



STATE OF WISCONSIN
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CORRESPONDENCE MEMORANDUM

DATE: May 30, 2012

TO: Medicare Eligible Retirees enrolled in the State or Wisconsin Public Employers Group Health Insurance Programs

FROM: Jeff Bogardus, Manager, Pharmacy Benefit Programs,
Health Benefits & Insurance Plans Bureau, Division of Insurance Services

SUBJECT: Medicare Part D Income-Related Monthly Adjustment Amounts

In late 2011 and early 2012 some Medicare eligible retirees who are enrolled in the State or Wisconsin Public Employers (WPE) group health insurance programs received letters from the Social Security Administration (SSA) that explained the Income-Related Monthly Adjustment Amounts (IRMAA) that affect the members' monthly Social Security payments. Details about the IRMAA adjustments can be found here: <https://secure.ssa.gov/poms.nsf/lnx/0601101001>

The Medicare Part D IRMAA affect on SSA benefits is a result of two issues:

- (a) **The level of Modified Adjusted Gross Income (MAGI) a Medicare eligible retiree reported to the IRS.** This link explains the MAGI thresholds that cause the member to be affected by IRMAA adjustments: <https://secure.ssa.gov/poms.nsf/lnx/0601101010>
- (b) **Medicare Part D prescription drug coverage provided to Medicare eligible retirees in our programs for 2012.** The Navitus MedicareRx (PDP) plan, underwritten by Sterling Life Insurance Company, is a Medicare Part D employer group waiver plan.

If you are affected by the IRMAA adjustments and **your Medicare Part B premium is deducted from your monthly SSA benefit**, there will be an additional deduction from your monthly SSA benefit for the Medicare Part D IRMAA adjustment.

If you are affected by the IRMAA adjustments and **you pay your Medicare Part B premium directly to CMS (the Centers for Medicare & Medicaid Services)**, you will be billed for the Medicare Part D IRMAA adjustment; you must pay this bill.

IMPORTANT: If the Medicare Part D IRMAA adjustment is not paid, Medicare – not ETF, Navitus or Sterling – will cancel your enrollment in the Navitus MedicareRx (PDP) plan. It is imperative that you pay this bill!

If you do not agree with the assessment of your MAGI, or the IRMAA adjustment, you must appeal this to the SSA or CMS – NOT ETF, Navitus or Sterling. Contact information for appealing was provided to you on the letters from the SSA and/or CMS.

If you plan to appeal, we encourage you to pay the bill so that your coverage does not get cancelled.