



# Getting Started with Medicare



# Contents Take a half a minute to read this list of lessons

**Lesson 1**—What’s Medicare? Two types: Original or Medicare Advantage.....

**Lesson 2**—**Original Medicare**—Part A Hospital and Part B Medical coverage.  
Enrolling through Social Security initially puts you in ‘Original Medicare’ but you can immediately (or later) switch to Medicare Advantage

**Lesson 3**—Medicare Supplement Insurance/Medigap (only if in Original Medicare)

**Lesson 4**—Medicare Prescription Drug Coverage Part D (only if in Original Medicare)

**Lesson 5**—**Medicare Advantage**, also known as ‘MA’ or Part C  
Includes Part A, Part B, & Part D coverage all in one ‘managed care’ (i.e. HMO/PPO or PFFS (private fee for service) plan.....

**Lesson 6**—Medicare and the Health Insurance Marketplace® (ACA).....

**Lesson 7**—Help for People With Limited Income and Resources.....



## Lesson 1

# JUST WHAT IS MEDICARE

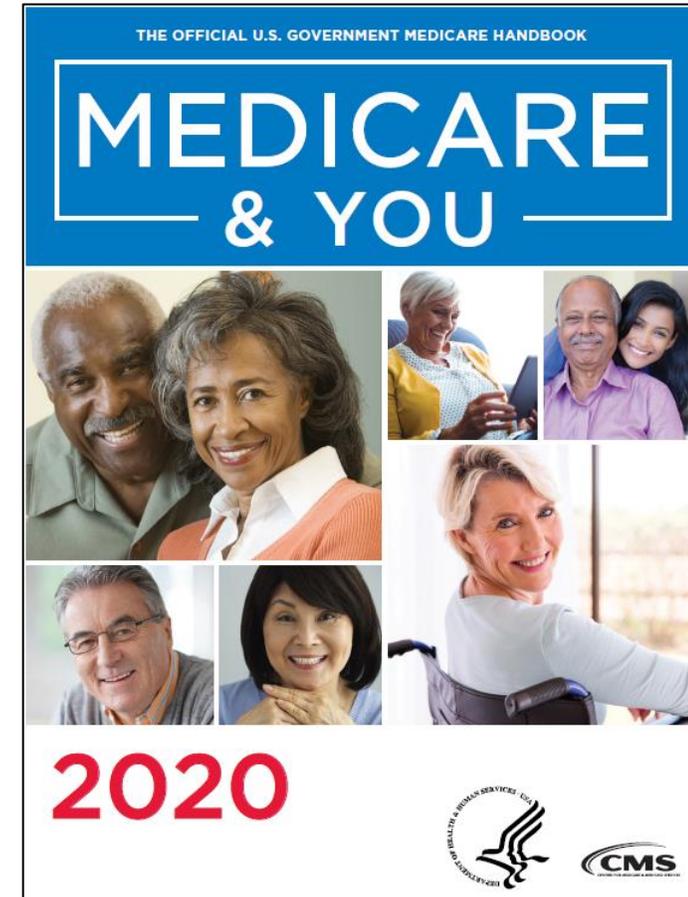


# Medicare

## ■ Health insurance for people

- 65 and older and retirees who lose coverage
- Under 65 with certain disabilities
  - Most with a 24 month waiting period

**NOTE:** To get Medicare you must be a U.S. citizen or lawfully present in the U.S. Must reside in the U.S for 5 continuous years.



CMS Product No. 10050



# What Agencies are Responsible for Medicare?

Handle Enrollment,  
Premiums



**Social Security** enrolls  
most people in  
Medicare

We Handle the Rest



**Centers for Medicare & Medicaid  
Services (CMS)** administers the  
Medicare Program



# What are the Parts of Medicare?

**Part A (Hospital Insurance)** inpatient hospital stays;



skilled nursing facility, (SNF) for rehabilitation; hospice; blood in hospital

**Cost:** You have already paid in full if you, or your spouse worked in US 10 years

**Part B (Medical Insurance)** doctors, surgeons, all outpatient testing, labs, ER, outpatient surgery, home health care, therapy, durable medical equipment, and drugs that are administered by professional, e.g. chemo, certain shots



**Cost:** Most beneficiaries pay \$144.60 per month for Part B

**Part D (Prescription drug coverage)** for prescription drugs you take yourself, (unlike Part B drugs which must be professionally administered)



**Cost:** In original Medicare: most pay premiums of from \$13 to \$35/mo

**Cost:** In Medicare Advantage, in most plans you pay no premium



# Your Medicare Options

## Original Medicare (chosen by 70% of beneficiaries)

**Part A**



**Part B**



You can add:

**Part D**



You can also add:

**Supplemental coverage**



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

**NOTE:** Medicare Supplement Insurance (Medigap) policies only work with Original Medicare.

## Medicare Advantage (aka MA or Part C) (chosen by 30% of beneficiaries)

**Part A**



**Part B**



Most plans include:

**Part D**



**Extra benefits**

Some plans also include:

**Lower out-of-pocket costs**



# Original Medicare vs. Medicare Advantage— Doctor and Hospital Choice



## Original Medicare

You can go to **any doctor or hospital that takes Medicare, anywhere in the U.S.**

In most cases, you **don't need** a referral to see a specialist.

## Medicare Advantage

In many cases, you'll need to use **doctors and other providers who are in the plan's network and service area** (for non-emergency or non-urgent care). Check with the plan. You can also ask your provider if they participate in any MA Plans.

You **may need** to get a referral to see a specialist.



# Original Medicare vs. Medicare Advantage

## Deductibles, Coinsurance, Copays



### Original Medicare

For Part A- for each inpatient hospitalization 2 - 60 days, one flat **\$1,408**, deductible; skilled nursing care, **1<sup>st</sup> 20 days free**, then **\$176 per day** for days 21 to 100

For Part B-covered services, **you usually pay 20% of the Medicare-approved amount** after you meet your **annual \$198 deductible**.

There's **no yearly limit** on what you pay out-of-pocket, unless you have supplemental coverage—like Medicare Supplement Insurance (aka Medigap).

You **can get** Medigap to pay your remaining out-of-pocket costs, starting with your 20% coinsurance for Part B services, the Part A hospital deductible, and skilled nursing facilities copay see above. You can use coverage from a former employer, union, or Medicaid.

### Medicare Advantage (MA or 'Part C')

**Out-of-pocket costs vary**—different MA plans may have different out-of-pocket costs for the same services. (**Average copays for common services are to be covered later in this presentation**)

Note: You **can't buy** a Medigap policy if enrolled in MA

You may **have a plan premium** in addition to the monthly **Part B premium**. But many Illinois MA plans charge no premium and may help pay all or part of your Part B premiums. (Most MA plans **include drug coverage (Part D) at no extra cost**).

Plans have a **yearly limit** on your '**out-of-pocket**' for Part A and Part B covered services. Once what you paid 'out of your pocket' reaches your plan's limit, **you'll pay nothing for Part A- and Part B-covered services for the rest of the year.** (upcoming slide covers)



# Original Medicare vs. Medicare Advantage Coverage



Original Medicare	Medicare Advantage
<p>Original Medicare covers most medically necessary services and supplies in hospitals, doctors' offices, and other health care settings.</p>	<p>MA plans must cover all of the medically necessary services that Original Medicare covers. Most plans offer <b>extra benefits that Original Medicare doesn't cover</b>—like some vision, hearing, dental, and more.</p>
<p>You can join a <b>separate 'standalone' Medicare drug plan (Part D)</b> for drug coverage from any Medicare-approved Part D insurer.</p>	<p><b>Drug coverage (Part D) is included in most MA plans.</b> Therefore in most MA Plans, you don't need to join a separate Medicare drug plan, it's included</p>
<p>In most cases, you don't have to get a service or supply approved ahead of time for it to be covered.</p>	<p>In some cases, you have to get a service or supply approved ahead of time for it to be covered by the plan.</p>



# Original Medicare vs. Medicare Advantage Travel Coverage



## Original Medicare

Original Medicare generally **doesn't cover care outside the U.S.** But many Medicare Supplement Insurance (Medigap) plans covers emergency care outside the U.S. after a \$250 deductible.

Note: Most insurance companies offer separate 'trip insurance'

## Medicare Advantage

MA Plans generally **don't cover care outside the U.S.**

Note: Most private insurance companies offer 'trip insurance'



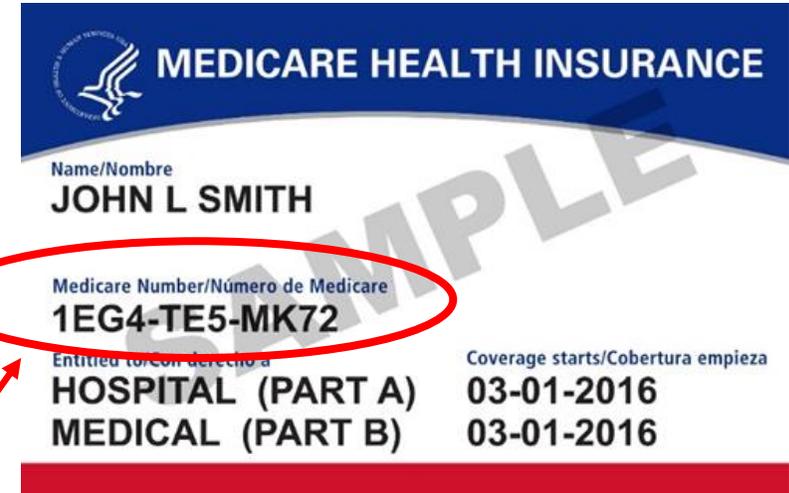
# Automatic Enrollment—Part A and Part B

- **There is automatic enrollment for people who already receive...**
  - Social Security benefits or
  - RRB benefits
- **Welcome to Medicare Package**
  - Mailed 3 months before month you turn
    - 65 or
    - 3 months before 25<sup>th</sup> month of disability benefits
  - Package includes your Medicare card



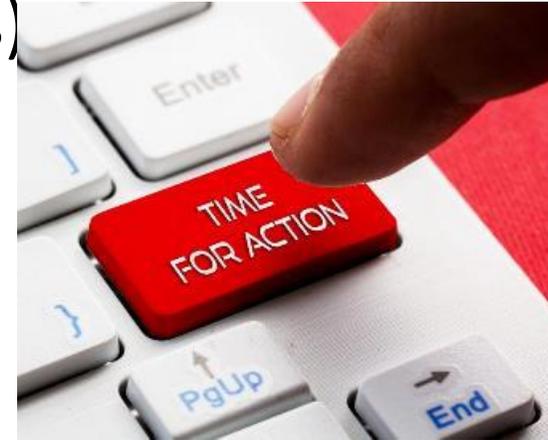
# Your Medicare Card

- Keep it if you wish to accept Part B
- To refuse Part B, follow instructions in the “Welcome to Medicare” package
- Carry your card when you’re away from home  
It no longer includes your Social Security number
- Let your doctor, hospital, or other health care provider see your card when you need health care



# Some People Must Take Action to Enroll in Medicare

- For those not automatically enrolled in Part A and Part B (those not yet drawing Social Security/RRB benefits)
  - You'll need to enroll with Social Security
    - Visit [socialsecurity.gov](https://www.socialsecurity.gov), or [SSA.GOV](https://www.SSA.GOV)
    - Call 1-800-772-1213; TTY: 1-800-325-0778



**NOTE:** Even though the age for full Social Security retirement benefits is increasing, Medicare eligibility age is still 65.



# When Can You Sign Up for Medicare

- **If you don't already have Medicare**
  - Initial Enrollment Period (IEP) ( 7 month period for people just turning 65)
  - Special Enrollment Period (SEP) (8 month period e.g. post age 65 retirements)
  - General Enrollment Period (GEP) (those who failed to enroll at 65 or retirement)
- **If you already have Medicare** (to make changes to how you get your coverage, e.g. to switch between original Medicare and Medicare Advantage )
  - You get a yearly Open Enrollment Period (OEP) Oct 15th to Dec 7th



# Initial Enrollment Period (IEP)

(For people turning 65, whether still working or not, must at least enroll in 'free' Part A)



During your IEP you can enroll/join:

- ✓ Part A
- ✓ Part B
- ✓ MA (if you already have Part A and Part B)
- ✓ Part D (if you have Part A and/or Part B)

**No late enrollment penalties**

You can buy a Medigap policy (but must have Part A and Part B, but not MA). Medigap's 'guaranteed no restriction' OEP lasts 6 months from when you're **both** 65 and have Part B



# Special Enrollment Period (SEP)

(Most commonly used by those retiring after the age 65 initial enrollment period)



8-Month period after employer GHP ends when you can enroll in:

- ✓ Part A (If failed to get Part A at 65, no penalty unless lacking 10 years paid into FICA)
- ✓ Part B **Usually no Part B 'Late Enrollment' penalties**

If you enroll during SEP, you can also enroll in:

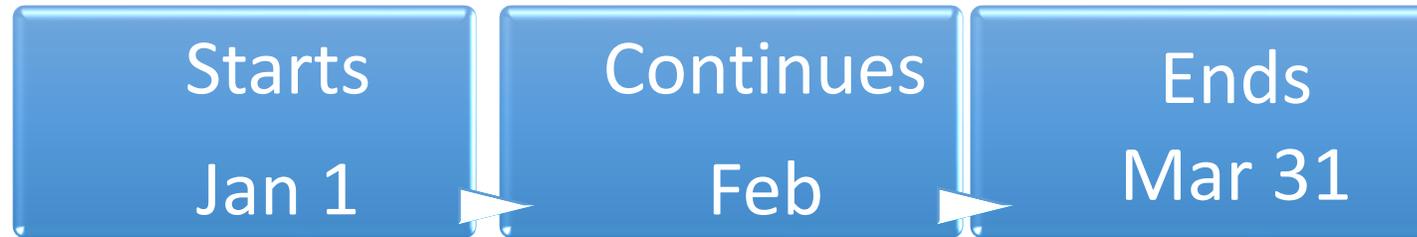
- ✓ MA (must have Part A and Part B)
- ✓ Part D (Part A and/or Part B)

You have 6 months from the Part B effective date to buy a Medigap policy regardless of pre-existing conditions (but must have Part A and Part B)



# General Enrollment Period (GEP)

(For those who failed to enroll at 65 or within 8 months of retirement)



**May have late enrollment penalties**

Limited 3-Month period each year during which you are allowed to enroll/join but coverage delayed till July 1:

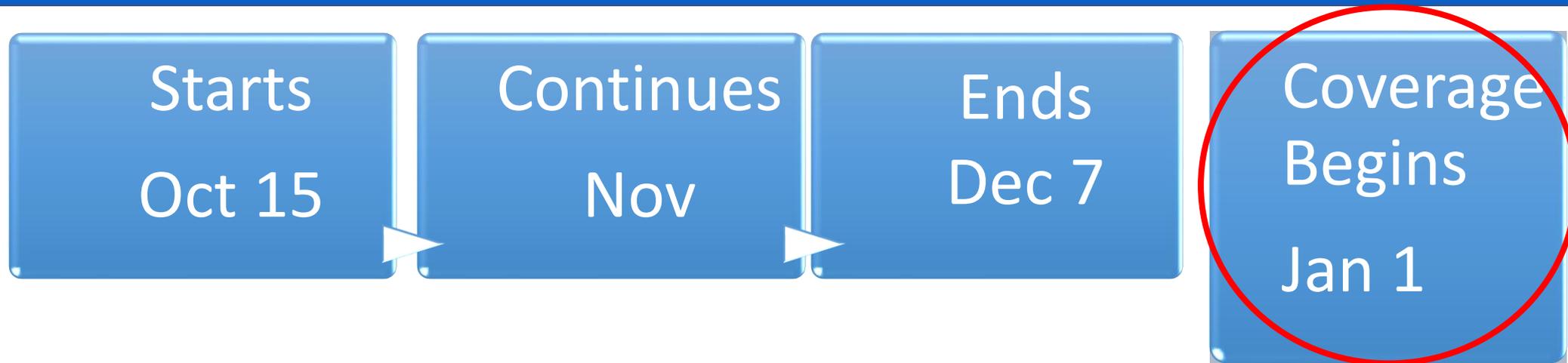
- ✓ Part A (if you have to buy it)
- ✓ Part B

If you enroll in Medicare during the GEP (dates above), you can, from April 1 to June 30, also sign up for:

- ✓ MA (if you have Part A and Part B)
- ✓ Part D (if you have Part A and/or Part B)



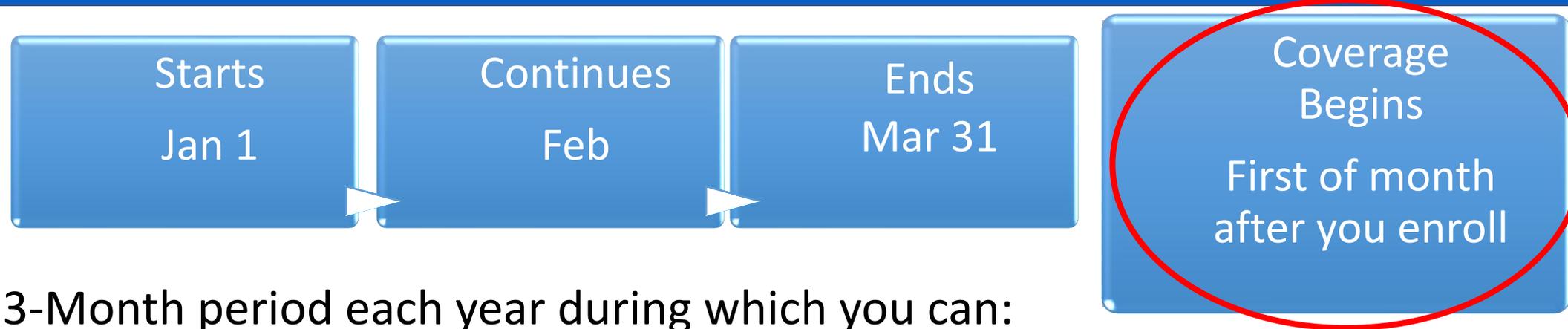
# Yearly Open Enrollment (OEP) for People already in Medicare A & B



- 7-week period each year where, **if you are already enrolled in Parts A and B**, you can enroll in, disenroll, or switch MA plans or PDP plans, including Original Medicare PDP plans
- This is a good time to review your health and drug plan choices.



# Medicare Advantage Open Enrollment Period (MA OEP) is for those already enrolled in Part A & Part B who want to switch



3-Month period each year during which you can:

- ✓ Switch MA Plans (Medicare Advantage Plan with prescription drug coverage (MA-PD) to MA, or MA to MA-PD)
- ✓ Drop MA Plan and return to Original Medicare
  - If you do, you can enroll in a Part D plan
  - But you won't have a Guaranteed Issue Right for a Medigap policy, except with Blue Cross

You must already be enrolled in an MA Plan (at any time) during the first 3 months of the year to use this enrollment period.





## Lesson 2

# ORIGINAL MEDICARE PART A (HOSPITAL INSURANCE) AND PART B (MEDICAL INSURANCE)



# Part A - Hospital Insurance

**Part A (Hospital Insurance)** helps cover medically necessary:

✓ Inpatient care in a hospital

- Semi-private room, meals, general nursing, drugs and other hospital services and supplies, as part of your inpatient treatment
  - Includes care you get in acute care hospitals, critical access hospitals, inpatient rehabilitation facilities, long-term care hospitals, psychiatric care in inpatient psychiatric facilities (lifetime 190-day limit in a freestanding psychiatric hospital), and inpatient care for qualifying clinical research study



Part A  
Hospital Insurance

✓ Inpatient care in a skilled nursing facility (SNF)

- **After a related 3-day inpatient hospital stay**
  - If you meet all the criteria



# Part A - Hospital Insurance, (continued)



Part A  
Hospital Insurance

**Part A (Hospital Insurance)** helps cover:

- ✓ Blood (inpatient)
- ✓ Hospice care
- ✓ Home health care
- ✓ Inpatient care in a religious nonmedical health care institution (RNHCI)



# 2020 Part A—What You Pay in Original Medicare

**Hospital Inpatient Stay**

- **\$1,408 deductible for each benefit period (up to 60 days).**

**Mental Health Inpatient Stay**

- **\$1,408 deductible for each benefit period (up to 60 days).**

**Skilled Nursing Facility (SNF) Stay**

- **Days 1–20: \$0 for each benefit period (after minimum 3 nights inpatient hospitalization).**
- **Days 21–100: \$176 coinsurance per day for each benefit period.**
- **Days 101 and beyond: all costs borne by beneficiary**

**Hospice Care**

- **\$0 for hospice care.**

**Blood**

- **If hospital gets it from a blood bank at no charge, you have no charge**



# Decision: Do I Need to Sign Up for Part A?

## ■ Consider

- Part A is free for most people (pre-paid by you or your spouse thru FICA)
- You can pay for it if your work history isn't sufficient (e.g. recent immigrants)
  - If you have to pay, there may be a penalty if you delay beyond age 65
- Talk to your employer benefits administrator if you (or your spouse) are actively working and covered by an employer plan, it may require Part A



# Part B - Medical Insurance, Covers

**Part B—Medical Insurance** helps cover medically necessary:

- ✓ Doctors' services
- ✓ Outpatient medical and surgical services and supplies
- ✓ Clinical lab tests
- ✓ Durable medical equipment (DME) like walkers, wheelchairs, oxygen
- ✓ Diabetic testing equipment and supplies
- ✓ Preventive services (like flu shots and a yearly wellness visit – see next slide)
- ✓ Home health care
- ✓ Medically necessary outpatient physical and occupational therapy, and speech-language pathology services
- ✓ Outpatient mental health care services



Part B  
Medical Insurance



# Part B—Preventive Services

## Take a half a minute to read over this list

- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Bone mass measurement (bone density)
- Breast cancer screening (mammogram)
- Cardiovascular disease (behavioral therapy)
- Cardiovascular disease screenings
- Cervical and vaginal cancer screenings
- Colorectal cancer screenings
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- Hepatitis B Virus (HBV) infection screening
- Hepatitis C screening test
- HIV (Human Immunodeficiency Virus) screening
- Lung cancer screening
- Medical nutrition therapy services
- Obesity screening and counseling
- Pneumococcal shots
- Prostate cancer screenings
- Sexually transmitted infection (STI) screening and counseling
- Smoking and tobacco-use cessation (counseling to tobacco use & tobacco-caused disease)
- “Welcome to Medicare” preventive physical exam
- Yearly “Wellness” visit



# What's Not Covered by Part A and Part B?

Some of the items and services that Part A and Part B don't cover include:

- Most dental care
- Eye examinations related to prescribing glasses
- Dentures
- Cosmetic surgery
- Massage therapy
- Routine physical exams [**But: you get 1 free 'welcome to Medicare' physical during 1st 12 mo in Part B**]
- Acupuncture or other types of acupuncture (like dry needling) for any condition **other than for chronic low back pain which now is covered**
- Hearing aids and exams for fitting them
- Long-term care
- Concierge care (also called concierge medicine, retainer-based medicine, boutique medicine, platinum practice, or direct care)

**These may be covered if you have other coverage, like Medicaid or an MA Plan that covers these services**



# What You Pay—2020 Part B Premiums



## ■ Monthly Premium 2020

- **Standard premium is \$144.60** (Part B premium is ‘means-tested’) **Singles** with gross annual (MAGI) income **over \$87,000**, pay premium of **\$202.40/mo**, if > \$109,000 premium goes up even more
- **Couples** with gross annual income (MAGI) **over \$174,000** pay **\$202.40/mo for each spouse** (if both in Part B). If couple’s income exceeds \$218,000 premium goes up even more
- If MAGI later falls (on your filed 1040) premiums will be adjusted
- Some people who get Soc. Sec. benefits pay less than the \$144.60
- **Those at about 137% of poverty level income or less with low assets** can get Part B Premium waived by the ‘Medicare Savings Program’ (to be discussed near the end of this presentation)



# Part B—What You Pay in Original Medicare in 2020

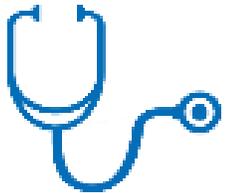
<b>Yearly Deductible</b>	<b>\$198</b> After beneficiary pays ‘out of pocket’ the first \$198 of Part B combined charges, then the <b><u>annual</u></b> deductible is met
<b>Coinsurance for Part B Services</b>	<ul style="list-style-type: none"><li>▪ <b>20% coinsurance</b> for most covered services, like doctor’s services, testing, labs, etc and some preventive services, if provider accepts “Medicare assignment” (most do); a very small percentage of providers, though accepting Medicare, don’t accept assignment. They are allowed to charge 15% more than Medicare normally allows.</li><li>▪ <b>\$0 for most preventive services</b></li><li>▪ <b>20% coinsurance</b> for outpatient mental health services, and copayments for hospital outpatient services</li><li>▪ Only ‘grandfathered’ beneficiaries (those age 65 <u>before Jan 1, 2020</u>) who may be enrolled in Supplement plans C or F are exempt from yearly \$198 Part B deductible</li></ul>



# Decision: Should I Keep/Sign Up for Part B?

## ■ Consider

- Most people pay a monthly premium of \$144.60
  - Usually deducted from Social Security/RRB benefits
  - Premium depends on income, if above, Single - \$87,000, Couple - \$174,000
- Once you've enrolled in Part A and Part B you are covered for at least 80% of all Part B charges (even more for most Part A charges, even if you do nothing else (such as get a Medigap plan or switch to a free or low cost Medicare Advantage plan))
- You may have employer coverage and only need free Part A
  - Contact your benefits administrator to understand the impact to your employer plan, **often those in employer group health plans (GHP) don't have to enroll in Part B**
  - But if you don't have other medical coverage, declining Part B will mean you don't have full coverage, and will likely have to pay a penalty when you do get Part B
- Sometimes, you must have Part B (see next slide)



Part B  
Medical Insurance



# When You Must Have Part A and Part B



Part B  
Medical Insurance

- If you want to buy a Medicare Supplement Insurance (Medigap) Policy
- If you want to join a Medicare Advantage (MA) Plan
- If you're eligible for TRICARE for Life (TFL) or Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)
- If your employer coverage requires you have it (less than 20 employees)
  - Talk to your employer or union benefits administrator

**NOTE:** Veterans Affairs (VA) benefits are separate from Medicare. With VA benefits, you may choose to not enroll in Part B, but you pay a penalty if you don't sign up for Part B during your IEP and enroll later (visit [VA.gov](https://www.va.gov)). If you have VA coverage, you won't be eligible to enroll in Part B using the SEP.





## Lesson 3

# MEDICARE SUPPLEMENT INSURANCE (MEDIGAP) POLICIES



# Medigap Policies

Part A



Part B



You can add:

Part D



You can also add:

**Supplemental coverage**



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

- Sold by private insurance companies licensed and regulated by Medicare and Dept on Aging
- Fills gaps in Original Medicare coverage
  - Deductibles, coinsurance, copayments
- All plans with same letter designation, (e.g. G, N,)
  - Have exactly the same coverage
  - But premium costs vary widely between companies



# Medigap Plan Coverage

- The most common Medigap plans sold now are G plans and N plans
  - The G plan covers all the gaps in Part A (the flat per hospital stay (\$1,408) and skilled nursing facility, day 21-100, \$176/day deductibles) and in Part B (the 20% copay), with the exception of the first \$198 per year, in Part B charges (doctors/lab tests/X-rays, etc) that a person incurs per calendar year. This is called the 'Part B deductible'
  - The N plan is very similar to a G plan with essentially the same coverage except a copay of no more than \$20 per "office visit" is required for any doctor/specialist visit, and \$50 per emergency room visit. But all other Part B charges, tests, therapy, surgery, etc, are fully covered. On average an N plan cost about \$250 to \$500/yr less than a G plan
- For a 65 year old person in the 6 county Chicagoland area:
  - The 10 least expensive G plans average from about \$1450/year to \$1600/yr, rising to \$2500 to \$2700/yr at age 85
  - The 10 least expensive N plans average from about \$1200/year to \$1300/yr, rising to \$2000 to \$2500/yr at age 85



# Decision: Do I Need a Medigap Policy?



Medigap  
Policy

## ■ Consider

- Medigap/Supplement are only available for those in Original Medicare
- All Medigap plans are approved by Medicare and IL Dept on Aging
- All plans are strictly regulated by Medicare which has the final say on what must be covered, and the exact amount the Medigap company is responsible to pay for every procedure Medicare has approved
- Do you have other supplemental coverage?
  - Like from an employer
  - If so, you might not need Medigap
- Can you afford Medicare deductibles and copayments?



# When is the Best Time to Buy a Medigap Policy?



Medigap  
Policy

- Your Medigap Open Enrollment Period (OEP) begins the month you're 65 or older AND enrolled in Part B
  - Medigap Open Enrollment lasts 6 months in Illinois from enrollment date in Part B. Should any insurer drop coverage in your state, Medicare guarantees you can then go to any other insurer, as if back in your IEP, regardless of your health
- During your 6 month Medigap OEP, companies cannot:
  - Refuse to sell you any Medigap policy they offer
  - Make you wait for coverage
  - Charge more because of a past/present health problem
  - If you delay, there may be restrictions unless you have a guaranteed issue right
- You can also buy a Medigap policy at any time after OEP *if a company agrees* to sell you one. Currently Blue Cross is the only 'guaranteed issue' insurer in Illinois



# How to Buy a Medigap Policy



Medigap  
Policy



2019 2020

Medicare Supplement Premium  
Comparison Guide

CHICAGO AREA

Updated 3.12.20



Because the best choice is an educated choice

- Decide which Medigap Plan (A–N) has the benefits you need, cost you can afford
  - SHIP recommends you arrange a free telephonic appointment, (or in person, post Covid) with SHIP at the Arlington Hts Senior Center, on Friday mornings. During Part D open season, Oct 15 to Dec 7, SHIP is open Tues and Fri mornings. You'll receive an IL Dept on Aging 'Medicare Supplement Premium Comparison Guide' listing all Medigap plans, pricing, 800 phone #s, and webpage link
    - The Medicare Supplement Premium Comparison Guide can be downloaded by anyone at: <https://www2.illinois.gov/aging/ship/Documents/ChicagoMedSupWeb.pdf>
- You can compare plans on line or by calling the 800# for the plan in the Guide
- Once you choose a Medigap insurer and plan, and apply for the policy, coverage can start **as soon as your effective date of enrollment in Part A and Part B**

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# Medicare Supplement Premium Comparison Guide



2019 / 2020

## Medicare Supplement Premium Comparison Guide

CHICAGO AREA

Updated 3.12.20



*Because the best choice is an educated choice*

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## Lesson 4

# MEDICARE PRESCRIPTION DRUG COVERAGE (PART D)



# Prescription Drug Coverage (Part D)



Part D  
Medicare  
prescription  
drug coverage

- Can add to Original Medicare**
- Usually included in Medicare Advantage (MA)**

- An optional benefit available to all people with Medicare
- Run by private companies that contract with Medicare
- Provided through either
  - Medicare Prescription Drug Plans (PDPs) (works with Original Medicare) or
  - Medicare Advantage Prescription Drug Plans (MA-PDs) or
  - Some other Medicare health plans



# How Part D Works



**Part D**  
Medicare  
prescription  
drug coverage

- Part D is optional
  - You can choose a plan and join on line or by phone. If taking no medications, to avoid later penalty, it is recommended to find the least expensive plan
  - May pay a lifetime penalty if you join late
- Plans have formularies
  - Each Part D insurer has their own ‘formulary’ or list of covered drugs
  - Formularies must include range of drugs in each category
  - Are subject to change—you’ll be notified
- Your out-of-pocket cost may be less if you use a preferred pharmacy
- If you have limited income and resources, there’s Extra Help to pay Part D costs to be discussed near end of this presentation



# Medicare Drug Plan Costs—What You Pay in 2020 & Income-Related Monthly Adjustment Amount (IRMAA) for 2020



Part D  
Medicare  
prescription  
drug coverage

- Costs vary by Part D drug plan. For this year most plans sold averaged between \$13 to \$35/mo
- Most people will pay:
  - A monthly premium (varies by plan and, for high income beneficiaries, also by income).
  - **Singles** with annual gross (MAGI) **income over \$87,000** pay **\$12.20/mo extra premium**
  - **Couples** with gross annual **income over \$174,000**, each pay **\$12.20/mo extra**;

Note: the higher income penalty will be adjusted downward if your filed IRS 1040 MAGI drops

- **A yearly deductible** (if applicable). In 2020, \$430/yr is max. insurers are allowed to charge
- **Drug copayments.** (Pre-donut hole), during full coverage you often pay only 10% or less of the full price of the drug (e.g. Eliquis ‘lists’ for about \$400/mo, but costs you about \$40/mo)
- But if in the **coverage gap (donut hole)**, you pay 25% of full cost of drugs. This ‘gap’ begins when **combined** insurance portion and your portion of drug costs reaches \$4,020 (2020)
- Catastrophic coverage: If you spend \$6,350 **out of your own pocket** for drugs in 2020, the coverage gap/donut hole ends, automatically. **You then pay a maximum of 5% of the full cost of your prescription drugs for the rest of the calendar year**



# Part D Late Enrollment Penalty

## You may have to pay more if you wait to enroll

- Exceptions if you have
  - Creditable drug coverage
  - ‘Extra Help’ (for low income persons, details at end of presentation)

## You’ll pay the penalty for as long as you have coverage

- Penalty is 1% for each full month eligible and without creditable prescription drug coverage
- Multiply 1% times ‘base beneficiary premium’ (\$32.74 this year e.g. 5 year delay = 60 months times 1% of \$32.74 = \$19.65 monthly penalty
- ‘Base beneficiary premium’ amount changes every year



Part D  
Medicare  
prescription  
drug coverage



# Who Can Join Part D?



**Part D**  
Medicare  
prescription  
drug coverage

- You must have Part A and/or Part B to join a Medicare PDP
- You must have Part A and Part B to join an MA-PD
- You must live in the plan's service area
  - You can't be incarcerated
  - You can't be unlawfully present in the U.S.
  - You can't live outside the U.S.



# When Can I Enroll in a Part D Plan?



Part D  
Medicare  
prescription drug  
coverage

- During your 7-month Initial Enrollment Period (IEP) coverage begins the first of the month following your enrollment in Part D
- During the yearly Open Enrollment Period (OEP)
  - October 15–December 7 each year
  - Coverage begins January 1, (or if in IEP, begins 1<sup>st</sup> day of following month)
- If you get Part B for the first time during a General Enrollment Period (GEP) you can join a Part D plan from April 1–June 30 but with coverage delayed until July 1
- May be able to join at other times, such as if you're
  - In an MA Plan on January 1, your MA OEP is from Jan 1 - Mar 31 each year
  - New to Medicare and enrolled in an MA Plan during your IEP, you can make a change within the first 3 months you have Medicare.
  - Special Enrollment Period (SEP), if you qualify



# Choosing a Part D Plan

## How do I enroll



**Part D**  
Medicare  
prescription drug  
coverage

- To ensure you're getting the most cost-effective plan, it's best to call the SHIP office at the senior center and arrange a telephone (or in person, when allowed) appointment so your medications/doses and preferred pharmacies can be entered into Medicare's drug plan finder application/tool. The on line application at Medicare.gov will quickly find the most cost effective plan based on the drugs you take, the premium and any deductibles, and find which pharmacy has the lowest prices for your plan
- **Compare plans by computer or phone**
  - Use the Medicare Plan Finder at [Medicare.gov/plan-compare](https://www.medicare.gov/plan-compare)
  - Call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048
  - Contact your SHIP for help comparing plans at [shiptacenter.org](https://www.shiptacenter.org)
- **To join a Part D plan**
  - Enroll at [Medicare.gov/plan-compare](https://www.medicare.gov/plan-compare)
  - Call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048
  - Enroll on the plan's website or call the plan
  - Complete a paper enrollment form
  - The plan will notify you whether it's accepted or denied your application
    - You can't be denied based on health condition or the drugs you take



# Decision: Should I Enroll in a Part D Plan?



**Part D**  
Medicare  
prescription drug  
coverage

## ■ Consider

- If you have creditable prescription drug coverage (e.g. from employer in a group health plan)
  - Will it pay at least pay as much as standard Medicare drug coverage?
  - Will you or your spouse or dependents lose your health coverage if you join a Medicare drug plan?
  - How do your out-of-pocket drug costs compare to out-of-pocket drug costs with a Medicare drug plan?
  - How will your costs change if you get Extra Help with your Medicare drug plan costs?
- If you don't have creditable prescription drug coverage
  - Later enrollment may mean you pay a penalty if/when you finally enroll
    - If you go 63 or more days in a row without creditable coverage





## Lesson 5

# MEDICARE ADVANTAGE (PART C)



# Medicare Advantage (MA) Plans (Part C)

Part A



Part B



**Most plans include:**

Part D



Extra benefits

**Some plans also include:**

Lower out-of-pocket costs

- An MA Plan is another way to get your Medicare coverage (sometimes called “Part C”)
- Offered by Medicare-approved private companies that must follow rules set by Medicare
- If you join an MA Plan, you’ll still have Medicare but you’ll get your Part A (Hospital Insurance) and Part B (Medical Insurance) coverage from the MA Plan, not Original Medicare. In most MA plans you’ll also get full drug coverage without any extra premium from the plan
- You’ll need to use health care providers who participate in the plan’s network (some plans offer out-of-network coverage)



# How Medicare Advantage (MA) Plans Work

## In an MA Plan you:

- Are still in Medicare with all rights and protections
- Still get services covered by Part A and Part B
- May choose a plan that includes prescription drug coverage
- Can be charged different out-of-pocket costs depending on insurer
- Can't be charged more than Original Medicare for certain services, like chemotherapy, dialysis, and skilled nursing facility (SNF) care
- May choose a plan with extra benefits like vision, dental or fitness and wellness benefits
- Have a yearly limit on your out-of-pocket costs



Medicare  
Advantage



# How Medicare Advantage (MA) Plans Work (continued)

- Each plan has a service area in which its enrollees must live
- You (or a provider for you) can request to see if an item or service will be covered by the plan in advance (called an organization determination)
  - Contact your plan for more information
- **Medicare pays fixed amount for your coverage each month to companies offering MA Plans**
- You pay fixed copays: e.g. avg. \$0 to \$10 for GP; \$30 for specialist with most tests covered; avg. \$250 per day inpatient (first 7 or so days, then waived); ER avg \$150; certain expensive tests (CT/MRI) copay avg. \$100; skilled nursing care, 1<sup>st</sup> 20 days free or nominal (\$10/day), days 21 to 100 requires copay similar to copay those in original Medicare pay (for those w/o Medigap coverage) i.e. \$176/day
- **However**, MA has yearly **out of pocket max** avg. from about \$2,800 to \$4,500
- Each plan has different rules (can change yearly) for how you get services
- Hospice care is covered, but by Original Medicare, not the MA plan



Medicare  
Advantage



# When Can I Enroll in a Medicare Advantage (MA) Plan

## ■ Initial Enrollment Period (IEP)

- 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.

## ■ General Enrollment Period (GEP)

- If you have Part A and enroll in Part B during a GEP, you can enroll in an MA Plan from April 1–June 30 with coverage starting July 1

## ■ Special Enrollment Period (SEP) in certain circumstances, like if you

- Retire after the age 65 IEP then within 8 months first enroll in Part A and B
- Move out of your plan's service area
- Have or lose Medicaid or Extra Help
- Move in or out of an institution (like a nursing home)

## ■ 5-star SEP

- From December 8 – the following November 30 each year
- Can switch to an MA Plan or Medicare Cost Plan that has 5 stars for its overall star rating



Medicare  
Advantage



# When Can I Enroll in a Medicare Advantage (MA) Plan (continued)

- Yearly OEP from October 15–December 7
- MA Open Enrollment Period (MA OEP)
  - One-time change each year from January 1–March 31 (coverage begins the 1<sup>st</sup> of the month after)
  - Must already be enrolled in an MA Plan (at any time) during the first 3 months of the year
    - To switch to another MA Plan with or without drug coverage
    - To drop your MA Plan and return to Original Medicare (can also join a standalone Part D Medicare Prescription Drug Plan (PDP))
  - If you're new to Medicare and you're enrolled in an MA Plan during your IEP, you can make a change within the first 3 months you have Medicare.



Medicare  
Advantage

**Note:** If you drop a Medicare Supplement Insurance (Medigap) policy to join an MA Plan, you might not be able to get it back.



# How Do I Enroll in a Medicare Advantage (MA) Plan?

- Use the Medicare Plan Finder [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare)
- If you have access to a ‘Medicare and You’ booklet (given out each year to each household with a Medicare beneficiary, also available at the SHIP office at the Arlington Hts Senior Center and on line) you can review “health plans”, last section of the booklet to see MA plans available in your geographic area
- Visit the plan's website to see if you can join online
- Fill out a paper enrollment form
  - Contact the plan to get an enrollment form, fill it out, and return it to the plan
  - All plans must offer this option
- Call the plan you want to join
  - Get your plan’s contact information from the Plan Finder
- Call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048



Medicare  
Advantage



# Decision: Should I Join an MA Plan?

## ■ Consider

- You must have Part A and Part B to join
- Most offer comprehensive coverage
  - Including Part D drug coverage?
- Some plans may require you to use a network doctor/provider etc
- You may need a referral to see a specialist
- You must pay the Part B premium \$144.60/mo, **and** the monthly MA plan premium, if any (many Illinois plans are premium free)
- You can only join/leave plan during certain periods
- It doesn't work with Medigap policies which are only for Original Medicare



Medicare  
Advantage





## Lesson 6

# MEDICARE AND THE MARKETPLACE (ACA)



# Medicare and the Marketplace (Affordable Care Act)

- It's against the law for someone who knows you have Medicare to sell you a Marketplace plan even if you only have Part A or Part B
  - Except through the Small Business SHOP Program, if you're an active worker or a dependent of an active worker
- You can keep a Marketplace plan after your Medicare coverage begins, but...
  - Once your Part A coverage starts, you'll no longer be eligible for any premium tax credits or other cost savings you may be getting for your Marketplace plan
    - You'll have to pay full price for the Marketplace plan
- Sign up for Medicare during your 7 month Initial Enrollment Period (IEP)
  - If you wait, you may have to pay a late enrollment penalty for as long as you have Medicare



# Medicare for People with Disabilities and the Marketplace

- You may qualify for Medicare based on a disability
  - You must be getting Social Security Disability Insurance (SSDI) benefits for 24 months (except for certain disabilities)
    - On the 25<sup>th</sup> month, you're automatically enrolled in Part A and Part B
- If you're getting SSDI, you can get a Marketplace plan to cover you during your 24-month Medicare waiting period
  - You may qualify for premium tax credits and reduced cost sharing until your Medicare coverage starts



# Choosing Marketplace Coverage Instead of Medicare

You can choose Marketplace coverage instead of Medicare if you:

- Are paying a premium for Part A (lack of 10 years FICA payment)—you can drop your Part A and Part B coverage and get a Marketplace plan instead
- Only have Part B, and have to pay a premium for Part A—you can drop Part B and get a Marketplace plan instead
- Are eligible for Medicare but haven't enrolled in it because you:
  - Would have to pay a premium for Part A
  - Have a medical condition that qualifies you for Medicare, like ESRD, but haven't applied for Medicare coverage
  - Are in your 24-month disability waiting period





## Lesson 7

# HELP FOR PEOPLE WITH LIMITED INCOME AND RESOURCES



# What is 'Extra Help'?



Part D  
Medicare  
prescription  
drug coverage

- Program to help people pay for Medicare prescription drug costs (in Part D)
  - Also called the low-income subsidy (LIS)
- If you have a low gross income and resources (an upcoming slide has the numbers)
  - You can pay no premiums or deductible, and small or no copayments
- If you have slightly higher income and resources
  - You can pay a reduced deductible and a little more out of pocket
- The coverage gap (or donut hole) & late enrollment penalty are waived in 'Extra Help'
- A Special Enrollment Period (SEP) for those in 'Extra Help' allows you to change your Medicare drug plan once per quarter in the first 3 quarters of the year
  - If you want to change plans in the 4<sup>th</sup> quarter, you must use the Open Enrollment Period (OEP)



# Qualifying for Extra Help



Part D  
Medicare  
prescription  
drug coverage

- **You automatically qualify for Extra Help (no need to apply) if you get**
  - Full Medicaid coverage
  - Supplemental Security Income (SSI)
  - Help from Medicaid paying your Medicare premiums (Medicare Savings Program; sometimes called “partial dual”)
- **All others must apply...how to apply for Extra Help for prescription drugs:**
  - **Contact Catholic Charities thru the Arlington Heights Senior Center 847-253-5532**
  - Online at [socialsecurity.gov/benefits/medicare/prescriptionhelp](https://www.socialsecurity.gov/benefits/medicare/prescriptionhelp)
  - Call Social Security at 1-800-772-1213;
    - Ask for “Application for Help with Medicare Prescription Drug Plan Costs” (SSA-1020)
- Contact your State Medical Assistance (Medicaid) office



# Three Programs with Help for those with Limited Income and Resources

- **Extra Help:** (gives you a free Part D (drug) plan, & low or no cost name brand/generics drugs)
  - Max income - single: \$1,595/month; max assets - \$14,610, except car & home
  - Max income - couple: \$2,155/month; max assets - \$29,160, except car & home
    - To apply, call Catholic Charities thru the Arlington Heights Senior Center 847-253-5532
- **Medicare Savings Program:** pays your Medicare Part B premiums (\$144.60/mo)
  - Help from your state paying Medicare costs, may also help with deductibles, coinsurance, and copayments, depending on income & assets (savings/CDs/IRA, etc, except car & home)
  - Maximum income - single \$1,456/month; assets - \$7,860, except car & home
  - Maximum income - couple \$1,960/month; assets - \$11,800, except car & home
    - To apply, call Catholic Charities thru the Arlington Heights Senior Center 847-253-5532
- **Medicaid:** those at or near poverty level income, it can work with Medicare (“dual eligible”)
  - To apply, call Catholic Charities thru the Arlington Heights Senior Center 847-253-5532



# What's Medicaid?/Qualifying for Medicaid

- Joint federal and state program
- Helps pay health care costs for people with limited income and resources
- Some people qualify for Medicare and Medicaid
- May cover services that Medicare may not or may partially cover, like nursing home care, personal care, and home- and community-based services
- Covered 71.2M people in 2019
- Medicaid programs vary from state to state
  - Each have different income and resource requirements
- To apply, call Catholic Charities thru the Arlington Heights Senior Center 847-253-5532 or
- Call your State Medical Assistance (Medicaid) office for more information or to see if you qualify
  - Visit [Medicare.gov/contacts](https://www.Medicare.gov/contacts), or call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048
- In some states, you may need to be enrolled in Medicare, if eligible, to get Medicaid

