

# City of Smyrna – Modification to Coordination with Medicare

## Current Status:

End-Stage Renal Disease (ESRD) is approximately 200% more frequent and represents about \$4.50 PMPM, affecting 10 members with 2 on dialysis. Dialysis costs increased by 20% in the last 12 months with ESRD accounting for about 5.4% of last year's medical expenses.

- \* Of the 2 members currently on dialysis, 1 is currently on Medicare and the other is in his/her 30 month waiting period

## Recommendation:

Modify the group health plan's coordination with Medicare to pay secondary after the 30 month waiting period. If the Medicare eligible member does not elect Medicare Part A & B, the plan will still pay secondary as if the election was made.

## Proposed SPD Language

### Coordination of Medical Coverage with Medicare

Individuals who meet Social Security status requirements may become eligible for Medicare (a Social Security benefit) prior to reaching age 65 under certain circumstances. These requirements include, for you and your eligible dependents:

- End-stage renal disease (if you or your dependent has end-stage renal disease, the plan will be primary payer for medical coverage for the first 30 months. In these situations, Medicare medical coverage will be secondary to the plan. At the end of the first 30 months, Medicare will be the primary payer and the plan will be the secondary payer.)
- In most circumstances, Medicare requires the use of Medicare-approved providers and facilities. Failure to use an approved provider or facility may result in nonpayment by Medicare and more cost to you.
- The City of Smyrna Plan assumes that Part B has been elected and coordinates benefits as if Part B has been elected. The Part B premiums paid could be very minimal in comparison with the financial hardship that could result from not having Part B Medicare coverage.
- Any payment to be made under the Plan shall be calculated as if the individual is covered under Part B of Medicare, whether or not the Medicare-eligible individual is in fact covered by Part B.