

2019



What You Need To Know About Medicare 101

Senior Health Corp.

<https://www.insuredmeds.com>

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Medicare 101

Introduction to Medicare

Original Medicare Plan

Medicare Supplement Insurance (Medigap)

Medicare Advantage and other Medicare plans

Medicare prescription drug coverage

Medicaid and Medicare Savings Programs

What Is Medicare?

- A health insurance program for
 - People 65 years of age and older
 - People under age 65 with certain disabilities
 - People with End-Stage Renal Disease (ESRD)
- Administered by Centers for Medicare & Medicaid Services (CMS)
- Enrollment by Social Security Administration (SSA) or Railroad Retirement Board (RRB)

Applying for Medicare

- Apply 3 months before age 65
 - Don't have to be retired
 - Contact the Social Security Administration
- Enrollment automatic if receiving Social Security or Railroad Retirement benefits



Medicare

Medicare Basics

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graph TD; A[Medicare Basics] --> B[Part A Hospital Insurance]; A --> C[Part B Medical Insurance]; A --> D[Prescription Drug Coverage (Part D)];
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Part A

Hospital Insurance

Part B

Medical Insurance

Prescription Drug
Coverage (Part D)

Medicare Coverage Basics

Part A	<ul style="list-style-type: none">■ Inpatient hospital care■ Skilled nursing care■ Home health care■ Hospice care
Part B	<ul style="list-style-type: none">■ Doctors' services and outpatient care■ Preventive services■ Diagnostic tests■ Some therapies■ Durable medical equipment
Part D	<ul style="list-style-type: none">■ Outpatient prescription drugs

Medicare Part A

- Most people receive Part A premium free
- People with less than 10 years of Medicare-covered employment
 - Can still get Part A
 - Will pay a premium
- For information about Part A entitlement
 - Call SSA
 - 1-800-772-1213
 - TTY users call 1-800-325-0778

Part B costs

You pay a premium each month for Medicare Part B (Medical Insurance). Most people will pay the standard premium amount. However, if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

How much does Part B cost?

Most people pay the Part B premium of \$135.50 each month.

You pay \$183.00 per year for your Part B deductible.

Part B
Premiums

Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$135.50
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$54.10	\$189.60
Greater than \$107,000 and less than or equal to \$133,500	Greater than \$214,000 and less than or equal to \$267,000	\$135.40	\$270.90
Greater than \$133,500 and less than or equal to \$160,000	Greater than \$267,000 and less than or equal to \$320,000	\$216.70	\$352.20
Greater than \$160,000 and less than \$500,000	Greater than \$320,000 and less than \$750,000	\$297.90	\$433.40
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$325.00	\$460.50

When can you sign up for Part A & B?

When you are first eligible for Medicare, you have a 7-month Initial Enrolment Period to sign up for Part A and/or Part B.

Example

For example, if you're eligible when you turn 65, you can sign up during the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65.

Between January 1–March 31 each year

If you **didn't sign up** for Part A and/or Part B (for which you must pay premiums) when you were first eligible, and you aren't eligible for a Special Enrolment Period (see below), you can sign up during the General Enrolment Period between January 1–March 31 each year.

Your coverage will start July 1. You may have to pay a higher premium for late enrolment in Part A and/or a higher premium for late enrolment in Part B.

Enrolling in Medicare Part B

Some people can delay enrolling in Part B with no penalty

If covered under employer or union group health plan

Based on current employment

Person or spouse

Will get a Special Enrollment Period (SEP)

Sign up within 8 months after coverage ends

Medicare Choices

- Original Medicare Plan
- Medicare Advantage Plans
- Other Medicare Plans
- Medicare Prescription Drug Plans

Original Medicare Plan

Medicare 2019 costs at a glance

Part B premium: Most people pay \$135.50 each month.

Part B deductible \$183.00 per year

Most people don't pay a monthly premium for Part A.

If you buy Part A, you'll pay up to \$437 each month.

Part A hospital inpatient deductible

You pay:

\$1,364 deductible for each benefit period

Days 1-60: \$0 coinsurance for each benefit period

Days 61-90: \$341 coinsurance per day of each benefit period

Days 91 and beyond: \$682 coinsurance per each "lifetime reserve day" after day 90 for each benefit period (up to 60 days over your lifetime)

Beyond lifetime reserve days: all costs

The New Medicare Card

New Card! New Number!

Mailing in 2018

NEW Medicare Card

Current 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)
MEDICAL (PART B)

EFFECTIVE DATE
07-01-2016
07-01-2016

SIGN HERE → *Jane Doe*

MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

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

Entitled to/Con derecho a
HOSPITAL (PART A)
MEDICAL (PART B)

Coverage starts/Cobertura empieza
03-01-2016
03-01-2016

CMS Product No. 12009-P
September 2017

Medicare Supplement Insurance is called Medigap

■ Health insurance policy

- Sold by private insurance companies
- Must say “Medicare Supplement Insurance”
- Covers “gaps” in the Original Medicare Plan
 - Deductibles, coinsurance, copayments
 - Does not work with Medicare Advantage Plans

How Medigap Works

- People can buy a Medigap policy
 - Within 6 months of enrolling in Part B
 - Must be age 65 or older
 - If they lose certain kinds of health coverage
 - Through no fault of their own
 - If they leave MA Plan under certain circumstances
 - Whenever the company will sell them one
- Monthly premium
- Generally go to any doctor or specialist

What's not covered by Part A & Part B?

Medicare doesn't cover everything. If you need certain services that Medicare doesn't cover, you'll have to pay for them yourself unless you have other insurance or you're in a Medicare health plan that covers these services.

Even if Medicare covers a service or item, you generally have to pay your deductible, coinsurance, and co-payments.

Some of the items and services that Medicare doesn't cover include:

Long-term care (also called custodial care)

Most dental care

Eye examinations related to prescribing glasses

Dentures

Cosmetic surgery

Acupuncture

Hearing aids and exams for fitting them

Routine foot care

No matter the company all Medicare supplement plans offer the same benefits, “ONLY” the price is different!

Medicare Supplement Insurance (Medigap) plans										
Benefits	A	B	C	D	F*	G	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% **
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%

Page 68 of Medicare & You 2019 reads: Medigap policies are standardised



Every Medigap policy must follow federal and state laws designed to protect you and it must be clearly identified as “Medicare Supplement Insurance.” Insurance companies can sell you only a “standardized” policy identified in most states by letters A–N. All policies offer the same basic benefits, but some offer additional benefits so you can choose which one meets your needs.

In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way.

Note: Plans E, H, I, and J are no longer available to buy, but if you already have one of those policies, you can keep it. Contact your insurance company for more information.

How do I compare Medigap policies?

Different insurance companies may charge different premiums for the same exact policy. As you shop for a policy, be sure you’re comparing the same policy (for example, compare Plan A from one company with Plan A from another company.)

Medicare Advantage Plans

A Medicare Advantage Plan is a type of Medicare health plan offered by a private company that contracts with Medicare to provide you with all your Part A and Part B benefits.

You are required to use Doctor's in their network.

Medicare Advantage Plans include **(HMO)** Health Maintenance Organizations, **“PPO”** Preferred Provider Organizations, **(PFS)** Private Fee-for-Service Plans, **(SNP)** Special Needs Plans, and **(MSA)** Medicare Medical Savings Account Plans. If you're enrolled in a Medicare Advantage Plan, Medicare services are covered through the plan and aren't paid for under Original Medicare. Most Medicare Advantage Plans offer prescription drug coverage.

**AEP=Annual Enrollment Period is
only from 10/15 to 12/7**

Eligibility for Medicare Advantage Plans

- Live in plan's service area
- Entitled to Medicare Part A
- Enrolled in Medicare Part B
 - Continue to pay Part B premium
 - May also pay monthly premium to plan
- Don't have ESRD at enrollment
 - Some exceptions

How Medicare Advantage Plans Work

- Usually get all Part A and B services through plan
 - May have to use providers in plan's network
 - Generally must still pay Part B premium
 - Some plans may pay all or part
- May get extra benefits
 - Vision, hearing, dental services
 - Prescription drug coverage
- Still in Medicare program
 - Get all Part A and Part B services
 - Have Medicare rights and protections

Costs for Medicare Advantage Plans

What you pay in a Medicare Advantage Plan

Your out-of-pocket costs in a Medicare Advantage Plan (Part C) depend on:

Whether the plan charges a monthly premium.

Whether the plan pays any of your monthly Medicare Part B (Medical Insurance) premium.

Whether the plan has a yearly deductible or any additional deductibles.

How much you pay for each visit or service (copayment or coinsurance).

For example, the plan may charge a copayment, like \$10 or \$20 every time you see a doctor.

These amounts can be different than those under Original Medicare.

The type of health care services you need and how often you get them.

Whether you go to a doctor or supplier who accepts assignment (if you're in a PPO, PFFS, or MSA plan and you go out-of-network).

Whether you follow the plan's rules, like using network providers.

Whether you need extra benefits and if the plan charges for it.

The plan's yearly limit on your out-of-pocket costs for all medical services.

Whether you have Medicaid or get help from your state.

How to get drug coverage

Medicare offers prescription drug coverage to everyone with Medicare. If you decide not to join a Medicare Prescription Drug Plan when you are first eligible, and you don't have other creditable prescription drug coverage, or you don't get Extra Help, you'll likely pay a late enrolment penalty.

To get Medicare drug coverage, you must join a plan run by an insurance company or other private company approved by Medicare. Each plan can vary in cost and drugs covered.

2 Ways To Get Drug Coverage

- 1- **Medicare Prescription Drug Plan (Part D)**. These plans (sometimes called "PDPs") add drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service (PFFS) Plans, and Medicare Medical Savings Account (MSA) Plans.
- 2- **Medicare Advantage Plan (Part C)** (like an HMO or PPO) or other Medicare health plan that offers Medicare prescription drug coverage. You get all of your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage, and prescription drug coverage (Part D), through these plans. Medicare Advantage Plans with prescription drug coverage are sometimes called "MA-PDs." You must have Part A and Part B to join a Medicare Advantage Plan.



Most Medicare Prescription Drug Plans have a coverage gap (also called the "donut hole"). This means there's a temporary limit on what the drug plan will cover for drugs.

Not everyone will enter the coverage gap. The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs. In 2019, once you and your plan have spent \$3,820 on covered drugs (the combined amount plus your deductible), you're in the coverage gap. This amount may change each year—for 2019, you're in the coverage gap once you and your plan have spent \$3,820 on covered drugs. Also, people with Medicare who get Extra Help paying Part D costs won't enter the coverage gap.

Once you reach the coverage gap in 2019, you'll pay 47.5% of the plan's cost for covered brand-name prescription drugs (you'll pay 25% in 2019). You get these savings if you buy your prescriptions at a pharmacy or order them through the mail. The discount will come off of the price that your plans has set with the pharmacy for that specific drug.

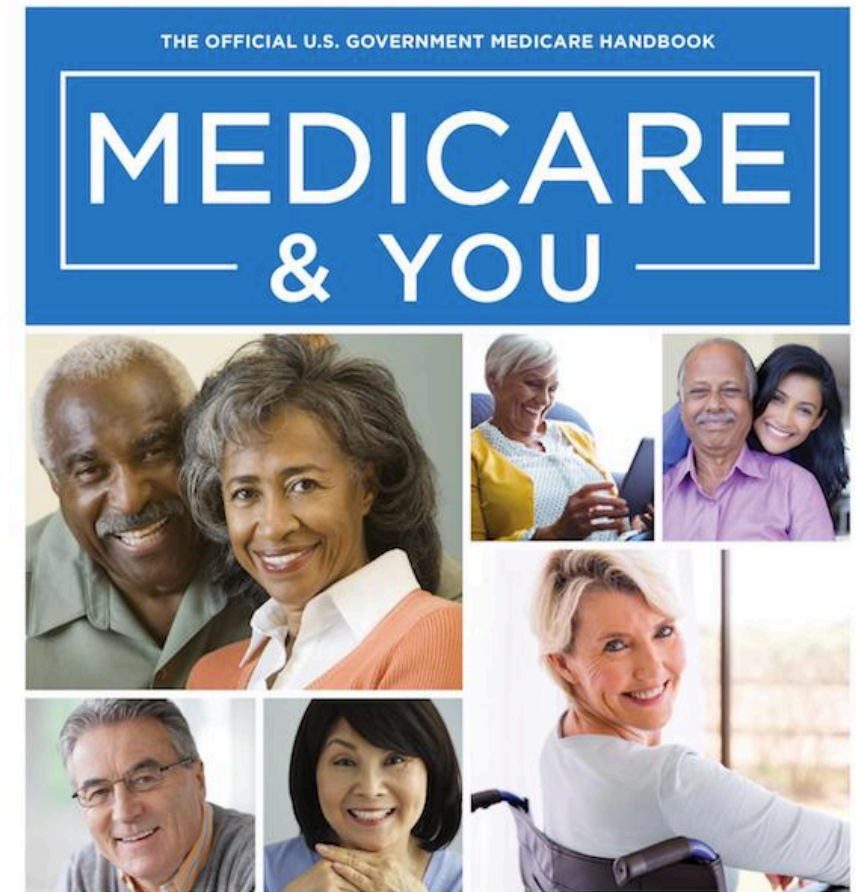
Although you'll only pay 25% of the price for the brand-name drug in 2019, 75% of the price—what you pay plus the 50% manufacturer discount payment—will count as out-of-pocket costs which will help you get out of the coverage gap. What the drug plan pays toward the drug cost and toward the dispensing fee isn't counted toward your out-of-pocket spending.

Eligibility for Extra Help

- Some people may automatically qualify
 - People with Medicare who
 - Get full Medicaid benefits
 - Get Supplemental Security Income (SSI)
 - Get help from Medicaid paying Medicare premiums
- Others must apply and qualify

For More Information

- 1-800-MEDICARE (1-800-633-4227)
 - TTY users call 1-877-486-2048
- www.medicare.gov
- www.cms.hhs.gov
- State Health Insurance Assistance Program (SHIP)
- *Medicare & You* handbook
 - Other publications



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