

Medicare

Getting Started

Getting Started

- ▶ This training can help you make important Medicare decisions
 - Choosing health and prescription drug coverage
 - Timing your decisions
 - To ensure coverage
 - To avoid penalties
- ▶ And provides basic information about
 - Medicaid
 - Children's Health Insurance Program

What is Medicare?

- ▶ Health insurance for people
 - 65 and older
 - Under 65 with certain disabilities
 - Any age with End-Stage Renal Disease (ESRD)

What is Medicare?

- ▶ It is Administered by
 - Centers for Medicare & Medicaid Services (CMS)
- ▶ But Enrollment is done by
 - Social Security Administration (SSA) for most
 - Railroad Retirement Board (RRB) railroad retirees

The Four Parts of Medicare



Part A Hospital
Insurance



Part B Medical
Insurance



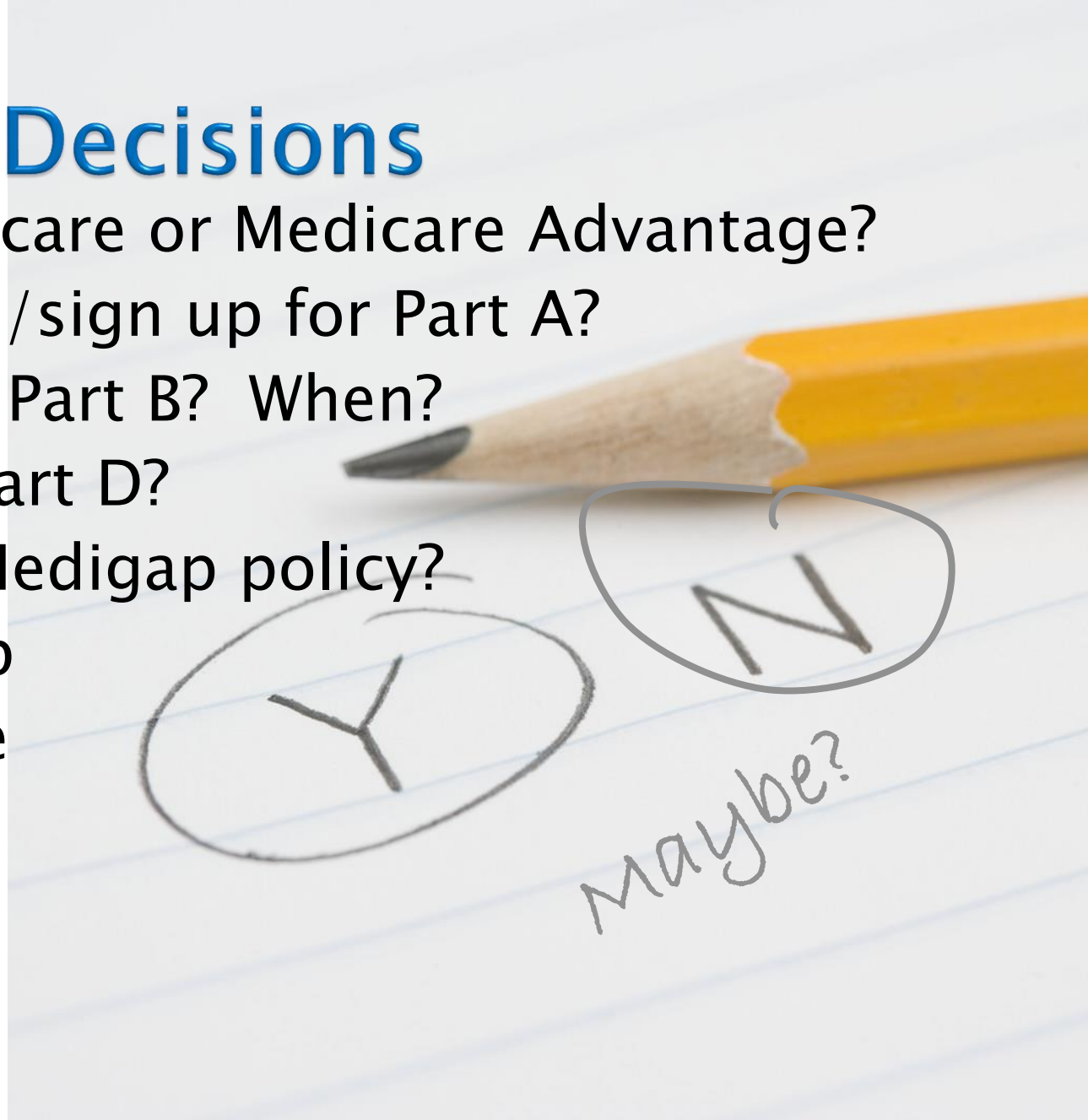
Part C Medicare
Advantage
Plans (like
HMOs and
PPOs). Includes
Part A & B and
sometimes Part
D coverage



Part D Medicare
Prescription
Drug Coverage

Medicare Decisions

- ▶ Original Medicare or Medicare Advantage?
- ▶ Should I keep/sign up for Part A?
- ▶ Should I take Part B? When?
- ▶ What about Part D?
- ▶ Do I need a Medigap policy?
- ▶ Can I get help with Medicare costs?



Your Medicare Coverage Choices

There are two main choices for how you get your Medicare coverage. Use these steps to help you decide.

Decide how you want to get your Medicare coverage.

Source: Page 57 of the Medicare & You handbook

Step 1

Decide if You Want Original Medicare or a Medicare Advantage Plan

Original Medicare Includes Part A (Hospital Insurance) and/or Part B (Medical Insurance)

- Medicare provides this coverage directly.
- You have your choice of doctors, hospitals, and other providers that accept Medicare.
- Generally, you or your supplemental coverage pay deductibles and coinsurance.
- You usually pay a monthly premium for Part B.

Step 2

Decide If You Want Prescription Drug Coverage (Part D)

- If you want this coverage, you must join a Medicare Prescription Drug Plan. You usually pay a monthly premium.
- These plans are run by private companies approved by Medicare.

Step 3

Decide If You Want Supplemental Coverage

- You may want to get coverage that fills gaps in Original Medicare coverage. You can choose to buy a Medigap (Medicare Supplement Insurance) policy from a private company.
- Costs vary by policy and company.
- Employers/unions may offer similar coverage.

Medicare Advantage Plan (like an HMO or PPO)

Part C—Includes BOTH Part A (Hospital Insurance) and Part B (Medical Insurance)

- Private insurance companies approved by Medicare provide this coverage.
- In most plans, you need to use plan doctors, hospitals, and other providers, or you may pay more or all of the costs.
- You usually pay a monthly premium (in addition to your Part B premium) and a copayment or coinsurance for covered services.
- Costs, extra coverage, and rules vary by plan.

Step 2

Decide If You Want Prescription Drug Coverage (Part D)

- If you want prescription drug coverage, and it's offered by your plan, in most cases you must get it through your plan.
- In some types of plans that don't offer drug coverage, you can join a Medicare Prescription Drug Plan.

Note: If you join a Medicare Advantage Plan, you don't need a Medigap policy. If you already have a Medigap policy, you can't use it to pay for out-of-pocket costs you have in the Medicare Advantage Plan. If you already have a Medicare Advantage Plan, you can't be sold a Medigap policy.

In addition to Original Medicare or a Medicare Advantage Plan, you may be able to join other types of Medicare health plans.

Original Medicare

▶ Has Part A – Hospital Insurance



- Hospital
- Skilled Nursing Facility
- Home health care
- Hospice care

▶ Has Part B – Medical Insurance



- Doctor's visits
- Outpatient hospital services
- Clinical lab tests
- Durable Medical Equipment
- Preventive services

Medicare Part A (Hospital Insurance)

- ▶ What does Part A cost?
 - Most people get Part A premium free
 - If you paid FICA taxes at least 10 years
 - If you paid FICA less than 10 years
 - You can pay a premium to get Part A
 - May have penalty
 - If not bought when first eligible

What you Pay for Inpatient Hospital Stays

| For each benefit period in 2013 | You Pay |
|---------------------------------|---|
| Days 1–60 | \$1,184 deductible |
| Days 61–90 | \$296 per day |
| Days 91–150 | \$592 per day (60 lifetime reserve days) |
| All days after 150 | All Costs |

What you Pay for Skilled Nursing Facility Care

| For each benefit period in 2013 | You Pay |
|---------------------------------|---------------|
| Days 1–20 | \$0 |
| Days 21–100 | \$148 per day |
| All days after 100 | All Costs |

Monthly Part B Premium

| If your Yearly Income in 2011 was | | You Pay |
|-----------------------------------|-----------------------|----------|
| File Individual Tax Return | File Joint Tax Return | |
| \$85,000 or below | \$170,000 or below | \$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 \$214,000 | above \$428,000 | \$335.70 |

Note: Premiums are usually deducted from your Social Security benefit payment.

Paying for Part B Services

- ▶ In Original Medicare you pay
 - Yearly deductible of \$147 in 2013
 - 20% coinsurance for most services
- ▶ Programs may help pay these costs
 - For people with limited income and resources

Enrolling in Medicare

- ▶ Automatic for those receiving
 - Social Security benefits
 - Railroad Retirement Board benefits
- ▶ Initial Enrollment Period Package
 - Mailed 3 months before
 - 25th month of disability benefits
 - Age 65



Medicare Card

- ▶ Keep it and accept Medicare Parts A and B
- ▶ Return it to refuse Part B
 - Follow instructions on back of card

Front

Back

| | | | | |
|--|--|---|-------------------------|--|
| MEDICARE | |  | HEALTH INSURANCE | |
| 1-800-MEDICARE (1-800-633-4227) | | | | |
| NAME OF BENEFICIARY | | | | |
| JANE DOE | | | | |
| MEDICARE CLAIM NUMBER | | SEX | | |
| 000-00-0000-A | | FEMALE | | |
| IS ENTITLED TO | | EFFECTIVE DATE | | |
| HOSPITAL MEDICAL | | (PART A) | 07-01-1986 | |
| | | (PART B) | 07-01-1986 | |
| SIGN HERE → | | <i>Jane Doe</i> | | |

1. Carry your card with you when you are away from home.
2. Let your hospital or doctor see your card when you require hospital, medical, or health services under Medicare.
3. Your card is good wherever you live in the United States.

WARNING: Issued only for use of the named beneficiary. Intentional misuse of this card is unlawful and will make the offender liable its penalty. If found, drop in nearest U.S. Mail box.


CENTERS FOR MEDICARE & MEDICAID SERVICES
Baltimore, MD 21244-1850
Form CMS-1968 (01/2002)

If you have questions about Medicare, call 1-800-MEDICARE (1-800-633-4227); TTY/TDD: 1-877-486-2048 or visit us at www.medicare.gov.

I DO NOT WANT MEDICAL INSURANCE Check Here

| |
|---|
| Written Signature (or Legal Representative) |
| SIGN HERE |
| Signature by Mark (X) Must Be Witnessed |
| Signature of Witness |
| Address of Witness |

If you DO NOT want Medical Insurance

1. Check the box above (top right), sign your name, and return the entire form in the enclosed envelope. Do NOT tear off the Medicare card. It would be improper to use it since you do not want Medical Insurance. You must return the form BEFORE the Medical Insurance effective date shown on the card.
2. Since you are entitled to Hospital Insurance even though you do not want Medical Insurance, we will send you a new card showing that you have Hospital Insurance only.

How to Enroll in Medicare

- ▶ Enrollment is automatic
 - If you get Social Security or RRB benefits
- ▶ If enrollment is not automatic
 - For instance, you're still actively working
 - You need to enroll with Social Security
 - Visit local office
 - Call 1-800-772-1213
 - Online at socialsecurity.gov
- ▶ If retired from Railroad enroll with RRB
 - Call your local RRB office or 1-877-772-5772

When to Enroll in Medicare

- ▶ You don't have to be retired
- ▶ Your Initial Enrollment Period lasts 7 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

Decision

Should I keep/sign up for Part A?

Yes

▶ Consider

- Get it automatically if getting Social Security/RRB
- Free for most people
- Can pay if work history is not sufficient
 - There may be a penalty if you delay
- If you/your spouse is actively working and covered by employer plan
 - Contact Social Security to sign up

Decision

Should I keep/sign up for Part B?

It Depends

▶ Consider

- Automatic if getting Social Security/RRB benefits
- Most people pay a monthly premium
 - Usually deducted from SSA/RRB benefits
 - Amount depends on income (see Attachment C)
- It may supplement employer coverage

Decision

Should I keep/sign up for Part B?

- ▶ Sometimes you must have Part B
 - If you want to buy a Medigap policy
 - If you want to join a Medicare Advantage Plan
 - If you're eligible for TRICARE
 - If your employer coverage requires you have it
 - Talk to your employer's benefits administrator
- ▶ With Veterans benefits it's optional
 - But you pay a penalty if you sign up late or if you don't sign up during your initial enrollment period

Decision

Should I keep/sign up for Part B?

- ▶ If you *don't* have coverage from *active* employment **Probably**
 - Yours or your spouses
 - Delaying Part B may mean
 - Higher premiums
 - Paying for your health care out-of-pocket
- ▶ If you *do* have coverage through *active* employment **Maybe Not**
 - You may want to delay Part B
 - No penalty if you enroll while you have coverage or within 8 months of losing coverage

What is a Medigap policy?

- ▶ Medicare Supplement Insurance Policies
 - Sold by private companies
- ▶ Fill the gaps in Original Medicare
 - Deductibles, coinsurance, copayments
- ▶ Standardized plans in all but three states
 - Minnesota, Massachusetts, Wisconsin
- ▶ All plans with same letter
 - Have same coverage
 - Only the costs are different

Decision

Do I need a Medigap policy?

Maybe

▶ Consider

- It only works with Original Medicare
- Do you have other supplemental coverage?
 - You might not need Medigap
- Can you afford Medicare deductibles and copayments?
- What does the monthly Medigap premium cost?

Decision

When is the best time to buy Medigap?

Usually during your
Medigap Open Enrollment Period

▶ Consider

- Your Medigap Open Enrollment Period begins when you're 65 or older AND enrolled in Part B
 - Lasts 6 months (may vary by state)
 - You have protections – plans MUST sell you a plan
- You can buy a Medigap policy whenever a company agrees to sell you one
 - If later, there may be restrictions

Decision

Which Medigap policy do I buy?

It Depends

▶ Consider

- The coverage under each standardized plan
- The cost of each plan – be sure to shop
- Your individual health care needs

| Medigap Benefits | Medigap Plans | | | | | | | | | |
|---|---------------|---|---|---|----|---|-----|-----|-----|---|
| | A | B | C | D | F* | G | K** | L** | M | N |
| Part A Coinsurance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Up to 365 Days | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Part B Coinsurance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| Blood | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| Hospice Care Coinsurance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Skilled Nursing Coinsurance | | | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| Part A Deductible | | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | 50% | ✓ |
| Part B Deductible | | | ✓ | | ✓ | | | | | |
| Part B Excess Charges | | | | | ✓ | ✓ | | | | |
| Foreign Travel Emergency (Up to Plan Limits) | | | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ |

*Plan F has a high-deductible option

** Plans K and L have out-of-pocket limits of \$4,660 and \$2,330 respectively

Decision

How do I find the right Medigap policy for me?

- ▶ By computer or phone
 - Call 1.800.MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
 - Visit medicare.gov and use the compare tool
 - Call your State Health Insurance Program (SHIP)

Part C – Medicare Advantage



- ▶ Health plan options approved by Medicare
 - Another way to get Medicare coverage
 - Still part of the Medicare program
 - Run by private companies
- ▶ Medicare pays amount for each member's care
- ▶ May have to use network doctors or hospitals

How Medicare Advantage Works

- ▶ Still in Medicare with all rights and protections
- ▶ Still get Part A and Part B services
- ▶ May include prescription drug coverage
- ▶ May include extra benefits
 - Like vision or dental
- ▶ Benefits and cost-sharing may be different



Decision

Do I want to join a Medicare Advantage Plan? **It Depends**

▶ Consider

- Most offer comprehensive coverage
 - Including Part D drug coverage
- May require you to use a network
- You must pay Part B and monthly plan premium
- May need a referral to see a specialist
- Can only join/leave plan during certain periods
- Doesn't work with Medigap policies
- You must have Part A and Part B to join

When can I enroll in a MA plan?

- ▶ During 7 month Initial Enrollment Period
- ▶ During the Open Enrollment Period
 - October 15 – December 7 each year
 - Coverage begins January 1
- ▶ May be able to join at other times
 - Special Enrollment Period
- ▶ Contact the plan to join
 - Call their number
 - Visit their website
 - Plan information is available on www.medicare.gov

Part D – Medicare Prescription Drug Coverage



- ▶ Available for all people with Medicare
- ▶ Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage Plans
 - Other Medicare plans

How Medicare Part D Works?

- ▶ It's optional
 - You can choose a plan and join
- ▶ Plans have formularies
 - Lists of covered drugs
 - Must include range of drugs in each category
- ▶ You pay the plan a monthly premium
- ▶ You pay deductibles and copayments
- ▶ There is Extra Help to pay Part D costs
 - If you have limited income and resources

Who Can Join Part D?

- ▶ You must have Part A and/or Part B
- ▶ You must live in the plan's service area
- ▶ You can't live outside the U.S.
- ▶ You must actively enroll to join
 - In most cases no automatic enrollment
 - You must fill out an application

Decision

Should I enroll in a Part D plan?

It Depends

▶ Consider

- Do you have creditable drug coverage?
 - Coverage as good as Medicare's
 - For example through an employer plan
- Will that coverage end when you retire?
- How much do your current drugs cost?
- What do the premiums cost for Part D plans?

▶ Without creditable coverage

- Later enrollment may mean you pay a penalty

Joining a Part D Plan

- ▶ You can join
 - During your 7 month Initial Enrollment Period
 - During the Open Enrollment Period
 - October 15 – December 7
 - Coverage starts January 1
 - During other special times
 - Special Enrollment Period

How do I choose a Part D plan?

- ▶ Call or by computer
 - 1-800-MEDICARE
 - Medicare Plan Finder at www.medicare.gov/find-a-plan
 - Call SHIP for help comparing plans
- ▶ To join a Part D Plan
 - Enroll on www.medicare.gov
 - Complete a paper enrollment form
 - Call the plan
 - Enroll on the plan's Web site
 - Call 1-800-MEDICARE (1-800-633-4227)

What Do I Pay?

- ▶ Costs vary and change yearly
 - In Original Medicare
 - Does the provider accept Assignment?
 - In Medicare Advantage
 - Check with plan
 - In Medicare Prescription Drug Plans
 - Check with plan

What help is there for people with limited income and resources?

- ▶ Medicaid
- ▶ Children's Health Insurance Program (CHIP)
- ▶ Extra Help
- ▶ Medicare Savings Programs

What is Medicaid?

- ▶ Federal–state health insurance program
 - For people with limited income/resources
 - Certain people with disabilities
 - Covers most health care costs
 - If you have both Medicare and Medicaid
- ▶ Eligibility determined by state
- ▶ Application processes and benefits vary
- ▶ State office names vary
- ▶ Apply if you MIGHT qualify

What is Extra Help?

- ▶ Help paying prescription drug costs
- ▶ Social Security or state makes determination
- ▶ Some groups automatically qualify
 - People with Medicare and Medicaid
 - Supplemental Security Income (SSI) only
 - Medicare Savings Programs
- ▶ You or someone on your behalf can apply

What are Medicare Savings Programs?

- ▶ Help from Medicaid paying Medicare costs
 - Pay Medicare premiums
 - May pay Medicare deductibles and coinsurance
- ▶ Often higher income and resources
- ▶ Income amounts change each year
- ▶ Some states offer their own programs

Who Can Qualify For MSP?

| Medicare Savings Program | Individual Monthly Income Limit* | Married Couple Monthly Income Limit* | Helps Pay Your |
|--------------------------------------|----------------------------------|--------------------------------------|--|
| Qualified Medicare Beneficiary (QMB) | \$951.00 | \$1,281.00 | Part A and Part B premiums, and other cost-sharing (like deductibles, coinsurance, and copayments) |

Who Can Qualify For MSP?

| Medicare Savings Program | Individual Monthly Income Limit* | Married Couple Monthly Income Limit* | Helps Pay Your |
|--|----------------------------------|--------------------------------------|----------------------|
| Specified Low-Income Medicare Beneficiary (SLMB) | \$1,137.00 | \$1,533.00 | Part B premiums only |
| Qualifying Individual (QI) | \$1,277.00 | \$1,723.00 | Part B premiums only |
| Qualified Disabled & Working Individuals (QDWI) | \$3,809.00 | \$5,129.00 | Part A premiums only |

What is the Children Health Insurance Program (CHIP)?

- ▶ Covers America's uninsured children
- ▶ Jointly financed by the Federal and state Government
- ▶ Administered by each state
 - State's option to expand Medicaid, create a stand-alone program, or create a combination program

Who Is Eligible for CHIP?

- ▶ Uninsured children up to age 19 and pregnant women
 - Family income too high for Medicaid
- ▶ Must be a U.S. citizen
 - Or certain non-citizen lawfully residing in the U.S
- ▶ Families w/o health insurance
 - May be eligible even if parent(s) are working

Decision

Should I apply for these programs?

Yes

- ▶ Apply if you MIGHT qualify
- ▶ Your SHIP can help you

Key Points to Remember

- ▶ Medicare is a health insurance program
- ▶ It does not cover all of your health care costs
- ▶ There are other ways to get coverage within the program
- ▶ There are programs for people with limited income and resources
- ▶ Important
 - Make the right decisions
 - Make them at the right times
 - Get help if you need it

Key Points to Remember

- ▶ Medicaid
 - Helps people with low income and resources
 - Is different in each state
- ▶ The Children's Health Insurance Program
 - Covers uninsured children
 - Pregnant women
- ▶ Pre-existing Condition Insurance Plans
 - In place until 2014
 - Covers certain uninsured people
 - Regardless of health status

For More Information

- ▶ www.medicare.gov
- ▶ Medicare & You Handbook
- ▶ Other CMS publications
- ▶ 1-800-MEDICARE
- ▶ National Medicare Training Program
 - cms.hhs.gov/NationalMedicareTrainingProgram
- ▶ Your SHIP counselor
- ▶ www.healthcare.gov
- ▶ www.insurekidsnow.gov

This training module is provided by the

 **National Medicare**
TRAINING PROGRAM

For questions about training products, e-mail
NMTP@cms.hhs.gov

To view all available NMTP materials
or to subscribe to our listserv, visit
www.cms.gov/NationalMedicareTrainingProgram