

Medicare 101

The A, B, C and D's of Medicare



In Today's Session, We'll Talk About

- + Medicare Part A and Part B
(Original Medicare)
- + Medicare Supplement Plans
- + Medicare Part D
- + Medicare Advantage Plans
(Part C)



Who is eligible for Medicare?

The Medicare health insurance program is available to people who are:

- + Age 65 or older
- + Under the age of 65 who have certain disabilities
- + Of any age with End-Stage Renal Disease (permanent kidney failure)

The Centers for Medicare and Medicaid Services (CMS) is the agency that runs the Medicare program.



MEDICARE HEALTH INSURANCE

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

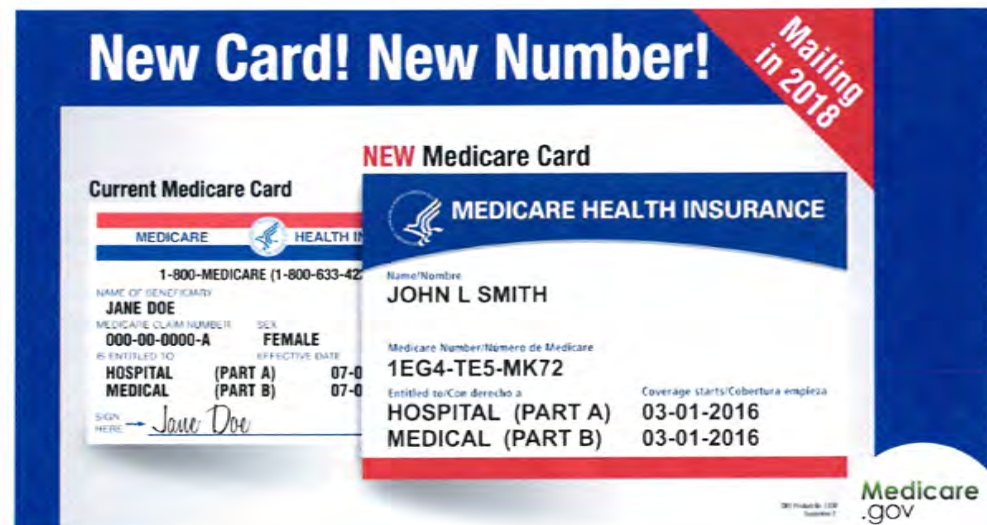
NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER SEX
000-00-0000-A FEMALE

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

SIGN HERE _____

SAMPLE



New Card! New Number! Mailing in 2018

NEW Medicare Card

MEDICARE HEALTH INSURANCE

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

Name/Nombre
JOHN L SMITH

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

Entitled to/Con derecho a Coverage starts/CoBERTura empieza
HOSPITAL (PART A) 03-01-2016
MEDICAL (PART B) 03-01-2016

Current Medicare Card

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 (PART A) 07-01-1986
MEDICAL (PART B) 07-01-1986

SIGN HERE *Jane Doe*

Medicare.gov

ORIGINAL MEDICARE (PARTS A and B)



Medicare Part A (Hospital Insurance)

- + Inpatient care in hospitals
- + Skilled nursing care
- + Hospice
- + Some home health care

These benefits are earned, because you or a spouse paid Medicare taxes while working.



Most people don't pay a Part A premium because they paid Medicare taxes while working. If you don't get premium-free Part A in 2019, you pay up to \$437 each month.

Medicare Part B (Medical Insurance)

- + Doctor's services
- + Outpatient care
- + Durable medical equipment
- + Some preventive services
- + Some prescription drugs



These benefits are optional and paid by you from a quarterly invoice or through a deduction from your Social Security check.

The monthly premium for Part B is based on your income.

2019 Medicare Part B Premium and Income-Related Monthly Adjustment Amount (IRMAA)

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Income-related monthly adjustment amount (IRMAA)	Total monthly Part B 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

Individuals enrolled in Part B prior to 2016 may pay a different amount.



When do I enroll in Original Medicare?

If you are receiving Social Security benefits, enrollment at age 65 is automatic.

Individuals not receiving Social Security benefits can apply for Medicare as early as three months prior to turning 65.

Part B is optional, but there is a penalty if you don't enroll when first eligible.

In most cases, you can delay enrollment in Part B without penalty while actively at work and enrolled in an employer group health plan.

Original Medicare



Original Medicare

**2019 Out-of-Pocket Costs –
the amount you pay for covered services**



\$1,364

deductible for an inpatient
hospital stay of 1-60 days
each benefit period

\$341

per day for days 61–90

\$682

per day for days 91–150



\$0

for the first 20 days
in skilled nursing facility
each benefit period

\$170.50

per day for days 21–100
in skilled nursing facility

Original Medicare

2019 Out-of-Pocket Costs



\$185

Medicare Part B
(**annual**) Deductible



20%

of the Medicare-approved
amount for most doctor or
other health care provider
services, outpatient therapy,
Medicare Part B drugs and
durable medical equipment



MEDIGAP



Medigap (Medicare Supplement) Plans

These plans "supplement" and help cover the "gaps" in Original Medicare

- + 10 standardized policies
- + Must follow Federal and State laws
- + Sold by private insurance companies



As of January 1, 2020, Medigap plans C and F can't be sold to those "newly eligible" for Medicare.

Those individuals who became eligible for Medicare prior to January 1, 2020 can keep or continue to purchase Plans C and F even after December 31, 2019.

Medigap Plan Chart

	A	B	C	D	F	G	K	L	M	N ¹
Part A Coinsurance plus coverage for 365 additional days	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Medicare Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Medicare Part B Deductible			✓		✓					
Medicare Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			80%	80%	80%	80%			80%	80%
Out-of-pocket limit in 2019	N/A	N/A	N/A	N/A	N/A	N/A	\$5,560	\$2,780	N/A	N/A

¹ Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

If I apply for a Medigap policy, can I be turned down?

You don't have to answer health questions if enrolling within the first six months of Medicare eligibility

- + Six months from the time you are age 65 or older **and** enrolled in Part B
- + Delaying enrollment in Part B allows a future guarantee into any Medicare Supplement plan

No health questions for certain plans in instances of guarantee issue

- + For example, within 63 days of loss of employer coverage

Some Other Medigap Facts

- + Some companies have a pre-existing clause which can be waived with creditable coverage.
- + Typically premiums are based on your age.
- + Medigap plans cannot be canceled due to illness or injury. They can be canceled if:
 - You stop paying your premium.
 - You weren't truthful on the Medigap policy application.
 - The insurance company goes bankrupt or insolvent.



Medicare Part D



How does Part D differ from Part B?



MEDICARE PART B

Includes a **limited number** of drugs, such as:

- + Injections you get in a doctor's office,
- + Certain oral anti-cancer drugs,
- + Drugs used with some durable medical equipment (like a nebulizer or external infusion pump),
- + Immunosuppressant drugs, and
- + Under limited circumstances, certain drugs you get as a hospital outpatient.

You pay 20% of the Medicare-approved amount for these covered drugs. And the Part B deductible applies.



MEDICARE PART D

Includes **drugs available only by prescription**, approved by the Food and Drug Administration (FDA), used and sold in the U.S., and used for medically accepted indication.

Part D drugs include:

- + Prescription drugs
- + Biological products
- + Insulin
- + Vaccines licensed under Public Health Service Act
- + Medical supplies associated with insulin injections, including syringes, needles, alcohol swabs and gauze

Medicare Part D

- + Voluntary prescription drug coverage
- + Administered by private insurance companies
- + Plans vary in cost and covered drugs
- + Available as a stand-alone prescription drug plan or as part of a Medicare Advantage plan



2019 Medicare Part D Standard Benefit Design



Ms. Smith joins the ABC Prescription Drug Plan. Her coverage begins on January 1, 2019. She doesn't get Extra Help and uses her Medicare drug plan membership card when she buys prescriptions.

Monthly Premium – Ms. Smith pays a monthly premium throughout the year.

Yearly Deductible

Ms. Smith pays the first **\$415** of her drug costs before her plan starts to pay its share.

Initial Coverage Limit

Ms. Smith pays a copayment, and her plan pays its share for each covered drug until their combined amount (plus deductible) reaches **\$3,820**.

Coverage Gap Informally known as the "Donut Hole"

Once Ms. Smith and her plan have spent **\$3,820** for covered drugs, she is in the coverage gap. In 2019, she pays **25%** of the plan's cost for her covered brand-name prescription drugs and **37%** of the plan's cost for covered generic drugs. What she pays (and the discount paid by the drug company) counts as out-of-pocket spending, and helps her get out of the coverage gap.

Catastrophic Coverage

Once Ms. Smith has spent **\$5,100** out-of-pocket for the year for covered drugs, her coverage gap ends. In this coverage level, she will pay **\$3.40** for generic drugs, **\$8.50** for all other drugs or **5%**, whichever is greater.

When can I enroll in Medicare Part D?

There are limited times when you can enroll in Medicare Part D

- + When you first become eligible for Medicare
- + Within 63 days of losing creditable coverage
 - Such as loss of employer group coverage
- + Annual Election Period
 - October 15 through December 7 each year



Medicare Part D Late Enrollment Penalty

- + If you don't join a Medicare drug plan when you are first eligible for Medicare
- + And you go without creditable prescription drug coverage for 63 continuous days or more
- + You may have to pay a permanent late-enrollment penalty to join a plan later

There is no penalty to change your plan each year, as long as you signed up for Medicare Part D when you were first eligible and maintained continuous creditable coverage.

Creditable coverage is coverage that is at least as good as Medicare Part D prescription drug coverage.

How much is the Penalty?

- + 1% for each month without creditable coverage
- + Penalty is permanent
- + Based on national base beneficiary premium
- + In addition to the monthly Part D premium

For example, the 2019 national base premium is \$33.19.

So someone who went 12 months without Part D creditable coverage would pay an extra **\$4.00** in monthly premium in 2019.

This is **1%** of **\$33.19** multiplied by the 12 months the person went without creditable coverage, rounded to the nearest **\$.10**.

Every year the penalty amount can change since it's based on each year's national average Part D premium.

② 2019 Medicare Part D Premium and Income-Related Monthly Adjustment Amount (IRMAA)

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Income-related monthly adjustment amount (IRMAA)
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$12.40
Greater than \$107,000 and less than or equal to \$133,500	Greater than \$214,000 and less than or equal to \$267,000	\$31.90
Greater than \$133,500 and less than or equal to \$160,000	Greater than \$267,000 and less than or equal to \$320,000	\$51.40
Greater than \$160,000 and less than \$500,000	Greater than \$320,000 and less than \$750,000	\$70.90
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$77.40



Can I get help with prescription drug costs?

If you have limited income and resources, you may qualify to receive help with your Medicare Part D premium and copayments through the low-income subsidy (LIS), or “Extra Help.” Those who are eligible do not pay a late enrollment penalty.

Qualifications are based on your income and resources (such as savings and stocks).

For more information, contact:

Social Security Administration
[socialsecurity.gov/prescriptionhelp](https://www.socialsecurity.gov/prescriptionhelp)
1-800-772-1213 (TTY 1-800-325-0778)

State Health Insurance Assistance Program (SHIP)
1-877-801-0044

Two key ways to get your coverage

**ORIGINAL
MEDICARE**
(with additional
coverage)



- Hospital Insurance (Part A)
- Medical Insurance (Part B)
- Medicare Supplement Plan (Medigap)
- Prescription Drug Coverage (Part D)

**MEDICARE
ADVANTAGE
(PART C)**



Medicare Advantage
plans combine
Part A, Part B and
usually include Part D

Medicare Advantage



What are Medicare Advantage plans?

Medicare Advantage Plans are health plan options that are part of the Medicare Program.

If you join one of these plans, you get your Medicare covered health care through that plan.

You will still receive the same services covered under Part A and Part B, and in some cases may pay different amounts for those services.

You are still in Medicare with all the same rights and protections. You continue to pay your Part B premium and Medicare pays the health insurance plan to administer benefits.

MEDICARE ADVANTAGE

“All In One”



These plans combine Part A and Part B and usually include Part D.

Medicare Advantage plans?

Medicare Advantage plans are not supplements; they pay instead of Original Medicare. Medicare Advantage plans can include additional services such as routine vision, hearing, dental and eyewear. Unlike Original Medicare, under a Medicare Advantage plan some services require prior authorization.

Different types of Medicare Advantage plans include:

- + Health Maintenance Organization (HMO)
- + Preferred Provider Organization (PPO)

MEDICARE ADVANTAGE

“All In One”



These plans combine Part A and Part B and usually include Part D.

Who is eligible for a Medicare Advantage plan?

To be eligible for a Medicare Advantage plan, you must:

- + Live in the service area of the plan
- + Be entitled to Medicare Part A and enrolled in Part B
- + Enroll during a valid election period

Medicare Advantage plans are available to all Medicare beneficiaries regardless of their health status

- + Except for those with End-Stage Renal Disease (ESRD)

*some exceptions apply

MEDICARE ADVANTAGE

"All In One"



These plans combine Part A and Part B and usually include Part D.

Comparing Medigap and Medicare Advantage

Medigap

- + Age rated premiums
- + Deductibles, copayments and coinsurance
 - + No drug coverage
- + Benefits standardized
- + Any Medicare provider
- + Downgrade / Upgrade at any time during the year
 - + Health questions

Medicare Advantage

- + Flat premium (regardless of age)
- + Deductibles, copayments and coinsurance
 - + Drug coverage may be included
- + Benefits vary
- + Available as HMO or PPO
- + Limited enrollment periods
 - + Health questions limited to ESRD
- + May require additional prior authorizations for services
- + May include additional benefits such as routine vision, hearing, eyewear and dental
- + May offer additional services including case management
- + May offer reminders to keep you on track to complete preventive services

Things To Consider

If you are considering your Medicare health plan options, there are some questions you should ask before making your decision. To help you get ready, here are a few items to consider:

Coverage

- + Compare plans and how they meet your individual needs.
- + Review the plan's drug list (formulary) to see if your prescriptions are covered.
- + Consider the extra benefits and discount programs that may be offered.

Cost

Consider costs including premium, deductibles, copayments and coinsurance.

Convenience

- + Check to see if your doctor and hospital are in the network for the plan you are considering.
- + Check the pharmacies available.

Peace of Mind

Benefits provide protection against unexpected health care costs ... now and in the future.

How can I compare?

Look for information about plans in your area in the “**Medicare & You**” handbook.

To find out more about the plans you are interested in:

- + Contact the health plan directly or a local agent
- + Visit the health plans’ websites
- + Visit Medicare’s website at **www.medicare.gov**, or
- + Call Medicare at **1-800-MEDICARE (1-800-633-4227)** (TTY: **1-877-486-2048**)

Give us a call



1-800-292-5146, (TTY: 711). From Oct. 1 to March 31, you can call us 7 days a week from 8 a.m. to 9 p.m. ET. From April 1 to Sept. 30, you can call us Monday through Friday from 8 a.m. to 9 p.m. ET. If you call us outside these hours or on a holiday, our automated system will answer your call. You can leave a message for us, and we will call you back the next business day.



Or visit our website:
bcbstmedicare.com

Notes
