

Medicare 101---2018

What is Medicare?

Federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS) for those who are:

- 65 and older
- Any age & on Social Security Disability payments for 24 months
- Diagnosed with End Stage Renal Disease(ESRD) or ALS(Lou Gehrig's Disease)

Medicare

- Insurance Program
- Serves mostly people over 65 regardless of Income
- Participants pay part of Costs
- Federal Program-same across the US
- Enrollment through the Social Security Office and Specific information on www.socialsecurity.gov

Versus

Medicaid

- Assistance Program
- Serves low-income people of any age
- Participants in the past have paid no part of costs in Ohio
- Federal/State Program-services vary from state to state
- Information through the Ohio Dept. of Medicaid www.medicaid.ohio.gov

Applying for Medicare

- **Apply** with Social Security during a 7 month Initial Enrollment Period (IEP): which is the 3 months before you turn age 65, the month you are 65, and the 3 months after you turn 65
- **Medicare Will Enroll You Automatically If:**
 - You have been receiving Social Security Disability Benefits for 24 consecutive months before reaching age 65
 - You have been collecting early Social Security retirement payments (Medicare is not available for early retirees until they reach age 65).
- **If you do not sign up for Medicare (either Parts A or B)** because you are covered under a group health plan based on your or your spouse's current employment: You have an 8-month period that begins the month after the employment ends or the group health plan coverage ends (whichever happens first) to sign up without having to pay a penalty. Check with your current health plan to determine your options.

Medicare Part A Covers:

- Hospital Care
 - After Initial Deductible of \$1340, pays 100% for next 60 days of care
 - After 60 days out of the hospital, deductible is due again if admitted to the hospital
 - Pays the hospital a set amount for a diagnosis regardless of the time there
- Limited number of days in Post Hospital Skilled Nursing Home Care (also called sub-acute or rehab care)
- Skilled Home Health Care Services
- Hospice Care (terminal diagnosis of 6 months or less)

No monthly premium—coverage is automatic for most if eligible for and enrolled in Medicare

Medicare Part B Covers:

- Doctor's Bills
- Some Outpatient Treatments
- Some Skilled Home Health Care (100% instead of 80%)
- Durable Medicare Equipment
- Some Rehabilitative Therapies
- Some Laboratory Procedures (100% instead of 80%)
- Some Mental Health Services (80%)
- Some Preventative Care
- Voluntary to join, monthly premium is taken from Social Security check
- If choose not to join, pay a penalty if choose to join later unless have existing "creditable" coverage (penalty is 10% for every 12 month period of delay)
- If choose not to join, must wait until an open enrollment period to join (January 1-March 31st with coverage beginning July 1).
- Premium is \$134.00 a month for new enrollees (may be higher if income is greater than \$85,000). Most of those with existing Medicare & Social Security will pay \$130.00. Deductible per year is \$183.00.

What Medicare Does Not Cover:

- Most dental care, eye care, and hearing aids
- Intermediate and protective level of care in nursing homes and home care
- Care in "Assisted Living" Facilities & Adult Day Health Services
- Homemaker, chore and meal services in the home
- Non-traditional therapies (except some Chiropractic)
- Transportation Services outside emergencies

Preventive Services & Screenings Under Medicare

- ❖ One time Welcome to Medicare Exam
- ❖ Yearly Physical
- ❖ Abdominal aortic aneurysm screening
- ❖ Bone mass screening
- ❖ Cardiovascular disease Screening & Counseling
- ❖ Colorectal Cancer Screening
- ❖ Diabetes screening & Supplies
- ❖ Pneumonia vaccines
- ❖ EKG Tests
- ❖ Flu Shots
- ❖ Glaucoma tests
- ❖ Hepatitis B shots
- ❖ Mammograms
- ❖ Pap test
- ❖ Prostate Screenings
- ❖ Smoking Cessation & Counseling
- ❖ Depression Screening
- ❖ Obesity Screening & Counseling
- ❖ Alcohol Misuse Screening & Counseling
- ❖ HIV & Sexually Transmitted Diseases Screening Counseling
- ❖ Shingles Vaccine-under Part D

Supplemental Medicare Insurance

- ❖ Sometimes called Medigap or Medsup
- ❖ Regulated and Standardized
- ❖ Choice of ten Policy Types: A,B,C,D,F,G,K,L,M,N
- ❖ Coverage is the same in each type
- ❖ Medicare Beneficiary should only have one.
- ❖ Initial 6 month open enrollment after age 65 and enrolled in Part B—after that period, the plans can turn down people for any reason or choose not to cover pre-existing health conditions.
- ❖ Once a person is enrolled, cannot be canceled involuntarily no matter how sick or expensive they are to the plan.
- ❖ Very Different from Long-Term Care Insurance
- ❖ See “Buyers Guides” published for free by the Ohio Dept. of Insurance for more information.

Medicare Advantage Plans(Part C)

- ❖ Expanded and better benefits than in the past.
- ❖ Many offer set co-pays and deductibles as well as some expanded coverage(eyes, wellness exams)
- ❖ Usually includes prescription coverage. No need for an extra Part D Plan.
- ❖ Most cover a specific geographic area-i.e. county.
- ❖ Must go to plans’ providers to receive coverage outside of emergency care.
- ❖ No need for Medsup policy-however if a person drops their policy to enroll in a Medicare Advantage Plan, he/she may pick it back up—ONCE—if they later drop the Medicare Advantage Plan.
- ❖ Must keep a plan for a year until the next open enrollment period(Oct. 15-Dec. 7) unless a person moves or is involuntarily dropped.
- ❖ Person receives a notice from any current provider in the fall with specific information about present coverage and available choices for the following year. Can continue current coverage or select another program.

Medicare Prescription Drug Coverage (Part D)

- ❖ Available for all people with Medicare
- ❖ Covers outpatient medication both name brand and generic.
- ❖ Have both statewide or national plans
- ❖ Every Medicare Beneficiary should enroll in one unless he/she already has coverage through an employer or retiree plan.
- ❖ There is a penalty for not enrolling which is 1% of the premium for each month you delay.
- ❖ Need to check your plan each fall in the open Enrollment Period (October 15-Dec.7) and decide to stay in your plan or change plans.

Medicare's Standard Drug Plan—2018 Components

- ❖ All Plans have a different cost structure including premiums
- ❖ Monthly Premium(average of about \$34.00 per month-can vary by plan)
- ❖ A Deductible from \$0-400.00
- ❖ From about \$400-\$3700—Plan pays about 75%. You pay \$25%.
- ❖ After \$3700 of Total Drug Costs--You now fall into THE DOUGHNUT HOLE OR GAP and your coverage is considerably less
 - You pay 36% for brand-name drugs
 - You pay 46% on generic drugs
 - Each year there will be additional savings until the doughnut hole is closed in 2020
- ❖ Catastrophic Coverage-pays 95% when your total drug costs reach \$7425.00
- ❖ **Note:** Out of pocket expenses do not include monthly premium or other coverage you may have.

What Drugs does a Part D Plan Help To Cover?

- ❖ A Plan's list of covered drugs(called a formulary) is different for each plan
- ❖ Plans place their drugs into different "tiers" on their formularies
- ❖ Drugs in each tier have a different cost
- ❖ Plans may require: prior authorization, quantity limits or step therapy
- ❖ If you or your Doctor believe that one of these coverage rules should be waived, you can ask for an exception

Medicare Part D---Extra Help for People with Limited Income & Resources

- ❖ You may qualify for a Limited Income Subsidy(LIS) from Medicare which gives you extra help to pay prescription drug costs if your yearly income & resources are below the following limits for 2018:
- ❖ Income:
 - Below 150% of Federal poverty level:
 - \$1528.00 a month for an individual
 - \$2050.00 a month for a married couple
 - It varies based on family size
- ❖ Resources
- ❖ Up to \$13,820 for an individual
- ❖ Up to \$27,600 for a married couple
- ❖ Includes \$1500 a person funeral or burial costs
- ❖ Counts savings and stocks but does not count cash value of life insurance
- ❖ Does not count home you live in
- ❖ To apply—call or go online to the agencies listed on p. 6 of this handout

Medicare Savings Programs- What Are They?

- ❖ Qualified Medicare Beneficiary(QMB)-
-Pays Part B premiums, deductibles and any co-insurance
- ❖ Specified Low Income Medicare Beneficiary(SLMB)--Pays Part B premiums
- ❖ Qualified Individual(QI)- Pays Part B premiums
- ❖ All of these qualify a person for extra help with prescription drug coverage (Part D)
- ❖ Apply for these with Ohio Department of Job and Family Service, or the Ohio Benefit Bank

PROTECT Yourself From Unscrupulous Sales Practices

- ❖ The following sales tactics are prohibited:
- ❖ Door to door sales
- ❖ Giving out cash or gifts exceeding \$15.00
- ❖ Misrepresenting a plan or giving incomplete information
- ❖ A company representing themselves as Medicare
- ❖ Report to Ohio Department of Insurance at 1-800-686-1527

Important Mailings in 2018 **Consumers Need to Pay Attention**

August-December 2018

- Re-determination by Social Security for extra help
- Auto Plan assignment by Centers for Medicare & Medicaid
- Plan drops out-Notice Sent
- Plan Premium goes above benchmark(about \$34.00 a month in 2018)
- State records no longer show deemed eligible—CMS will notify
- ANOC—Annual Notice Of Change from your current plan
- Letter from Existing Health Plan about future coverage

Medicare: Where to Find Information or Get Assistance

- ❖ Central Ohio Area Agency on Aging 800-589-7277,
www.coaaa.org
- ❖ OSHIIP 1-800-686-1578, www.ohioinsurance.gov,
www.oshiip.org
- ❖ Medicare 1-800-Medicare, www.medicare.gov
- ❖ Social Security Administration, 1-800-772-1213,
www.ssa.gov

About the Sponsor-



The Central Ohio Area Agency on Aging is an advocacy, service and development agency, serving the interests of older adults in 8 counties (Delaware, Fairfield, Fayette, Franklin, Licking, Madison, Pickaway and Union). Programs include the Older Americans Act, PASSPORT, Franklin County Senior Options, Volunteer Guardian, Speakers Bureau, Caregiver Support, Training & Education. Operated by Columbus Recreation & Parks Dept., Cindy Farson, COAAA Director. Call 614-645-7250 or 1-800-589-7277 for general information. www.coaaa.org