

MEDICARE 101

WHAT YOU NEED TO KNOW

JME INSURANCE AGENCY

MEDICARE 101

Introduction to Medicare

Original Medicare Plan

Medicare Supplement Insurance (Medigap)

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 (who have been receiving Social Security Benefits for 24 months)
- 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



- You don't have to be retired
- Contact the Social Security Administration
 - 1-800-772-1213
 - TTY users call 1-800-325-0778
 - www.SSA.gov

Medicare

Medicare Basics

Part A

Hospital Insurance

Part B

Medical Insurance

Prescription Drug
Coverage (Part D)

Medicare Coverage Basics

Part A

- Inpatient Hospital Care
- Skilled Nursing Care
- Home Health Care
- Hospice Care

Part B

- Doctor's Services and Outpatient Care
- Preventive Services
- Diagnostic Tests
- Some Therapies
- Durable Medical Equipment

Part D

- Outpatient Prescription Drugs

Medicare Part A

Most people receive Part A premium free
(Do not delay enrolling in Part A, even when you have Group Coverage)

People with less than 10 years of Medicare- covered employment

- Can still get Part A
 - Will pay a premium

Eligibility

When & how to sign up for Part A & Part B

- **Some people get Part A & Part B automatically**
- You may qualify for [Medicare Part A \(Hospital Insurance\)](#) and [Medicare Part B \(Medical Insurance\)](#) if one of the following applies to you:
 - [I'm already getting benefits from Social Security or the Railroad Retirement Board \(RRB\).](#)
 - [under 65 and have a disability.](#)
 - [I have ALS \(Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease\).](#)
 - [I live in Puerto Rico and get benefits from Social Security or the RRB.](#)

Eligibility Cont'd

If you get Medicare automatically

If you're automatically enrolled, you'll get [your red, white, and blue Medicare card](#) in the mail 3 months before your 65th birthday or your 25th month of disability.

Some people need to sign up for Part A & Part B

You need to sign up for Part A and Part B if:

You aren't getting Social Security or RRB [benefits](#) (for example, because you're still working).

Note:

If you have coverage through a current or former employer, it's important to [understand how your current coverage works with Medicare](#) before making any decisions.

Enrolling in Medicare Part B

Pay monthly Part B premium

- \$134 in 2017

Initial Enrollment Period (IEP)

- 7 months, starting 3 months before the month you are eligible

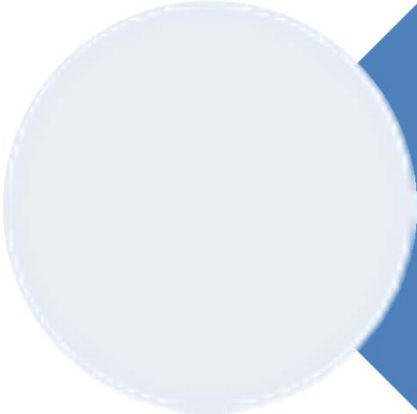
General Enrollment Period (GEP)

- January 1 through March 31 each year
- Coverage effective July 1
- Premium penalty
 - 10% for each 12-month period eligible but not enrolled
 - Must pay the penalty as long as the person has Part B
 - Limited exceptions

Part B Income Related Monthly Adjustment Amount (IRMAA)

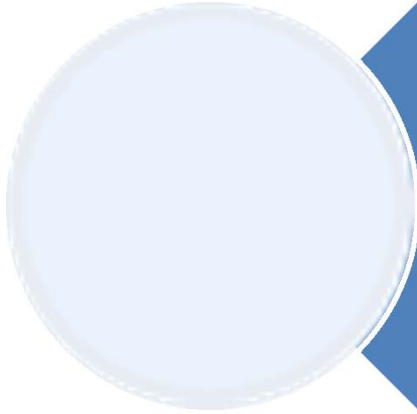
Yearly Income in 2015 was:			You pay (in 2017)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134.00
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$187.50
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	Not applicable	\$267.90
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 and up to \$129,000	\$348.30
above \$214,000	above \$428,000	above \$129,000	\$428.60

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 (recommend that you still get Part B)



Will get a Special Enrollment Period (SEP)

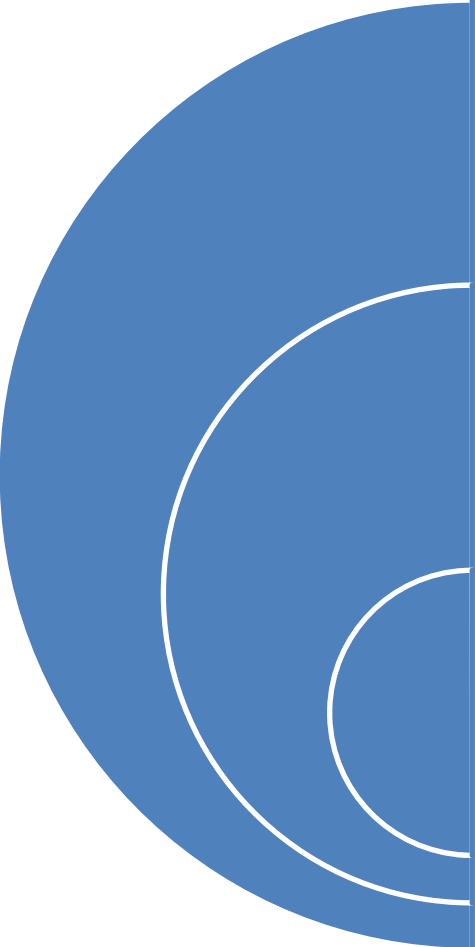
- Eight month period from end of group health coverage

Part B Enrollment Periods (*Example*)

- Marie turned 65 on June 25, 2016. She will have group health coverage from her employer until she stops working on December 31, 2016.
- Part B enrollment opportunities....

Enrollment Period	Begins	Ends
IEP	3/1/2016	9/30/2016
SEP	1/1/2017	8/31/2017
GEP (each year)	1/1	3/31

Paying the Part B Premium




Sign up for [Medicare Easy Pay](#), a free service that automatically deducts your premium payments from your savings or checking account each month.

Pay by check or money order.

Deduct from your Social Security benefits (if you are receiving SS benefits)

The Medicare Card


MEDICARE  **HEALTH INSURANCE**

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

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER SEX
000-00-0000

IS ENTITLED TO EFFECTIVE DATE
HOSPITAL (PART A) 07-01-1986
MEDICAL (PART B) 07-01-1986

Sign 
HERE _____

Turning 65 and still employed? What are your Options?

OPTIONS:

- **1) Keep Employer Coverage**
 - Enroll in Part A when eligible
- **2) Enroll in Part B**
 - If your Employer Group plan has less than 20 employees
 - If you retire and your employer plan is no longer available
- **With Option 2 you want to be sure you have Part D (or inclusive with Medicare Advantage plan)**
- **Advantage plan (so you don't later incur penalties for enrolling late)**
- **When you have Part B you can enroll in either:**
 - Medicare Supplement Plan
 - Medicare Advantage Plan
 - Part D Plan (can do even with only Part A)

Medicare Choices

Original Medicare Plan (The Original Medicare Plan is available nationwide. It is also known as “fee-for-service.”)

Medicare Advantage Plans

Other Medicare Plans

Medicare Prescription Drug Plans

Original Medicare Plan

Go to any health care provider that accepts Medicare

You are responsible for:

- **Part A**
 - \$1316 deductible in 2017 for hospital stays up to 60 days
 - Additional costs after 60 days
 - Different costs for other Part A services
- **Part B**
 - \$183 annual deductible in 2017
 - 20% coinsurance or copayment for most Part B services

Some programs may help with costs (i.e. small groups with under 20 employees)

Medicare Supplement

Health Insurance Policy

- Sold by private insurance companies
- Commonly known as “Medigap” policies
- Must say “Medicare Supplement Insurance”
- Covers “gaps” in the Original Medicare Plan
 - Deductibles, coinsurance, copayments
 - Does not work with Medicare Advantage Plans
- Up to 12 standardized plans A – L
 - Except in Massachusetts, Minnesota, Wisconsin
 - So people can compare easily

How Medicare Supplement (Medigap) Works

You can buy a Medigap policy

- Within 6 months of enrolling in Part B
 - Within 6 months of turning 65- GI
- If they lose certain kinds of health coverage (should enroll in Part B 60 days after losing group coverage to be GI)
 - Through no fault of their own (e.g., group plan ends, move out of the service area, etc.)
- If they leave MA Plan under certain circumstances
- Can qualify with full underwriting

You will have a monthly premium

Can generally go to any doctor or specialist

Medicare Advantage (MA) Plans (Part C)

Health Maintenance Organization (HMO) Plans (Members must generally get health care from providers in the plan's network.)

- Some have Point-of-Service option - where members can go to doctors and hospitals that aren't part of the plan, but it may cost more.

Preferred Provider Organization (PPO) Plans (similar to an HMO plan but members can see any doctor or provider that accepts Medicare and don't need a referral to see a specialist. Going to a provider that isn't part of the plan will cost more.)

Medicare Advantage (MA) Plans (Part C) Continued

Private Fee-for-Service (PFFS) Plans (Members can go to any provider that accepts the plan's terms, and they may get extra benefits. The private company decides how much it will pay and how much members pay for services.)

Special Needs Plans (limit all or most of their membership to people in some long-term care facilities (like a nursing home); who are eligible for both Medicare and Medicaid; or who have certain chronic or disabling conditions. Special Needs Plans are available in limited areas.)

Other Medicare Advantage Plan

Programs of All-inclusive Care for the Elderly (PACE)

- **Who Can Get PACE?**

- Must be 55 or older
- Live in the [service area](#) of a PACE organization
- Need a nursing home-level of care (as certified by your state)
- Be able to live safely in the community with help from PACE

Eligibility for Medicare Advantage (MA) Plans

Must live in plan's service area

Must be enrolled in Medicare Part A

Must be enrolled in Medicare Part B

- Will continue to pay Part B premium
- May also pay monthly premium to plan

Don't have ESRD (End Stage Renal Disease) at enrollment

- Some exceptions, such as when a person is already in a plan and then develops ESRD

How MA Plans Work

Are still in Medicare program

- You will get all Part A and Part B services
- Have Medicare rights and protections
- Have to use providers in plan's network
- Generally must still pay Part B premium(unless you qualify for Medicaid)

May get extra benefits

- Vision, hearing, dental services
- Prescription drug coverage (MAPD)

Medicare Supplement “Medigap” vs Medicare Advantage (MA) Plan

Medicare Supplement

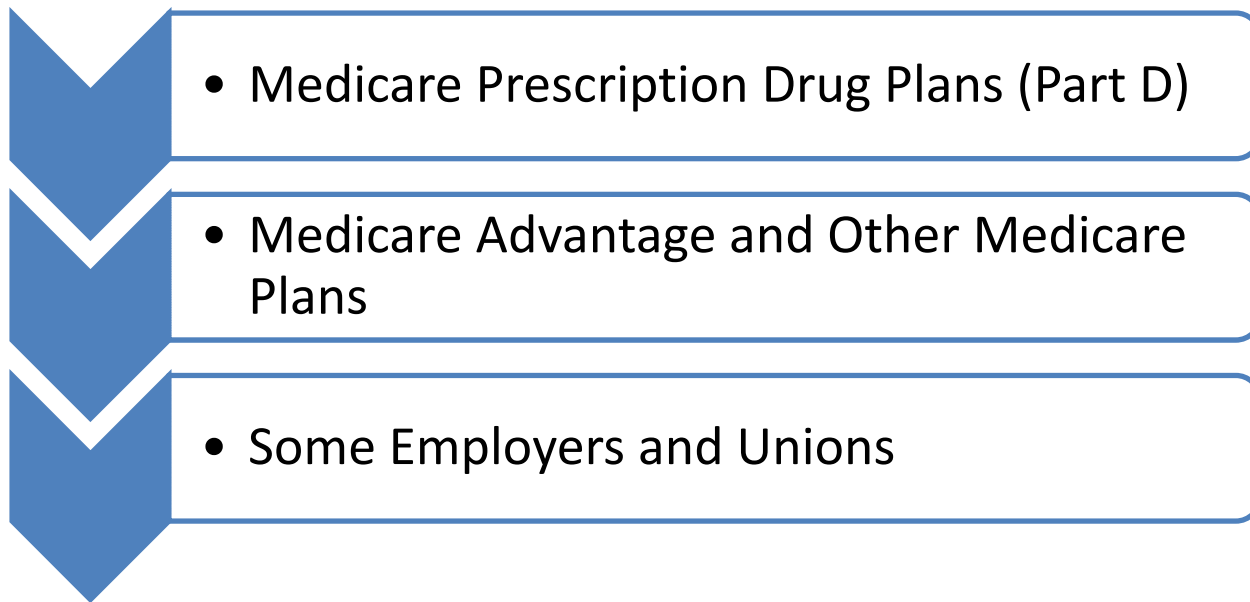
- Can see any provider that accepts Medicare
- With Part A and Part B, Medicare-covered hospital and provider costs to the member are usually zero depending upon Plan selected (see outline of coverage).
- Guaranteed issue within 6 months of age 65 or within 60 days of leaving a group policy
- Hard to change to a different carrier after initial enrollment except to a Medicare Advantage plan (usually subject to underwriting at the later time)
- Monthly premium cost

Medicare Advantage

- Low or no premium cost
- Utilizes a network, some require a PCP-be sure to check not only for current doctors, but for hospital systems in-network
- Can change between Medicare Advantage plans every year during open enrollment, but cannot change to a Medicare Supplement without medical underwriting after past age 65. **There is a one-time exception.** If you had been on a Supplement and move to Advantage, you can change back to the Supplement if within one year. This is only allowed one-time!
- Most services require a copay

Medicare Prescription Drug Coverage

- Coverage began January 1, 2006
- Available to all people with Medicare
- Provided through:



Enrollment Periods



Initial Enrollment Period (IEP)

- 7 months
- Starts 3 months before month of eligibility



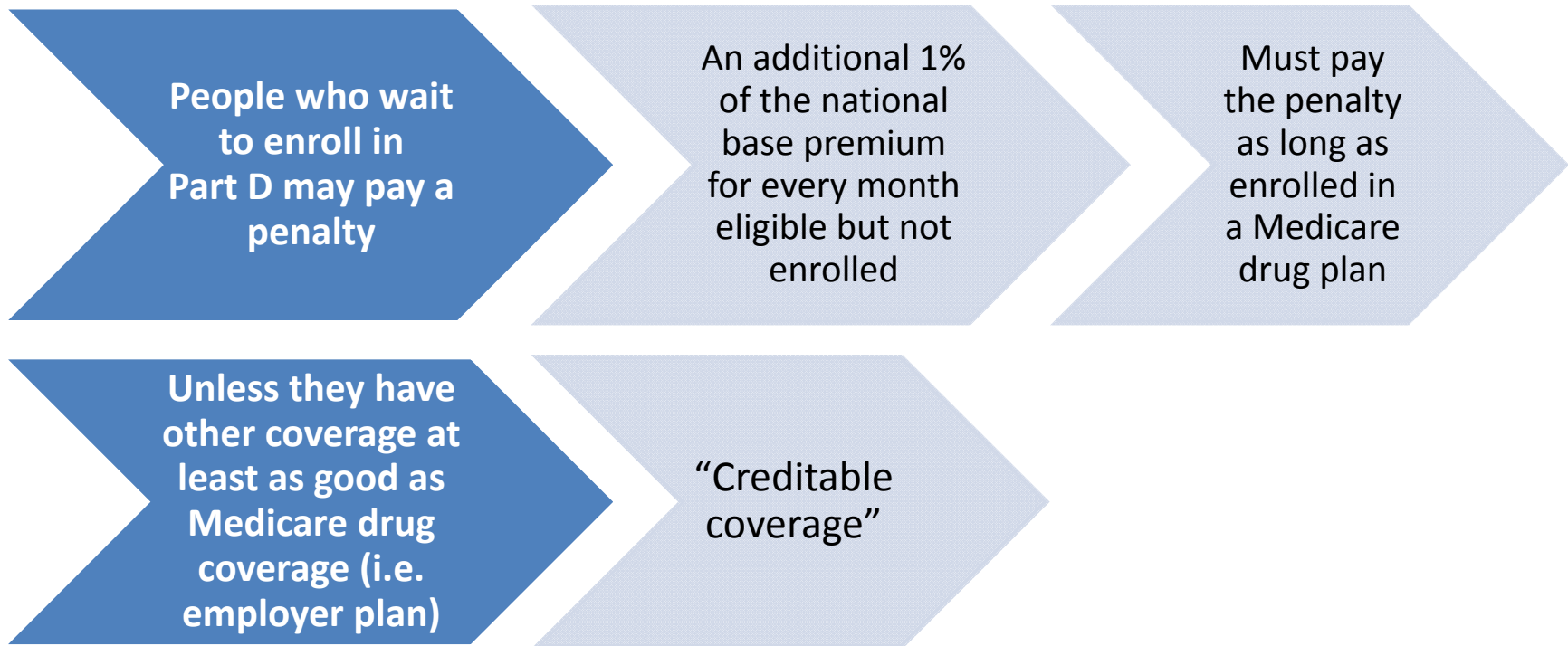
Annual Coordinated Election Period (AEP)

- October 15 through December 7 each year
- Can join, drop, or switch coverage (MA and Part D Only)
- **Effective January 1 of following year**



Special Enrollment Period (SEP)

Late Enrollment



Prescription Drug Plans

At a minimum,
must offer
standard
benefit

- In 2017 members may pay
 - Monthly premiums
 - Annual deductible, no more than \$400
 - Copayments or coinsurance
 - Very little after \$4,950 out-of-pocket

Plan
information
and costs
available

- www.medicare.gov/find-a-plan/questions/home.aspx
- 1-800-MEDICARE (1-800-633-4227)

Part D Income Related Monthly Adjustment Amount (IRMAA).

If your filing status and yearly income in 2015 was

File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2017)
\$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	\$13.30 + your plan premium
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	not applicable	\$34.20 + your plan premium
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 up to \$129,000	\$55.20 + your plan premium
above \$214,000	above \$428,000	above \$129,000	\$76.20 + your plan premium

Extra Help With Drug Costs

Available for many people with limited income and resources

- Contact your Medicaid Office or your State Health Insurance Assistance Program (SHIP) for more information

Extra Help With Drug Costs

People with lowest income and resources

- Pay no premiums or deductibles
- Have small or no copayments

Those with slightly higher income and resources

- Pay no or a reduced premium
- Have a reduced deductible
- Pay a little more out of pocket

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

Medicaid

Joint Federal and state program

- For some people with limited income and resources

If eligible, most health care costs covered

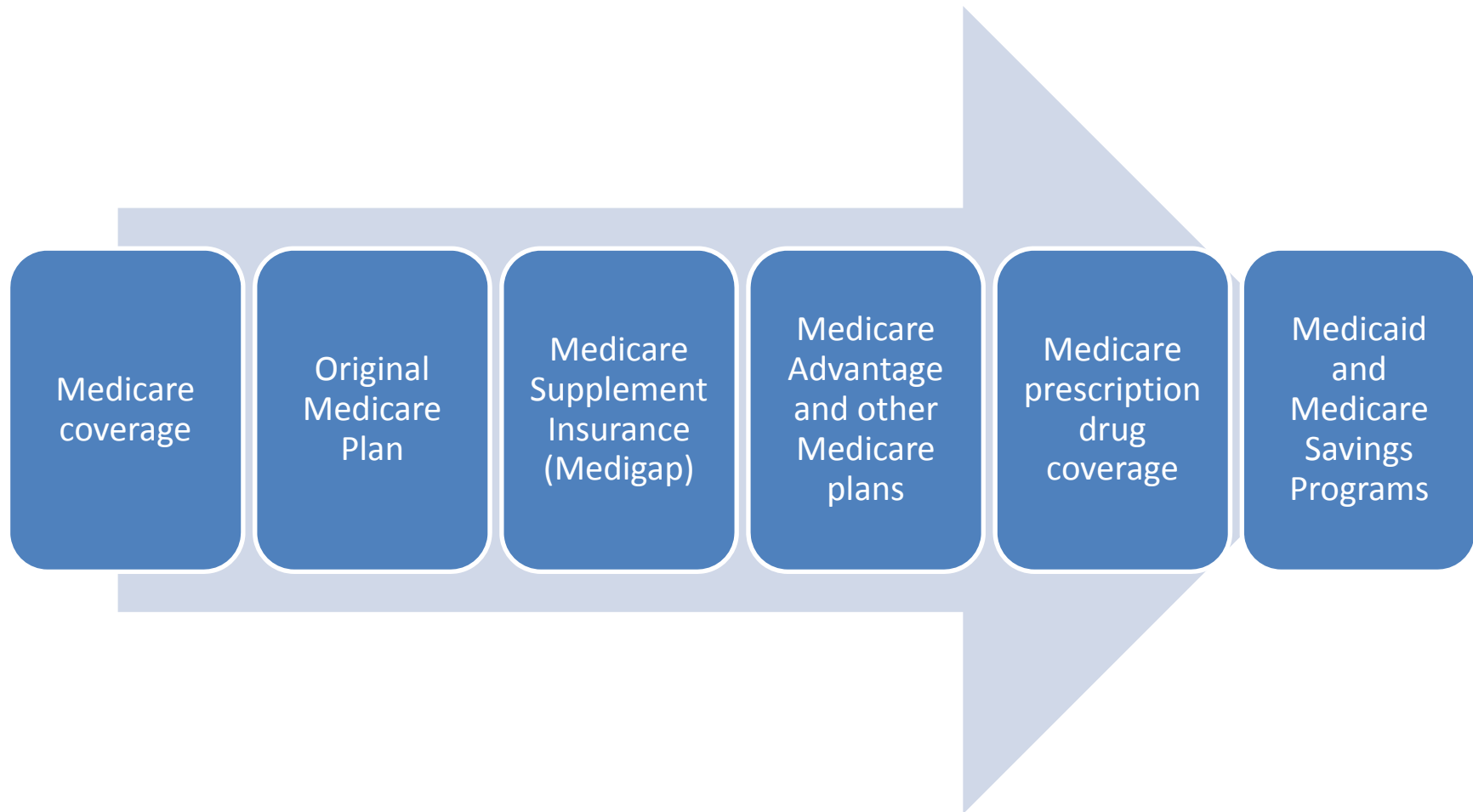
Eligibility determined by state

Application processes vary

Office names vary

- Social Services
- Public Assistance
- Health & Human Services

Summary



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, which you can get through 1-800-MEDICARE or the Medicare website

Prepare Ahead of Time



Go to www.SSA.gov

Go to www.medicare.gov/find-a-plan/questions/home.aspx and enroll in Part D

Study your options

Contact Carriers or your
Trusted Insurance Advisor

JME INSURANCE AGENCY

