

All plans offered and underwritten by  
Kaiser Foundation Health Plan of the Northwest

## Notice regarding Senior Advantage Rates

The following notice applies if your group health plan is subject to Medicare Secondary Payor (MSP) rules. In general, those rules state that if someone is 65 or older and is covered by a group health plan because they (or their spouse) are working, the number of employees the employer group has determines whether Medicare pays primary or secondary.

### Medicare Secondary Payor (MSP) Rules and Working Aged Beneficiaries

Medicare Secondary Payor (MSP) rules apply to any employer with 20 or more employees. The 20 or more employees threshold is met when an employer has 20 or more full-time and/or part-time employees for each working day for 20 or more calendar weeks in the current calendar year or the preceding calendar year. The 20 calendar weeks do not have to be consecutive. The requirements of the MSP law are based on the number of employees, not the number of employees covered under the plan.

Working aged is defined as beneficiaries age 65 or over who are actively working, have group health plan coverage because of their current employment or their spouse's current employment, and the employer group has 20 or more employees. For the working aged, Medicare is secondary payor for claims and the employer group is primary payer. (Different rules apply for those beneficiaries who are Medicare eligible due to disability or end stage renal disease (ESRD). Please contact your Kaiser Permanente marketing representative for additional information if this applies to you.)

### Senior Advantage Rates

If your group health plan is subject to Medicare Secondary Payor rules (see rules above), the Senior Advantage rates shown with this renewal do not apply for your members who have MSP and enroll in Senior Advantage.

If your group health plan is subject to the Medicare Secondary Payor rules, the plan rate for your members who have MSP and enroll in Senior Advantage will be the 64+ rate assigned to the plan you offer to all employees. If your group offers multiple plans and the member has their subscriber or dependents enrolled on a buy-up plan, their rate will be based on the plan they are enrolled on.

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If you have employees (and dependents) who are eligible for Medicare, it may not be in their best interest to enroll in Medicare Part B when they turn 65. These employees and any dependents should contact Social Security for additional information about deferring their Medicare Part B until retirement of the employee. However, if they choose to enroll in Medicare because they want to enroll in Kaiser Permanente Senior Advantage, they must have both Medicare Parts A and B.

NOTE: Retirees or COBRA participants who are eligible for Medicare as primary payor are not subject to MSP rules. These members will receive Senior Advantage rates and benefits when they enroll in Senior Advantage.