EPISCOPAL CHURCH MEDICAL TRUST

Member Fact Sheet

Medicare Secondary Payer – Small Employer Exception

The Episcopal Church Medical Trust (Medical Trust) is providing eligible employers with the option to apply for the Medicare Secondary Payer (MSP) Small Employer Exception (SEE). If the employer and its employees are approved, employees may choose whether to participate in the **Episcopal Health Plan for Qualified Small Employer Exception Members (the SEE Plan)**. Participating in the SEE Plan makes Medicare Part A and, if applicable, Medicare Part B, the primary payer of your claims and the SEE Plan the secondary payer.

It is important to understand how the SEE Plan works so you can make an informed decision and maximize its value if you choose this option. This fact sheet provides detailed information about how the program works and your benefits under the SEE Plan. **Please be sure to read this fact sheet thoroughly before you complete Part I of the separate eligibility form.**

What is the Small Employer Exception (SEE)?

In most cases, Medicare is the secondary payer of healthcare claims for active employees covered under Medicare Part A and Part B, and the health plan provided through the employer is the first, or primary payer.

However, Medicare allows for an exception to the "secondary payer" rule for small employers (generally, those with fewer than 20 full- and/or part-time employees in the current and preceding years). This exception is called the Small Employer Exception (SEE).

How does it work?

Eligible small employers must apply to the Centers for Medicare and Medicaid Services (CMS) for approval to participate in the SEE by submitting an Employee Certification Form for each participant who may be eligible, to the Medical Trust. (Eligible participants generally are those age 65 or older who are enrolled or eligible to enroll in Medicare Part A and, if applicable, Medicare Part B.) Once CMS has approved an employer and participants for the SEE,[1] Medicare then becomes the primary payer of claims under Medicare Part A and, if applicable Medicare Part B, for approved participants. The SEE Plan becomes the secondary payer and will coordinate benefit payments with Medicare for Medicare Part A claims and, if applicable, Medicare Part B claims.

Is enrollment in Medicare Part A (hospital insurance) required?

Yes. Because Medicare will become the primary payer of claims covered under Medicare Part A, to participate in the SEE Plan, any members of the family who are eligible must be enrolled in Medicare Part A. Medicare Part A insurance helps cover the cost of inpatient care in hospitals, skilled nursing facilities, hospices, and home healthcare situations.

For all other coverage, such as doctor visits, outpatient procedures, and prescription drug coverage, the Medical Trust plan will remain the primary payer of benefits. However, if an employee or eligible dependent elects to enroll in Medicare Part B coverage, Medicare will become the primary payer of Part B

[1] *The CMS approval process may take up to 90 days.*

claims and the Medical Trust plan will coordinate benefit payments with Medicare and become the secondary payer.

What are the savings for individuals and for employers?
When Medicare becomes the primary payer for claims under Medicare Part A or Medicare Part B, the cost to employers of providing medical coverage may be reduced. Employees' hospitalization costs, including out-of-pocket expenses such as deductibles and coinsurance, will typically be lower as well. In addition to the cost savings typically realized with Medicare as the primary payer of your claims, additional savings can be realized by using in-network providers. You will usually pay less for services from in-network providers than you will from out-of-network providers.

Will individuals opting to participate in the SEE Plan continue to have access to the Medical Trust's additional benefits?
Yes. Individuals who opt to make Medicare their primary payer of Medicare Part A or Medicare Part B claims will continue to have access to the value-added benefits included in the Medical Trust plans, such as:

- Vision care through EyeMed
- Employee Assistance Program through Cigna Behavioral Health
- Health Advocate
- Amplifon Hearing Health Care discounts
- UnitedHealthcare Global Assistance travel assistance

For more information about these benefits, visit ***www.cpg.org.***

Is participation in the SEE Plan mandatory?
No. Although the employer and the individual employee may be approved to participate in the SEE Plan, the employee has the option to elect a different plan offered by the employer. However, the Medical Trust anticipates that out-of-pocket hospitalization costs will be lower to employees who do participate, and that there may be significant savings in the cost of health benefits from an employer perspective, as well.

What is Medicare?
Medicare is the federal health insurance program for people who are 65 or older, certain people with disabilities, and people with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant, called ESRD). The MSP SEE applies to the following parts of the Medicare program:

Medicare Part A: This covers normal inpatient hospital care, up to 100 days in a skilled nursing facility per benefit period, and some home healthcare and hospice care. If you have worked in the United States and paid into Medicare for 10 years or more, Medicare Part A insurance is free. If you have not, you may still qualify for Medicare Part A but must pay the applicable premium.

Medicare Part B: This covers doctors' services and includes general doctor visits, X-rays, lab tests, ambulance services, and therapies such as speech, occupational, and physical therapy. Most participants are required to pay a monthly premium for Medicare Part B coverage.

Medicare Program Basics: What You Will Pay for Coverage if You Opt to Participate in the SEE Plan

Premiums, Deductibles, and Coinsurance

- **Premiums** are the amounts you must pay each year to be covered. If you meet the eligibility requirements, you do not have to pay an annual premium for Medicare Part A coverage.
- **Deductibles** are the amounts you must pay annually for your healthcare or prescription drugs before Medicare, your prescription drug plan, or your other insurance begins to pay.
- **Coinsurance**, which applies to certain kinds of benefits, is the percentage of medical expenses you must pay once any deductible has been met.

These costs apply to coverage under Medicare for 2016, and are before any coordination with the SEE Plan:

Inpatient Hospital Visits (Medicare Part A)

Period	Patient responsibility
Days 1-60	Deductible of $1,288*
Days 61-90	$322 coinsurance per day
Days 91 and beyond	$644 coinsurance per each "lifetime reserve day" (up to 60 days over your lifetime)
Beyond lifetime reserve days	Member pays entire cost

*****_Applies to each benefit period, beginning on the date you are admitted to a hospital or skilled nursing facility, and ending when you haven't received any inpatient care (in a hospital or skilled nursing facility) for 60 days in a row._

Cost-sharing under the SEE Plan

Currently, the Medical Trust partners with Anthem BlueCross BlueShield (BCBS) to administer coverage to members approved for and enrolled in the SEE Plan. The deductibles vary according to the specific plan chosen.

2016 Deductibles

Plan Design	PPO 90/70	PPO 80/60	PPO 75/50	High Option	EPO 90	EPO 80
Network Individual/Family Deductible	$250/$500	$500/$1,000	$900/$1,800	$200/$500	$200/$500	$350/$700

2016 Out-of-pocket maximums

Each plan sets an annual limit on the out-of-pocket costs you will have to pay for services. This "out-of-pocket maximum" is equal to the combined total of your annual deductible and annual cost sharing. For Medicare Part A claims, your out-of-pocket costs will apply toward your out-of-pocket maximums in the SEE Plan.

Plan Design	PPO 90/70	PPO 80/60	PPO 75/50	High Option	EPO 90	EPO 80
Network Individual/Family Out-of-Pocket Maximum	$1,750/$3,500	$2,500/$5,000	$4,100/$8,200	$2,200/ $4,500	$1,700/$3,500	$2,350/$4,700

Sample Claim

The table below compares what your costs would be for a hospital claim with and without participation in the SEE Plan, based on the Anthem BCBS EPO 90 Plan.

EPO 90 Plan with $200 Deductible + 10% Coinsurance

	Example 1 **Anthem BCBS as Primary Payer** **(without Small Employer Exception)**	**Example 2** **Medicare as Primary Payer** **(with Small Employer Exception)**
Medicare Part A billed charges Medicare allowed	$10,000.00 $2,700.00	$10,000.00 $2,700.00
Medicare Payment Medicare deductible Medicare paid (after $1,288 deductible)	 N/A N/A	 $1,288.00 $1,412.00
EPO Plan Payment Plan allowed	$7,695.00[2]	$1,288.00 (Medicare deductible)
Plan liability based on amount not covered by Medicare (EPO plan's maximum allowed amount)	$7,695.00	$1,288.00
Minus EPO 90 plan deductible	**$200.00**	**$200.00**
	$7,495.00	$1,088.00
Times coinsurance[3]	x10%	x10%
Coinsurance Amount	**$749.50**	**$108.00**
EPO Plan pays	$6,745.50	$980.00
Member pays	**$949.50**	**$308.00**
Member Responsibility Summary	**$200 deductible + member's 10% coinsurance of $749.50**	**$200 deductible + member's 10% coinsurance of $108.00**

[2] *Anthem BCBS claims are currently paid at 285% of the Medicare allowed amount*
[3] *Coinsurance is the amount member is responsible to pay*

Questions?

For assistance regarding the SEE Plan, or any other questions you may have, please contact our Client Services team at (800) 480-9967, Monday to Friday, 8:30AM – 8:00PM ET (excluding holidays), or ***mtcustserv@cpg.org.***

This fact sheet contains only a partial description of the Medical Trust Plans and is intended for informational purposes only. It should not be viewed as a contract, an offer of coverage, or investment, tax, medical, or other advice. In the event of a conflict between this fact sheet and the official Plan documents (summary of benefits and coverage, Plan Handbooks), the official Plan documents will govern. The Church Pension Fund and its affiliates, including but not limited to the Medical Trust and the ECCEBT (collectively, "CPG") retain the right to amend, terminate or modify the terms of any benefit plans described in this document at any time, for any reason, and unless required by law, without notice.

The Plans are church plans within the meaning of section 3(33) of the Employee Retirement Income Security Act and section 414(e) of the Internal Revenue Code. Not all Plans are available in all areas of the United States, and not all Plans are available on both a self-funded and fully insured basis. The Plans do not cover all health care expenses, and Members should read the official Plan documents carefully to determine which benefits are covered, as well as any applicable exclusions, limitations, and procedures.

The Church Pension Group ("CPG") does not provide any health care services and therefore cannot guarantee any results or outcomes. Health care providers and vendors are independent contractors in private practice and are neither employees nor agents of CPG. The availability of any particular provider cannot be guaranteed, and provider network composition is subject to change.