currently covers all Medicare eligible expenses not covered by Medicare Part A (hospitalization) and Part B (medical) except the Medicare Part B deductible (currently around \$200 per year). This type of plan is sometimes called a Medigap plan because it helps fill in the "gaps" in Original Medicare.

If you are under 65, you may participate in the Active Employee Plan at the Early Retiree rate until you turn 65. When you reach age 65, you may transition to the Medicare Supplement Plan.

Q: Is my spouse eligible to participate in the Conference health plan after I retire?

A: If you are eligible for the Conference health insurance plan at retirement, your spouse may participate as well under the same plans explained above.

Q: What do all the letters for Medicare plans stand for?

A: In general:

Part A: Hospitalization Coverage

Part B: Medical Coverage

Part C: Medicare Advantage Plans (bundled plans offered by private companies)

Part D: Prescription Drug Coverage

Q: How much will the insurance cost after I retire?

A: The cost of the insurance is based on the types of insurance chosen, the clergy person's years of service, and the length of time the clergy person has been on the Active Employee Health Insurance Plan. You may email juliegraham@holston.org for an estimate.

Q: How do I pay the Conference for my insurance after I retire?

A: Most retired clergy have the health insurance premium automatically deducted from their Wespath pension. In a few cases, the Conference sends a direct bill to the retired clergy each month and the retiree submits payment to the Conference.

Q: What if I am 65, but my spouse is not, when I retire? Or vice versa?

A: The participant who is 65 will be on the Medicare Supplement Plan D and the participant who is under 65 may stay on the Active plan at the Early Retiree rate. When the participant who is under 65 turns 65, he/she will transition to the Medicare Supplement.

Q: When I retire, will I receive new insurance cards?

A: Most likely. When you transition to the Medicare Supplement, you will have two ID cards. The Medicare Supplement will have Group 139876 on it, and will say "Medicare Supplement" and will be used when you visit the hospital or the doctor. The dental/vision card will have Group 88662 on it, and will say "Dental/Vision." If you do not enroll in the Vision plan, it will only say "Dental."

If both you and your spouse stay on the Active Employee plan at the Early Retiree rate, then you will continue to use your current cards until one of you turns 65. When the retired clergy turns 65, then both the clergy and the spouse will receive new cards. If the clergy spouse turns 65 first, then the clergy member will retain his/her current cards until he/she turns 65 and the spouse will receive new cards.

Q: Will my doctors need my new insurance ID number?

A: YES! If you get new cards, be sure that all of your doctors, and their providers (labs, etc.) have your new Group and ID numbers. Many times, when they see that you still have BCBST insurance, they will only change the ID number...make sure they change the Group number as well.

- Q: If I switch to the Medicare supplement, do I need to get prescription drug coverage?**
A: YES! The Medicare Supplement plans to NOT cover prescription drugs. You need to shop for and secure a **MEDICARE PART D** plan for your drug coverage. A good place to start this search is with your pharmacy. Additionally, Medicare.gov has a good online tool that can help you find Part D providers in your area.
- Q: Wait – I thought you said the Conference plan was Part D?**
A: The Conference Plan is Medicare Supplement PLAN D...not PART D. This is very confusing, but the names of the plans are all standardized and named by the government.
- Q: Is the Conference plan a Medicare Advantage plan?**
A: No. The Conference plan is a Medicare Supplement plan (currently Plan D). Medicare Advantage plans are a totally different product that combine all parts of Medicare (Plans A, B, and D) into one single plan.
- Q: Is there a number I can call if I have issues with claims and billing?**
A: Each BCBST group (88662 – Active Plan and 139876 – Medicare Supplement Plan) has its own customer service number. Those numbers are on the back of your card. If you have a question about a doctor’s bill concerning your Medicare Supplement, call the number on the back of your Medicare Supplement card (currently 1-888-341-2583). If you have a question about a dental or vision bill, or if you are still covered under the Active Employee Medical Plan as an Early Retiree call the number on the back of your Dental/Vision card (currently 1-800-565-9140).
- Q: If I take an appointment after I retire, does the church I serve still have to pay the “church portion” of the health insurance?**
A: Whether or not a church pays the “church portion” of the health insurance depends on the **appointment** rather than the **person**. So, if you are serving in a $\frac{3}{4}$ or greater time capacity, then the church would still be billed the “church” portion. If you are serving less than $\frac{3}{4}$ time, then the church will **not** be charged. Whether or not you are $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$ or full time depends on your cash compensation and is based on the minimum salary requirements passed at each Annual Conference.
- Q: If I am participating in the Flexible Spending Account program through Progressive Benefits Solutions (PBS – “Benny” card) when I retire, what happens to the money in my account?**
A: When we have Open Enrollment during the Fall, if you know you are going to retire the next June at Annual Conference, then you should only contribute half as much to your FSA for the upcoming year. You should also let Julie Graham know this by making a note on your PBS enrollment form that you only want the withdrawals to occur for 6 months rather than 12 months. Then, when you retire, you have 90 days after you retire to file any claims that were incurred BEFORE you retired. Any money that is left in your FSA after those 90 days will be forfeited...so, it’s important to plan accordingly.