

Welcome to Medicare 2013



LOCAL HELP FOR PEOPLE WITH MEDICARE

Agenda

★ Basics of Original Medicare

- Obtaining coverage
- What is covered (Part A, B)
- Prescription drug coverage (Part D)

★ Supplementing Original Medicare

- Medigap plans

★ Alternatives to Original Medicare

- Medicare Advantage plans (Part C)

★ Other Coverage

- Employer group, retiree, Veterans, COBRA

What is Medicare?

It is health insurance for:

- ★ Persons age 65 and older
- ★ Persons under age 65 if disabled
- ★ Persons of any age with ESRD or ALS (Lou Gehrig's Disease)

Medicare involves two agencies

- ★ Eligibility and enrollment is handled by the *Social Security Administration*
- ★ CMS (the *Centers for Medicare & Medicaid Services*) administers Medicare

When to Enroll in Medicare

- ★ You don't have to be retired.
- ★ Your Initial Enrollment Period lasts seven months.
 - Begins 3 months before your 65th birthday
 - Includes the month you turn 65
 - Ends 3 months after you turn 65
- ★ There are other times you may enroll,
 - But you may pay a penalty if you delay

Medicare Enrollment

Receiving Social Security retirement benefits before age 65?

- ★ Enrollment is automatic
- ★ Medicare card mailed 3 months prior to 65th birthday
- ★ Effective first day of 65th birthday month
- ★ Premiums auto-deducted from your Social Security check

Medicare Enrollment

Not receiving Social Security retirement benefits before age 65?

- ★ Enroll 3 months before age 65 or up to 3 months past age 65
- ★ Medicare bills you 3 months of premiums in advance

The Four Parts of Medicare

Part A
Hospital
Insurance

Part B
Medical
Insurance

Part C
Medicare
Advantage
Plans

Includes Parts A and
B and sometimes
Part D coverage

Part D
Medicare
Prescription
Drug
Coverage

How do you want to get your coverage?

Original Medicare

(Part A, Hospital)

(Part B, Medical)

+

Drug Plan

(Part D)

+

Medigap Plan

OR

Medicare Advantage Plan

(Part C)

Medicare-approved private plans (like HMOs)

Medicare Part A and B is required for this option

Usually includes drug coverage

Part A

- ★ Hospital
- ★ Skilled Nursing
(Rehabilitation, not Long Term Care)
- ★ Home Health Care (limited)
- ★ Hospice
- ★ Blood (Inpatient)

Part A

coinsurance/copayments

HOSPITAL	2013
Days 1 - 60 each benefit period	\$1,184
Days 61 - 90 each benefit period	\$296 per day
Lifetime Reserve days - 60 days	\$592 per day
All costs for each day over 150 days	

SKILLED NURSING	2013
Days 1 - 20 each benefit period	\$ Zero
Days 21 - 100	\$148 per day
After 100 days	All Costs

Part B

Key Points

Optional - must decline in writing.

Required in order to purchase Medigap or Medicare Advantage plans.

Penalties for enrolling late.

There is a premium for Part B coverage.
Amount depends on your income.

Part B

Part B Premium

Your Annual Income*		2013 Monthly Payment
File Individual Tax Return	File Joint Tax Return	
\$85,000 - or less	\$ 170,000 or less	\$104.90
\$85,001 - \$107,000	\$ 170,001 - \$214,000	\$146.90
\$107,001 - \$160,000	\$214, 001 - \$320,000	\$209.80
\$160,001 - \$214,000	\$320,001 - \$428,000	\$272.70
Above \$214,001	Above \$428,001	\$335.70
You can request a new initial determination of Part B premium Ask for Social Security form SSA-44, "Life Changing Event"		*Based on 2011 Modified Adjusted Gross Income

Part B

Should I keep/sign up for Part B?

You may be able to delay Part B enrollment with no late penalty, if the following conditions exist:

You or spouse are actively* working for employer with:

- ★ 20 or more employees (100 or more if disabled), and
- ★ You are receiving health insurance from employer



*COBRA or retiree coverage does not qualify

If less than 20 employees - don't delay !

Part B

Late Enrollment Penalties

If you delay enrollment in Part B and are not covered by an Employer plan,

A late enrollment penalty of 10% per year applies.
(permanent penalty)

Can only enroll January 1 - March 31 each year.
Coverage will not begin until July 1.

To purchase a Medigap or Medicare Advantage plan, you must have Parts A and B

Part B

Medical visits

Preventive care

**Outpatient medically-necessary
services & items**

Supplies

Other benefits

Part B

Medicare Part B covers

Medical visits

- ★ Physician visits
- ★ Emergency care
- ★ Lab tests
- ★ Diagnostic tests (MRI, CT, X-ray)
- ★ Outpatient surgery
- ★ Dialysis

Supplies

- ★ Blood
- ★ Diabetic
- ★ Dialysis
- ★ Durable medical equipment
- ★ Prosthetics

Other benefits

- ★ Ambulance
- ★ Transplants
- ★ Clinical Trials
- ★ Certain drugs

Preventive care

- ★ See next slide

And more 

Part B

Preventive Care

- ★ Bone Mass Measurement
- ★ Cardiovascular Screening
- ★ Colorectal Cancer Screening
- ★ Colonoscopy
- ★ Diabetes Screening
- ★ Flu Shot
- ★ Glaucoma Test
- ★ Hepatitis B Shot
- ★ Mammogram
- ★ Pap Tests & Pelvic Exam
- ★ Welcome to Medicare exam - one time
- ★ Yearly “Wellness” Visit
- ★ Pneumococcal Injection
- ★ Prostate Cancer Screening
- ★ Smoking Cessation
- ★ Abdominal Aortic Aneurysm Screening
- ★ Screening for other potential health issues

No copayment for tests or preventive services, in most cases

Part B

Deductibles & Copayments

	2013
Annual Deductible	\$147
Medicare approved services: Doctor, outpatient therapy, etc.	20% for most services
Clinical Lab Services & Home Health	No cost
Mental Health	35% for Approved Services
Blood – Inpatient or Outpatient	100% for first 3 units

Medicare doesn't cover everything

Some exclusions

- ★ Dental coverage
- ★ Routine eye care
- ★ Routine hearing tests and hearing aids
- ★ Foreign travel
- ★ Cosmetic surgery
- ★ Long term care





Part D

Prescription Drug Coverage for Everyone on Medicare

Part D

Key points

Optional – but recommended

Must have Part A and or Part B

Coverage is through private plans

Enrollment in only one plan at a time

Limited time to join or change plans

Penalties for late enrollment

Part D

How do you get Part D prescription coverage?

- ★ *A Medicare Advantage Plan with drug coverage, or*
- ★ *A separate “stand-alone” prescription drug plan, or*
- ★ *Retiree coverage*

Note: VA coverage is not Part D coverage, but is considered “creditable” or equivalent coverage.

Part D

How Does Medicare Part D Work?

- ★ Plans have formularies - lists of drugs they cover
 - Must include range of drugs in each category
- ★ You pay the plan a monthly premium
 - There are also deductibles and copayments
- ★ You must actively enroll to join
 - Complete an application (paper, telephone, online)
- ★ Limited income and resources?
 - There is Extra Help to pay Part D costs

Part D

Joining a Part D Plan

You can join

- ★ During your 7 month Initial Enrollment Period
- ★ During a Special Enrollment Period if your circumstances change, such as losing employer or retiree coverage or moving. SEP is usually two months
- ★ During the Open Enrollment Period
 - October 15 - December 7
 - Coverage starts January 1

Part D

Income Related Premium

Your Annual Income*		2013 Monthly Premium Adder
File Individual Tax Return	File Joint Tax Return	
\$85,000 - or less	\$ 170,000 or less	\$0
\$85,001 - \$107,000	\$ 170,001 - \$214,000	\$11.60
\$107,001 - \$160,000	\$214, 001 – \$320,000	\$29.90
\$160,001 - \$214,000	\$320,001 – \$428,000	\$48.30
Above \$214,000	Above \$428,000	\$66.60
Adder is paid directly to SSA no matter which drug plan you choose		*Based on 2011 Modified Adjusted Gross Income

Part D

Late Enrollment Penalty

No penalty applies if you had “creditable” drug coverage - at least as good as the Medicare standard plan.

Otherwise, you can only obtain coverage during “Open Enrollment” period each year.

Plus permanent penalty when you obtain Part D coverage:
1% of average premium for each uncovered month.

Part D

How do I choose a plan?

Answer: Medicare's Plan Finder

- ★ Compares all plans based on the drugs you take
- ★ Tells what plans will offer you the best coverage for the lowest overall cost
- ★ Plan ratings and any restrictions are included
- ★ Access Plan Finder by telephone or Internet
- ★ If desired, you can enroll directly through Medicare

Open Enrollment Period

Plans change their coverage and costs each year.
Review and update your Drug Plan every year!

October 15th to December 7th



How do you want to get your coverage?

Original Medicare

(Part A, Hospital)

(Part B, Medical)

+

Drug Plan

(Part D)

+

Medigap Plan

OR

Medicare Advantage Plan

(Part C)

Medicare-approved private plans (like HMOs)

Medicare Part A and B is required for this option

Usually includes drug coverage

Medigap Plans

- ★ Must have Parts A and B
- ★ 10 standardized plans, “A” to “N”
- ★ Sold by private insurance companies; costs vary widely
- ★ Pays Medicare deductibles, coinsurance and copayments
- ★ Will need Part D for drug coverage

Medigap Plans

- ★ Use anywhere Medicare is accepted; no network or prior approval needed
- ★ Guaranteed renewable when premium paid
- ★ Portable - keep coverage if you move
- ★ Can change your plan once a year (birthday month)
 - May not be able to increase coverage later

Medigap Plans

Timing Alert!

Best to buy within six months after Part B Enrollment
(unless you are covered by a retiree plan)

Benefits:

- ★ Insurance company can't refuse you any policy it sells
- ★ Can't make you wait for coverage to start, except for pre-existing conditions*
- ★ Can't charge more because of health problems.

Medigap Plans

How to purchase

Select the benefits you want



Locate insurance companies



Call and compare



30 Day Examination Period

How do you want to get your coverage?

Original Medicare

(Part A, Hospital)

(Part B, Medical)

+

Drug Plan

(Part D)

+

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OR

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PART C

Medicare Advantage (MA) Medicare-approved private plans

- ★ MA plans provide equivalent benefits to Original Medicare
- ★ MA plans receive a monthly fee for each enrollee
- ★ Each plan has its own rules about deductibles and copayments
- ★ Limited chances to join, change, or leave plan
- ★ 5-Star Special Enrollment Period
- ★ Must have Part A & B to enroll
- ★ Persons with ESRD cannot enroll



PART C

Medicare Advantage

Health Maintenance Organization (HMO)

- ★ Use network doctors & hospitals
- ★ Primary doctor refers you to specialists (with certain exceptions)
- ★ Cannot use Medicare card outside of HMO
- ★ Part D plan included
- ★ May offer extra benefits, e.g., dental, eyewear
- ★ Must live in plan service area

Part C

Joining a Medicare Advantage Plan

- ★ You can join
 - During your 7-month Initial Enrollment Period
 - During other special times
 - Special Enrollment Period if your circumstances change, such as losing employer or retiree coverage or moving. SEP is usually two months
 - During the Open Enrollment Period
 - October 15 - December 7
 - Coverage starts January 1

**Q—Which is better?
Medigap or Medicare Advantage Plan?
A—Depends on your needs and priorities**

Medigaps

- + Can use with any provider, anywhere in U.S.
- + Depending on plan chosen:
 - After premium you may have no additional costs
 - Some additional benefits (100% SNF coverage days 21-100, 365 extra Lifetime Reserve days, foreign emergency travel)
- Monthly premium higher than MA plans
- Will need to purchase separate drug coverage

Medicare Advantage Plan (with drug coverage)

- + Monthly premium lower than Medigap
- + One-stop shopping - drug coverage included
- + May offer some additional coverages
- + Plan will assure you have a physician

- Must use network providers
- Copayments for many services
- With heavy use, your out-of-pocket costs may be higher than Medigap cost
- Out of area care only for emergency/urgent care

Other Health Coverage

Employer Group Plans

COBRA

Retiree Plans

Federal Employee Health

TriCare for Life

Veteran's Administration (VA)

Employer Group Plans

If you are covered by an Employer Group Plan past age 65

- ★ You have 8 months from the end of Employer coverage to enroll in Part B with no penalty
- ★ However, if you have COBRA or Retiree coverage, Enroll in Part B as soon as possible
 - Medicare pays first. If you don't have Medicare, you will have no primary coverage
- ★ After 8 months, you can only enroll in Part B during General Enrollment Period, January 1 - March 31. In this case, Part B will start July 1.

Medicare and COBRA

- ★ Should a person with COBRA take Part B? **Yes**
- ★ If you have COBRA and become eligible for Medicare
 - Your COBRA will end
 - Dependents coverage may continue
- ★ If you have Medicare and become eligible for COBRA
 - You can keep both, but DO enroll in Part B
 - COBRA will only pay secondary to Medicare A and B
 - COBRA can recoup payments that should have been paid by Part B
 - Other Medicare options may cost less

Retiree Plans

Should a person with retiree insurance take Part B?

- ★ Yes. Retiree coverage is secondary to Medicare A and B
 - Retiree plan can recoup primary payments it made in error
- ★ Without Part B, you have no primary health coverage
 - Exception: Federal Employee Health Benefits
- ★ To avoid a Part B premium penalty, you must take Part B within 8 months of retiring (Part B SEP)

visit our web site

<http://www.cchicap.org>



LOCAL HELP FOR PEOPLE WITH MEDICARE

Helpful Sites and Telephone Numbers

Links

- ★ Medicare: Medicare.gov
- ★ California Health Advocates: cahealthadvocates.org
- ★ Medicare Rights Center: medicareinteractive.org
- ★ Social Security: ssa.gov
- ★ California Department of Insurance: insurance.ca.gov

Telephone

- ★ Medicare 1-800 Medicare (1-800-633-4227)
- ★ Social Security 1-800-772-1213
- ★ MediCal 1-800-709-8348
- ★ HICAP 1-800- 510-2020 or (925) 229-8434