


ABCD's of Medicare 2019



Medicare Card

MEDICARE  **HEALTH INSURANCE**


1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER **000-00-0000-A** SEX **FEMALE**

IS ENTITLED TO **HOSPITAL (PART A)** EFFECTIVE DATE **07-01-1986**
MEDICAL (PART B) **07-01-1986**

SIGN HERE → _____

 **MEDICARE HEALTH INSURANCE**

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a **HOSPITAL (PART A)** Coverage starts/Cobertura empieza **03-01-2016**
MEDICAL (PART B) **03-01-2016**



What Is Medicare?

- Health insurance for people
 - Age 65 and older
 - Under age 65 and entitled to Social Security or Railroad disability benefits for 24 months
 - Any age with End-Stage Renal Disease (ESRD)

- Administered by
 - Centers for Medicare & Medicaid Services (CMS)



A-B-C-D

- Medicare has four parts
 - Part A - Hospital Insurance
 - Part B - Medical Insurance
 - Part C - Medicare Advantage Plans
 - Part D - Prescription Drug Coverage



Original Medicare

Parts A and B

- Use the red, white, and blue Medicare card.
- Go to *any* provider that accepts Medicare countrywide

You pay

- Part A free for most people
- Part B premium \$135.50 for most new beneficiaries
- Deductibles
- Coinsurance or copayments



Medicare Enrollment

- Automatic Enrollment
 - If you are already receiving Social Security benefits
 - If receiving Railroad benefits
- Otherwise apply 1-3 months before you want Medicare benefits to start
- Medicare starts the first day of the month you meet all requirements.
- You can refuse Part B but not Part A



Enrollment Details

- Other issues
 - You do not need to be retired to have Medicare coverage
 - If you have health insurance through an employer/union based on active employment, you *may not* want to enroll in Medicare
 - If you are working and contributing to a HSA you may not want to enroll in Medicare
 - You can't make HSA contributions for any month you are enrolled in Medicare - even Part A only
 - Talk to your benefits administrator to see if there are other restrictions and/or requirements or options

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Medicare Part A Hospital Coverage

- Part A premium is \$0 for most people
- People with less than 10 years of Medicare-covered employment
 - Can pay a premium to get Part A -\$240-\$437
- Coverage
 - Hospital inpatient care, skilled nursing facility (SNF) care, home health care, hospice care, and blood work.
- Charges based on “benefit period”
 - Inpatient hospital care and SNF services
 - Begins day admitted to hospital and ends when no care is received in a hospital or SNF for 60 days in a row.
 - You pay deductible for each benefit period, but there is no limit to number of benefit periods



Part A

Hospital Stays

- For inpatient hospital stays you pay
 - \$1,364 deductible for days 1 – 60
 - \$341 co-payment per day for days 61 – 90
 - \$682 co-payment per day for days 91 – 150 (60 lifetime reserve days)
 - All costs for each day beyond 150 days
 - Make sure you've been admitted! MOON

- Skilled Nursing Facility Stay you pay
 - \$0 for the first 20 days of each benefit period
 - \$170.50 per day for days 21–100 of each benefit period
 - Day 101 and beyond all costs



Part B

Medical Coverage

- Doctors' services
- Outpatient medical and surgical services and supplies
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Advance Directives counseling
- Other medical services
- Clinical laboratory tests
- Home health services (not covered under Part A)
- Durable medical equipment
- Outpatient hospital services
- Blood Work
- Ambulance service, if other transportation would endanger your health



Paying the Premium

Part B

- Taken out of your monthly payment
 - Social Security
 - Railroad Retirement
 - Federal Government retirement

- Or billed every 3 months

- Or pay online

+ Medicare Part B Paying the Premium

IRMAA

Yearly Income Filed Individual Tax Return (2017)	File Joint Tax Return (2017)	Premium (2019)
\$85,000 or less	\$170,000 or less	\$135.50
\$85,001-\$107,000	\$170,001-\$214,000	\$189.60
\$107,001-\$133,500	\$214,001-\$267,000	\$270.90
\$133,501-\$159,999	\$267,000-\$320,000	\$352.20
\$160,000- 499,999	\$320,001 -699,999	\$433.40
\$500,000 and above	\$750,000 and above	\$460,50



Medicare Part B

Cost of Services

- In Original Medicare you pay
 - Monthly premium –varies, but most beneficiaries pay \$135.50
 - SSA COLA affects Part B premium increases
 - Yearly deductible
 - \$185
 - 80% covered by Medicare, 20% co-pays for most services

Assistance Plans (income and asset guidelines)

Part B Enrollment

- Enrollment in Part B is *optional*
- If you don't receive SS or RR benefits you must apply for Part B when you want it via SSA website, phone or Social Security office visit
- Initial Enrollment Period (IEP)
 - 7 months beginning 3 months before turning age 65
- Enrolled automatically if receiving SS or RR benefits
 - To keep Part B, keep the Medicare card received in the mail
 - *If you don't want Part B, follow instructions with card*



Part B

Additional Enrollment Periods

- **General Enrollment Period (GEP)**
 - January 1 - March 31 each year
 - Coverage effective July 1
 - Premium increases 10% for each 12-month period you were eligible but did not enroll and did not have credible or creditable insurance
- **Special Enrollment Period (SEP)**
 - Enroll anytime when working and covered by employer/union health insurance
 - Enroll within 8 months of stopping work or employer/union health plan coverage ending while still working
 - No late enrollment penalty and no delay in starting coverage



Medigap Plan Overview

- Health insurance policies also called Medicare Supplements
 - Sold by private insurance companies, plans named by letters of the alphabet e.g. Plan A, Plan F, etc.
 - Follow federal and state laws that protect you in every state
 - Accepted by all Medicare providers
 - Cover “gaps” in Original Medicare Parts A and B
 - You must purchase a plan in state where you live
 - Plans are standardized from company to company, plan to plan; difference may be price and customer service
 - Do not include a drug plan
 - Are not available to people under age 65 in Indiana
 - Medigap Premium Comparison Tool - www.idoi.in.gov/medigap



How Medigap Plans Work

- Only works with Original Medicare
- Can go to any doctor, hospital, or provider that accepts Medicare
- You pay a monthly premium to a Medigap insurance company
- All Medigap Plans must be approved by the IDOI



Overview of Medigap Plans A through N

A	B	C	D	F*	G	K**	L**	M	N
Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits*** (50%)	Basic Benefits**** (75%)	Basic Benefits	Basic Benefits****
		Skilled Nursing Facility	Skilled Nursing Facility	Skilled Nursing Facility	Skilled Nursing Facility	Skilled Nursing Facility (50%)	Skilled Nursing Facility (75%)	Skilled Nursing Facility	Skilled Nursing Facility
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible (50%)	Part A Deductible (75%)	Part A Deductible (50%)	Part A Deductible
		Part B Deductible		Part B Deductible					
				Part B Excess Charge (100%)	Part B Excess Charge (100%)				
		Foreign Travel	Foreign Travel	Foreign Travel	Foreign Travel			Foreign Travel	Foreign Travel

Basic Benefits include the following: Part A hospital coinsurance hospital costs up to an additional 365 days after Medicare benefits are used up; Part B coinsurance or copayment; first 3 pints of blood per year; and Part A hospice care coinsurance or copayment.

* Denotes that Plan F offers a high deductible option. The plan pays the same benefits as Plan F after you have paid an annual deductible (\$2,180).

**After you meet an out-of-pocket yearly limit (Plan K \$4,960 & Plan L \$2,480) and the Part B deductible (\$166 in 2016), the Medigap plan pays 100% of covered services for the rest of the calendar year.

*** Medicare Part A hospital coinsurance and Part B preventive care coinsurance paid at 100%.

**** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency visits that don't result in an inpatient admission.

(revised 11/17/15)

NEW: Plans C and F will no longer be sold to newly eligible beneficiaries beginning 2020.



Medigap Enrollment

- **Guaranteed Issue Period (GIP)** - 6 months for people activating Part B when they turn 65 - can buy any plan
- **Special Enrollment Period (SEP)** - available when you are losing employer/union secondary coverage; your COBRA coverage ends; your Advantage Plan goes out of business; etc. - different time limits to purchase and choice of plans



Medicare Part D

Rx Coverage

- Available for all people with Medicare

- Requirements:
 - Have Medicare Part A, Part B, or both
 - Live in plan service area
 - Must be an approved Medicare prescription drug plan
- Provided through
 - “Stand alone” Medicare Prescription Drug Plans
 - Medicare Advantage Plans

Assistance Plans (income and asset guidelines)



Medicare Part D Costs

- Costs vary by plan, most people will pay:
 - Monthly premium
 - Maximum annual deductible is \$415.00
 - After the deductible, for the next \$3,820, you will pay 25% and the plan will cover 75% of your drug costs.
 - When your total drug costs reach \$3,820, your initial drug plan coverage will end. This is referred to as the coverage gap.
 - Part D enrollees will pay 25% of the total cost of their brand-name drugs and pay a maximum of 37% co-pay on generic drugs while in the coverage gap. The full retail cost of the drugs will still apply to getting out of the coverage gap.
 - Once your total out of pocket drug costs (not including the monthly premiums) reach \$7,653.75 your catastrophic coverage will begin.
 - Your plan will then cover up to 95% of your drug costs. You will pay either \$3.40 for generic or \$8.50 for brand name drugs or 5% of the cost, whichever is greater.



Medicare Part D Enrollment

- When first eligible for Medicare
 - 7 month timeframe: 3 months before Medicare begins, the month Medicare begins, and 3 months after Medicare begins. Drug plan benefits begin no earlier than the month Medicare begins.

- During specific enrollment periods
 - Annual Election Period
 - Special Enrollment Periods

- Some people are enrolled automatically



Medicare Part D

Making Changes

- Annual Election Period
- Oct 15 to Dec 7
- Special Enrollment Periods
 - Permanently move out of plan service area
 - Lose creditable prescription drug coverage
 - Enter, reside in, or leave a long-term care facility
 - Like a nursing home or rehab facility
 - Have other exceptional circumstances



Part D Late Enrollment Surcharges/Penalties

- The late enrollment penalty is calculated by multiplying 1% of the national base beneficiary premium (\$32.50) times the number of full, uncovered months that you were eligible but didn't join a Medicare drug plan and *went without other creditable prescription drug coverage*.
- This amount is rounded to the nearest \$.10 and added to your monthly premium. You may have to pay this penalty for as long as you have a Medicare drug plan.
- IRMAA applies to Part D, too.



Medicare Advantage Plans - Part C

Overview

- Health plan options approved by Medicare
 - A way to get your Medicare benefits delivered through private insurance companies approved by Medicare
 - Still in Medicare program (Parts A and B)
 - Still have Medicare rights and protections
 - Still get regular Medicare-covered services
 - May include extra benefits
 - May include prescription drug coverage (Part D)
- Different Advantage Plans
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)
 - Private Fee-for-Service (PFFS)
 - Special Needs Plan (SNP)
 - Also called Replacement Plans, Part C, Managed Care Plans



Advantage Plans

Join and Switch

- Initial Coverage Election Period
 - Seven month period begins three months before taking Part B
 - Includes the month you become eligible
 - Ends 3 months after you become eligible

- Annual Election Period
 - October 15th – December 7th each year
 - Coverage starts January first of next year

- Open Enrollment Period
 - January 1st – March 31 (new coverage begins the first of the month after you change plans)
 - May choose a different Advantage Plan
 - May go to back to original and choose a Part D Plan



Advantage Plans

How They Work

- Get Medicare-covered services through the plan, all of Part A and Part B covered services
- Some plans may provide additional benefits, for example:
 - Vision
 - Dental
 - Other supplemental benefits
- Usually include prescription drug coverage
- You have to stay in a certain network of hospitals and providers
- Still pay the Part B monthly premium
- **Co-pays and deductibles are different than with Original**



Medicare and HSAs

- SSA determines the month your Medicare begins. If you apply for Medicare Part A or Social Security benefits after you attain age 65, Medicare Part A coverage will begin retroactively up to six months prior to your application month, but not before the month you attained age 65
- You cannot contribute to your HSA once your Medicare coverage begins. If you contribute to your HSA after your Medicare coverage starts, you may have to pay a tax penalty and repay employer contributions. If you'd like to continue contributing to your HSA, you should not apply for Medicare, Social Security, or Railroad Retirement benefits
- You can withdraw money from your HSA after you enroll in Medicare to help pay for eligible medical expenses (like deductibles, premiums, coinsurance or copayments)



Down and Dirty Advantage vs Gap

■ Advantage Plans:

- Usually cheaper by the month
- May have higher annual Out of Pocket costs
- Provider networks
- Added benefits not covered by traditional Medicare
- Can change plan every year

■ Medigap Plans:

- Premiums likely to increase each year
- *Probably cannot change plans each year, especially as you age
- Can go to any Medicare provider nationwide
- Does not include a prescription drug plan

* A provision allows current Medigap members to try out an Advantage Plan for no more than 12 months, then return to their Medigap plan. This is a once in a lifetime opportunity called a Trial Right.



For More Information

- 1-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
- *Medicare & You 2019* handbook
- Other Medicare publications
- www.medicare.gov
- www.cms.hhs.gov
- SHIP telephone: 1-800-452-4800
 - TTY users should call 1-800-846-0139
- SHIP website: www.medicare.in.gov