



# MEDICARE 101

*Presented by:*

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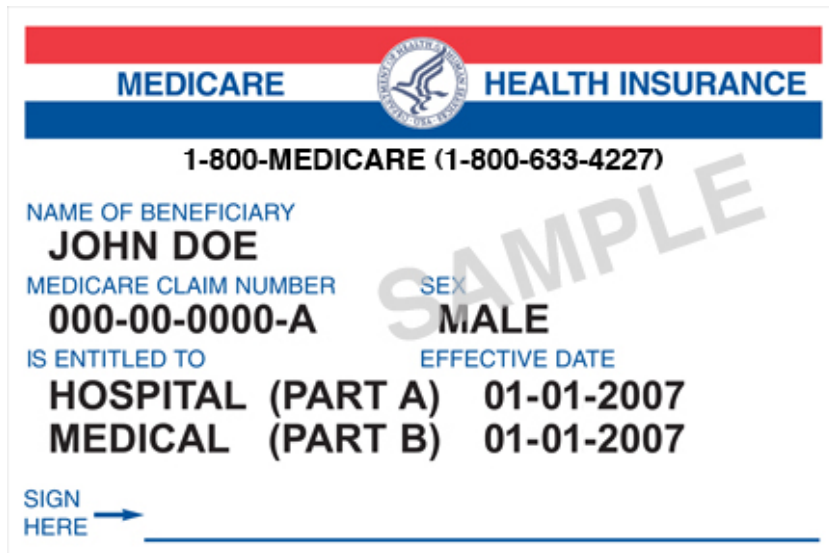
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# MEDICARE OVERVIEW

# APRIL 2018 MEDICARE BENEFICIARY IDENTIFIER

## Current Medicare Card



A sample of a current Medicare card. The card has a red and blue header with the text "MEDICARE HEALTH INSURANCE" and the Medicare logo. Below the header is the phone number "1-800-MEDICARE (1-800-633-4227)". The beneficiary's name is "JOHN DOE". The Medicare claim number is "000-00-0000-A" and the sex is "MALE". The card lists entitlement to Hospital (Part A) and Medical (Part B) coverage, both effective as of 01-01-2007. There is a "SIGN HERE" field with an arrow pointing to a line.

**MEDICARE HEALTH INSURANCE**

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

NAME OF BENEFICIARY  
**JOHN DOE**

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

IS ENTITLED TO EFFECTIVE DATE

**HOSPITAL (PART A) 01-01-2007**  
**MEDICAL (PART B) 01-01-2007**

SIGN HERE → \_\_\_\_\_

## NEW Medicare Card



A sample of a new Medicare card. The card has a blue header with the text "MEDICARE HEALTH INSURANCE" and the Medicare logo. The beneficiary's name is "JOHN L SMITH". The Medicare number is "1EG4-TE5-MK72". The card lists entitlement to Part A and Part B coverage, both starting on 03-03-2016.

**MEDICARE HEALTH INSURANCE**

Name/Nombre  
**JOHN L SMITH**

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

Entitled to/Con derecho a Coverage starts/Cobertura empieza

**PART A 03-03-2016**  
**PART B 03-03-2016**



# ELIGIBILITY

- People who are 65 and older
- Are citizens of the United States (at least 5 consecutive years)
- Under 65 with certain disabilities
- (Receiving Social Security Disability Income for 24 months)
- People of all ages with End-Stage Renal Disease (ESRD) or ALS



# ORIGINAL MEDICARE – HOW IT WORKS

# MEDICARE BASICS

- Part A – Hospital



- Part B – Medical



**MEDICARE HEALTH INSURANCE**

Name/Nombre  
**JOHN L SMITH**

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

Entitled to/Con derecho a	Coverage starts/Cobertura empieza
<b>PART A</b>	<b>03-03-2016</b>
<b>PART B</b>	<b>03-03-2016</b>

- Part C – Medicare Advantage Plans



- Part D – Prescriptions



Administered by private insurance companies

# PART A – HOSPITAL INSURANCE

## What it *HELPS* to cover:

- Inpatient care in hospitals
- Skilled nursing facilities  
(three day hospital stay required)
- Hospice care
- Home health care services



# PART A – YOUR RESPONSIBILITY

- **NO PREMIUM** for Part A if you (or spouse) paid Social Security for 10 years
- Part A does **NOT** cover all inpatient expenses

## 2019 PART A COST-SHARING

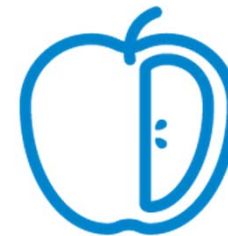
Inpatient Hospital Deductible (each benefit period) days 1-60	\$1,364
Inpatient Hospital Copay (per day) days 61-90	\$341
Inpatient Hospital Copay (per day) days 90-150 (no coverage after day 150)	\$682
Skilled Nursing Copay days 1-20	\$0
Skilled Nursing Copay (per day) days 21-100 (no coverage after day 100)	\$170.50/ per day



# PART B – MEDICAL INSURANCE

## What it *HELPS* cover:

- Doctor services
- Outpatient medical and surgical services
- Clinical lab tests and x-ray
- Diabetic testing supplies
- Durable medical equipment
- Chemotherapy and Part B drugs
- Some preventive services  
(such as flu shots and yearly wellness visit)
- Home health care



## PART B – YOUR RESPONSIBILITY

- Monthly premium for MOST people enrolled in 2019 to current is \$135.50
- People on Medicare with annual incomes over \$85,000 single, or \$170,000 married will pay more (For part B and part D)
- Amounts determined using your modified adjusted gross income (AGI) from two years prior
- People with lower incomes may qualify for extra financial help

Deductible (your deductible starts over each year)	\$185
Coinsurance (NO out of pocket maximum)	20% (percentage may vary)

## PART B – HIGHER PREMIUMS FOR HIGHER INCOMES

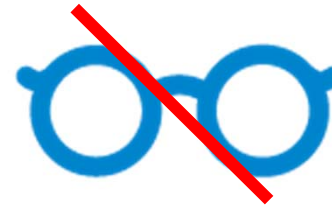
If your filing status and yearly income in 2017 was:

File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2019):
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$135.50
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$189.60
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	Not applicable	\$270.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	Not applicable	\$352.20
above \$160,000 and less than \$500,000	above \$320,000 and less than \$750,000	above \$85,000 and less than \$415,000	\$433.40
\$500,000 or above	\$750,000 and above	\$415,000 and above	\$460.50

# ORIGINAL MEDICARE DOES NOT COVER EVERYTHING

## Examples of services NOT covered:

- Most prescription drugs
- Routine eye exams
- Routine dental care and dentures
- Hearing aids
- Care outside of the United States



# WHEN CAN YOU ENROLL IN ORIGINAL MEDICARE?

# WHEN TO ENROLL – ENROLLMENT PERIODS

## Initial Enrollment Period (IEP):

- Seven-month window
- Begins three months before your 65<sup>th</sup> birthday month, the month of your 65<sup>th</sup> birthday, and three months after your 65<sup>th</sup> birthday month
- Parts A & B can begin as soon as the first day of the month you turn 65



# ENROLLMENT PERIODS

## Enrollment in Parts A & B are automatic if you are drawing Social Security

If you don't sign up for Part B when you are first eligible, you may have to pay a late enrollment penalty.

- 10% penalty for each year you delay applying

### **Note: Penalties are lifetime**

You may avoid a penalty if you or your spouse is actively working AND you are covered by that group's health insurance

- Individual and COBRA coverage do not qualify

# ENROLLMENT PERIODS

*“I still have group coverage at 65 and don’t plan on retiring, when do I need to sign up for Part B.”*

## Special Enrollment Period (SEP):

- During the 8-month period that begins the month after your employment ends

## General Enrollment Period (GEP):

- January 1 – March 31, for a July 1 effective date
- A late enrollment penalty may apply



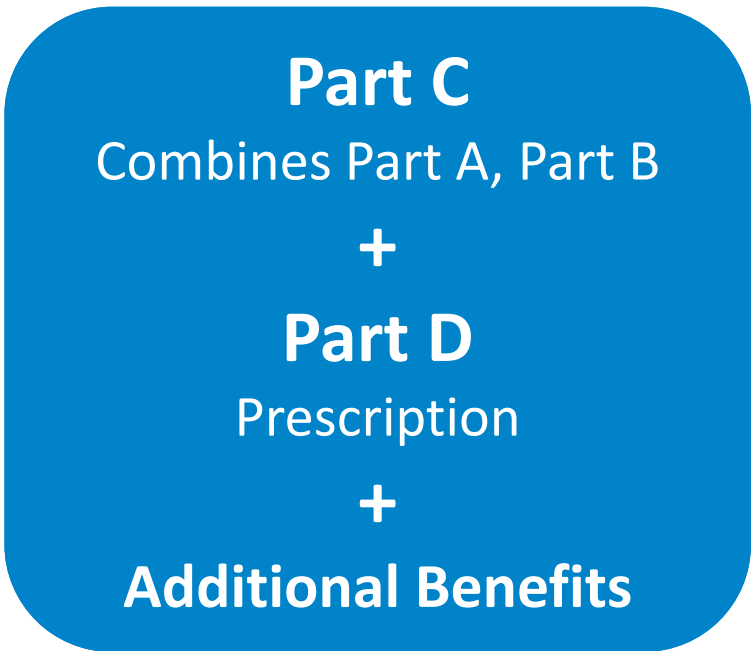


# COVERAGE BEYOND ORIGINAL MEDICARE



# TWO WAYS TO GET ADDITIONAL COVERAGE

Medicare Supplement - o r - Medicare Advantage Plan  
(Medigap) (Part C)



You **CANNOT** have both an Advantage Plan and a Medigap policy.  
You must continue to pay your Part B premium.



# MEDIGAP PLANS

# FILLING IN THE GAP

**Medicare Supplement (Medigap) plans are sold by private insurance companies:**

- **You must have Part A and B to enroll**
- Helps pay some of the costs that Original Medicare doesn't cover (ex. deductibles and coinsurance)
- Plans are identified by letters A through N (ex. Plans F, G and N being the most popular)
- Typically accepted by doctors that accept Original Medicare
- Does not include Part D (prescription drugs)

# WHEN TO ENROLL – MEDIGAP PLANS

- Best time to buy a Medigap policy is during your 6-month Medigap open enrollment period.
  - Starts the month you're 65 or older **and** enrolled in Part B.
- Guarantee issue within six (6) months of your Part B effective date
- Medical underwriting may apply
- Remember: Medigap Plans DO NOT cover prescription medication (Unless in hospice)
- Other situations may allow you to enroll in a Medigap plan outside of these dates, (i.e. moving out of your Medicare Advantage Service Area)

# CHANGES COMING IN 2020

- **Plan F and Plan C closing**
- **People already enrolled in Plan F and Plan C will be grandfathered**



# PART D – PRESCRIPTION DRUG COVERAGE

# PART D – PRESCRIPTION DRUG PLAN (PDP)

- Created to assist in making drug coverage more affordable for Medicare beneficiaries January 1, 2006
- Purchased from private companies (approved by Medicare)
- Premiums vary by carrier
- Responsible for coinsurance and copays
- All Part D plans are not the same








# WHAT TO LOOK FOR IN PRESCRIPTION DRUG BENEFITS

- Drug list (also know as a formulary)
  - Are my drugs covered?
  - Drug tiers
- Participating pharmacies
  - Retail
  - Mail order
- Restrictions such as:
  - Prior authorization
  - Quantity limits
  - Step therapy
- Exception Request
  - 30 day transition supply within first 90 days of enrollment



# WHAT IS THE COVERAGE GAP?

<p>Stage 1: Initial coverage</p> <p>You pay a little      Plan pays most</p> 	<p>Stage 2: Coverage gap</p> <p>You pay some      Plan pays some</p> 	<p>Stage 3: Catastrophic coverage</p> <p>You pay a little      Plan pays most</p> 
<p>You pay all costs up to your annual prescription drug deductible amount (if your plan has one) before your plan begins to pay for covered prescription drugs.</p> <p>After the deductible, you pay a copay or coinsurance for each prescription you fill. Your plan pays the rest.</p> <p>You enter the coverage gap when the total amount you and your plan pay for covered drugs reaches <b>\$3,820</b>.</p>	<p>After you and your plan spend <b>\$3,820</b>, you pay 37% of the plan's price for generic prescription drugs and 25% of the plan's price for brand-name prescription drugs.</p> <p>You enter catastrophic coverage when your total out-of-pocket cost reaches <b>\$5,100</b>. Only the amount you've paid in Stages 1 and 2 and the brand-name drug discount paid by the drug company count toward the total out-of-pocket.</p>	<p>After your total out-of-pocket reaches <b>\$5,100</b>, you pay the greater of 5% coinsurance or <b>\$3.40</b> copay for generic drugs, and the greater of 5% coinsurance or <b>\$8.50</b> copay for brand-name drugs.</p> <p>Your plan pays the rest of the cost of your prescription drugs for the rest of the calendar year (until Dec. 31).</p>

Many drug manufacturers discounts contribute **70% in the Coverage Gap, brand only**

## PART D – LATE ENROLLMENT PENALTY

- Unless you already have “creditable” prescription drug coverage through an employer, union, VA or other means, you must obtain Part D coverage when you are first eligible.
- You will pay a **late enrollment penalty** if you choose to enroll later. This penalty is set by the federal government each year.
  - 1% of the national base beneficiary premium times the number of full, uncovered months that you were eligible but didn’t join a Medicare drug plan without other creditable coverage.



# PART D – HIGHER PREMIUMS FOR HIGHER INCOMES

**If your filing status and yearly income in 2017 was:**

File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2019)
\$85,000 or less	\$170,000 or less	\$85,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	not applicable	\$12.40 + your plan premium
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	not applicable	\$31.90 + your plan premium
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	not applicable	\$51.40 + your plan premium
above \$160,000 and less than \$500,000	above \$320,000 and less than \$750,000	above \$85,000 and less than \$415,000	\$70.90 + your plan premium
\$500,000 or above	\$750,000 and above	\$415,000 and above	\$77.40 + your plan premium

# ENROLLMENT PERIODS

- Initial Enrollment Period (turning 65)
- Annual Election Period
  - October 15 – December 7
- Lock-in Period
- Special Election Period (moving, qualify for extra assistance, lose group coverage)





# PART C/MEDICARE ADVANTAGE PLANS

# PART C/MEDICARE ADVANTAGE PLANS

$$A \ \& \ B \ \& \ (D) + \text{Additional Benefits} = C$$

Some offer additional benefits such as:

- Vision
- Dental
- Fitness membership
- Hearing
- Prescription drug coverage
- Coverage when you travel

If you purchase an MA plan, you pay a **monthly premium** and a percentage of some costs. You will also be required to **continue paying your Part B premium**.

**Availability varies by county**

# TYPES OF MEDICARE ADVANTAGE PLANS

- PPO (Preferred Provider Organization)
- HMO (Health Maintenance Organization)





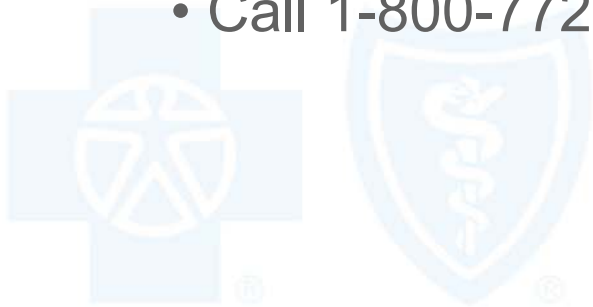
# MEDICARE ADVANTAGE ENROLLMENT

- Initial Enrollment Period (turning 65)
- Annual Election Period
  - October 15 – December 7
- Open Enrollment Period (OEP)
  - January 1<sup>st</sup> – March 31<sup>st</sup>
- Lock-in Period
- Special Election Period (moving, qualify for extra assistance, lose group coverage)
- Receiving Social Security Disability for 24 months

# HOW TO ENROLL FOR MEDICARE COVERAGE

## Original Medicare

- Contact Social Security to sign up for Part A & Part B:  
[www.socialsecurity.gov/retirement](http://www.socialsecurity.gov/retirement)
- In person
- Call 1-800-772-1213



# RESOURCES

- [www.medicare.gov](http://www.medicare.gov) – see Medicare personal plan finder
- Call Medicare at **1-800-633-4227** (TTY users 1-877-486-2048)
- Review your “Medicare and You” handbook



THANK  
YOU