

January 11, 2011

TO: All Retired Members of the Indiana State Police Health Care Plan

FROM: Bradley S. Scully, Major
Human Resources Division

SUBJECT: Medicare Late Enrollment Penalty

In October 2010, all retired members of the Indiana State Police Health Care Plan were sent information from the Superintendent that outlined certain impacts to the Health Care Plan stemming from Health Care Reform. Addressed were both mandated changes and the financial impact of such changes. One of the changes is that the Plan now requires retirees to enroll in Medicare Parts A and B if, and when, they are eligible to do so. Since this announcement was made, it has been brought to our attention that some retirees will be assessed a 10% penalty on their monthly premium for each year they did not enroll since becoming eligible.

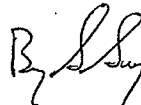
The Department has worked diligently to explore all avenues with the Social Security Administration in order to have this penalty waived. Unfortunately, the Social Security Administration has informed us that such a waiver is not available.

However, we have also been made aware that some affected individuals have been able to obtain relief from the penalty by contacting their local Medicare office. Some members have been granted "Equitable Relief" (which is a waiver of the penalty), based on their individual circumstances. These individual circumstances included:

- the individual was told that he or she was not eligible for Medicare because he or she had not paid into the program, and/or
- the individual was not notified by Medicare that he or she was eligible for Medicare through his or her spouse.

We encourage affected individuals to contact their local Medicare office for additional information in order to see if they may be eligible for Equitable Relief from the late enrollment penalty. You may either call 1-800-Medicare (1-800-633-4227), or go to the Medicare website at <http://www.socialsecurity.gov/> and enter in your zip code to find a local office.

If you have any questions, I can be reached at 317-232-8348.



Bradley S. Scully
Major

BSS/pmd