MEDICARE Basics for % R R P H U V D Q G % H \

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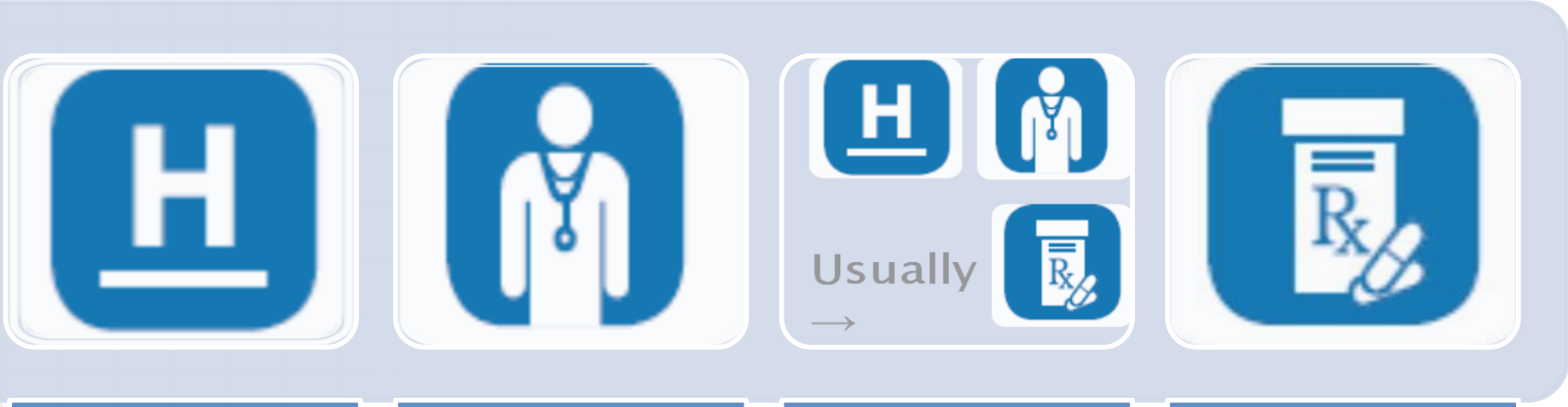
What is Medicare?

‡ Health insurance for three groups of people
- ±65 and older
- ±Under 65 with certain disabilities
- ±Any age with End-Stage Renal Disease (ESRD)

‡ Administration
- ± Centers for Medicare & Medicaid Services (CMS)

‡ Enrollment
- ± 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 (like HMOs and PPOs. (or Medicare Supplement)

Part D
Medicare Prescription Drug Coverage

OVERVIEW OF MEDICARE A & B

A

Key:
Shaded areas - Medicare pays
White areas - you pay

In-patient hospital

First 60 days	$1,260 deductible
Days 61-90	$315 per day coinsurance
Lifetime Reserve Days 91-150	$630 per day coinsurance

Skilled Nursing Facility

First 20 days	100% (no co-pay)
Days 21-100	$157.50 per day coinsurance

100% Services
Home health
Hospice

*Benefit period ends when patient is out of the hospital or skilled nursing facility for 60 consecutive days.

B

$147 Deductible
(per calendar year applies first)

20%
Coinsurance

80%

Physician's charges
(in or out of hospital)

Durable medical equipment

Ambulance

Outpatient hospital charges

Blood - the first 3 pints

Lab services

Free Preventive services
flu shots
mammogram
pap test and pelvic exam
prostate exam

Excess Charges
15% over
Medicare charges

What does Medicare Part A & B cover?

Part A Coverage

- Inpatient hospital stays
- Skilled nursing facility (SNF) care
- Home health care
- Hospice care
- Deductible = $1,260
  - First 60 days in hospital

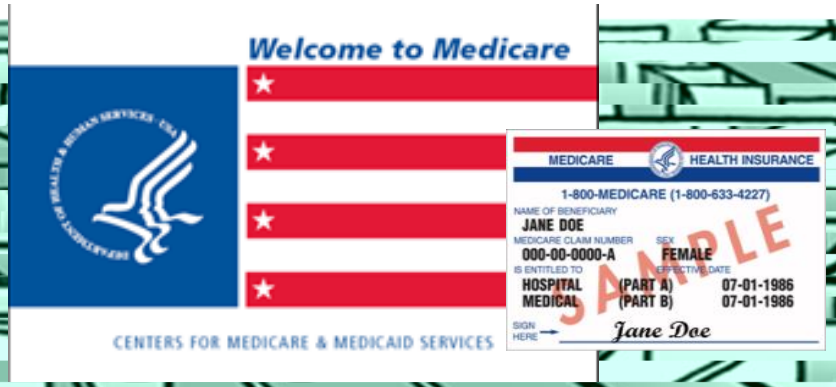
- If you worked 10 years or more, no premiums
- 2015 Premiums per month:
  - Less that 30 quarters - $407
  - 30-39 quarters - $224

Part B Coverage

‡ ' R F W R U ¶ V V H U Y L F H V
‡ Outpatient hospital care
‡ Physical, occupational & speech therapists
‡ Durable medical equipment
‡ Cost - $104.90 for most incomes (2015)
  ± Individual annual incomes over $85,000 = higher premiums
  ± Married annual incomes over $170,000 = higher premiums
‡ Deductible - $147 in 2015

Enrolling in Medicare

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

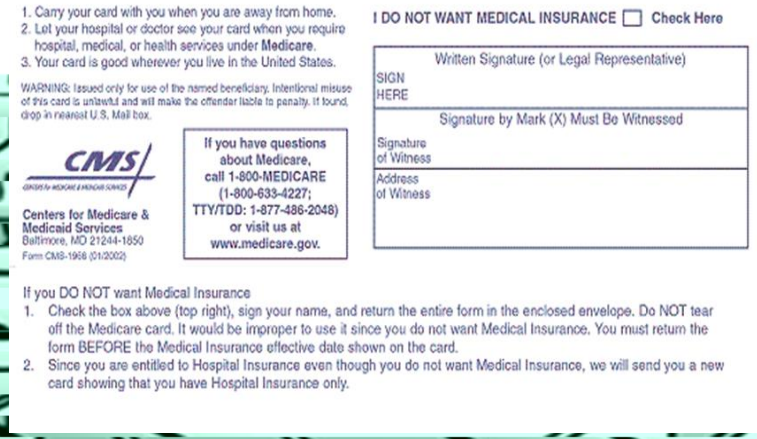


Your Medicare Card

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

Front

Back



How to Enroll in Medicare

- Enrollment is not automatic
  - , I \ R X G R Q ¶ W J H W 6 R F L D O 6 H F X
  - For instance, you are still actively working
- **Enroll with Social Security**
  - Visit local office at 1440 Wakarusa Dr., Ste 200, Lawrence, KS 66049 ±Call 1-866-698-2561 or Lenexa, KS ±1-800-772-1213 for appointment
  - **Online at socialsecurity.gov**
- If retired from Railroad enroll with RRB
  - Call your local RRB office or 1-877-772-5772

When to Enroll

‡ < R X G R Q ¶ W K D Y H W R E H U

‡Your initial enrollment period lasts 7 months

±Begins three months before your 65th birthday

±Includes the month you turn 65

±Ends three months after you turn 65

‡There are other times you may enroll

±You may pay a penalty if you delay enrolling

Initial Enrollment ±7 Months

Part A	Part B	Part D	65th Birthday/ 25th Month of Disability	Part A	Part B	Part D
3 months before birthday/ 25th Month of Disability				3 months after birthday/ Disability		
Enroll here & Effective date is 1st day of birthday month			Enroll here- coverage next month	Enroll here and coverage will begin 3 months after enrollment		

Decision

Should I keep/sign up for Part B?

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

Considerations

- 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 are eligible for TRICARE
  - If your employer coverage requires you have it
- ‡7DON WR \RXU HPSOR\HU¶V EHQH
- ‡:LWK 9HWHUDQV EHQHILWV
  - But you pay a penalty if you sign up late or if \RX GRQ¶W VLJQ X S GXULQJ \ period

Considerations

- ‡If you G R Q¶W have coverage from *active* employment
  - ±Yours or your spouses
  - ±Delaying Part B may mean
    - ‡Higher premiums
    - ‡Paying for your health care out-of-pocket

Probably

- ‡If you do have coverage through *active* employment
  - ±You may want to delay Part B
  - ±No penalty if you enroll while you have coverage or within 8 months of losing coverage

Maybe Not

Medicare & COBRA

(Consolidated Omnibus Budget Reconciliation Act)

- Continuation of group insurance
  - You buy at full price plus 2% admin fee
- Timing
  - Must switch to Medicare when you turn 65
  - Still eligible to keep COBRA for things Medicare does not cover
  - Family members may continue coverage under COBRA
- Talk to benefits administrator for more info

Special Enrollment Period

- Must be an active employee & have employer group health coverage

OR

- & R Y H U H G X Q G H U V S R X V H ¶ V F X group health plan to be eligible
- **Enroll during the 8 consecutive months following** the last month you had coverage while still employed
- No premium penalties will apply

General Enrollment Period

General Enrollment Period (3 months)		(10% Penalty for each 12 months not enrolled)
January 1 ±March 31	April 1 ±June 30	July 1
Enroll here & Medicare effective date July 1 of same year No Medicare coverage	No Medicare coverage	Medicare starts with premium penalty

Original Medicare

- Any hospital, doctor or specialist who *accepts Medicare assignment* of payment
  - Agrees to receive only the amount Medicare approves for their services
  - Can charge you, or other insurance you have, the Medicare deductible or coinsurance amount

Prescription Drug Coverage Part D

- You must have Medicare Part A and/or Part B
- <RX PXVW OLYH LQ WKH SO
- <RX FDQ¶W OLYH RXWVLGH
- <RX FDQ¶W EH LQFDUFHUD
- You must enroll in a Medicare Part D plan to avoid the penalty (1%/month not in plan)
  - In most cases no automatic enrollment
  - Unless you have creditable coverage

Enrolling in a Part D Plan

- Can join during 7 month initial enrollment period
- Can join or change plans during annual fall open enrollment
  - **October 15 – December 7**
  - Coverage starts January 1
- Can join during other special times

Should I enroll in a Part D plan?

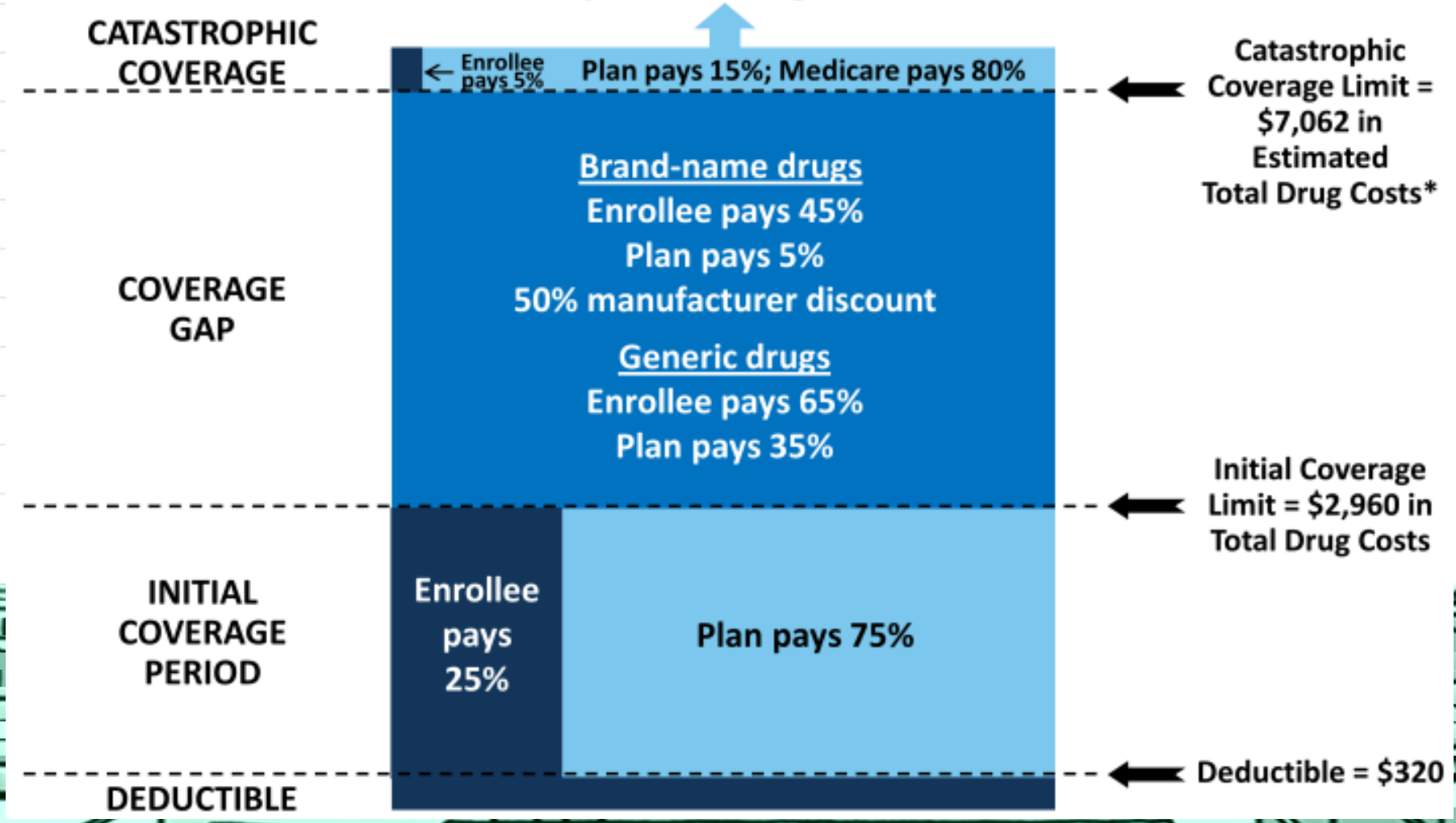
- Do you have *creditable drug coverage*?
  - &RYHUDJH DV JRRG DV 0HGLFDUH
  - For example through an employer plan
- Will that coverage end when you retire?
- Not needed if you have prescription drug coverage as a retirement benefit from your employer, that is as *good or better than what Part D provides.*
- Enroll in cheapest plan, if no medications
- Can be different insurance from Medigap policy

How do I choose a Part D plan?

- Things to compare
  - Premiums
  - Drug coverage
  - Deductible
  - Co-insurance
  - ³*DS´ FRYHUDJH
  - Step therapy, prior authorization, quantity limits
- Check October 15 - ‘HFHPEHU RQ SOD coverage of your medications for the upcoming year (2015)

- Call or by computer
  - **Plan Finder tool at www.medicare.gov**
  - Call SHICK for help comparing plans
  - 1-800-MEDICARE
- To join a Part D Plan
  - Call a SHICK counselor
  - Call the plan
  - (QUROO RQ WKH SODQ¶V :HE
  - Enroll on www.medicare.gov
  - Call 1-800-MEDICARE (1-800-633-4227)

Standard Medicare Prescription Drug Benefit, 2015



Need Help Paying for Prescription Drugs & Premiums?

- Low Income Subsidy (LIS)
- Apply to Social Security any time
  - On-line or pen & paper
- 2015 Income guidelines
  - $17,655 annual income or $1,471 per month (single)
  - $23,895 annual income or $1,991 per month (couple)
- Assets/resources guidelines
  - $13,640 (single)
  - $27,250 (couple)
  - Includes savings, CD, real estate, stocks/bonds, value of insurance policies, etc.
- Receive letter of acceptance or denial
- Reduced cost for premium & drugs

Medigap
(Medicare Supplement Insurance)

- Sold by private insurance companies, governed by state and federal law
-) L O O V ³ J D S ´ L Q 2 U L J L Q D O 0 H G
- Policies must follow federal & state laws
- 10 standardized policies
- No family policies, only individual
- ' R H V Q ¶ W F R Y H U O R Q J Term care, hearing aids, vision or dental care, eyeglasses, or private nursing

Medigap Cont.

- Must have Parts A & B to buy
- Must still pay monthly premium for Part B, & possibly Part A
- Best time to buy - the month you turn 65 and the five months following because insurance F R P S D Q \ F D Q ¶ W
  - Refuse you any policy it sells
  - Make you wait for coverage to start
  - Charge more for health problems
- May have a waiting period for a pre-existing condition

STANDARDIZED MEDICARE SUPPLEMENT OPTIONS*

BASIC BENEFITS	PLAN A	PLAN B	PLAN C	PLAN D	PLAN F**	PLAN G	PLAN K	PLAN L	PLAN M	PLAN N
Part A Hospital Coinsurance, days 61-90 ($315 in 2015)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lifetime Reserve Days, days 91-150 ($630 in 2015)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
365 More Hospital Days - 100%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Parts A and B Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓[1]
Part A Hospice Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
ADDITIONAL BENEFITS										
Skilled Nursing Facility Coinsurance, days 21 - 100 ($157.50 in 2015)			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible ($1,260 in 2015)		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible ($147 in 2015)			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency			✓	✓	✓	✓			✓	✓
Preventive Care Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2015 Out-of-Pocket Limit							$4,940	$2,470		

* Plans E, H, I, and J will no longer be sold beginning 6/1/10. Consumers who have purchased those plans will not lose their current policies, but no new policies can be sold.

** Plan F also offers a high-deductible plan. With this option, you must pay for Medicare-covered costs up to the deductible amount of $2,180 for 2015 before your Medigap plan pays anything.

[1] Plan N pays 100% Part B coinsurance except up to $20 copayment for office visits and up to $50 copayment for ER visits.

Do I need a Medigap policy?

- Do you have Original Medicare?
  - Medigap G R H V Q ¶ W Z R U N Z L W K 0 H G L F
- Do you have other coverage that supplements Medicare?
  - You might not need Medigap
- Can you afford Medicare deductibles and co-payments?
- How much will the monthly Medigap premium cost?

How do I price compare?

- Ksinsurance.org
- 2 Q O L Q H 6 X S S O H P H Q W D O 6
- Kansas Supplemental Insurance
  6 K R S S H U ¶ V * X L G H S U L Q W
- http://www.ksinsurance.org/consumers/comparerates/medsupp.php

Disabled & Medicare

- Auto enrolled in Parts A & B beginning 25th month of entitlement to Social Security benefits
- Can decline Part B or Part D if has group health F R Y H U D J H I U R P H P S O R \ H U R U more than 100 employees
- Must have both Parts A & B in order to get a Medicare Supplemental Policy (Medigap)
- Available at age 65 initial open enrollment
  - ± , Q V X U D Q F H F R P S D Q L H V F D Q ¶ to disability or other health problems or charge higher premium than others at 65

What is Part C - Medicare Advantage?

- Another way to get Medicare coverage
- NOT Original Medicare
- Could be HMO, PPO, or other type
  - Not available in all areas
- Get all benefits of Original Medicare
- May get extra benefits, like vision care
- Pay a monthly premium to plan
  - Continue to pay Part B premium
- You pay deductible, copayments, coinsurance

Do I want to join a Medicare Advantage Plan?

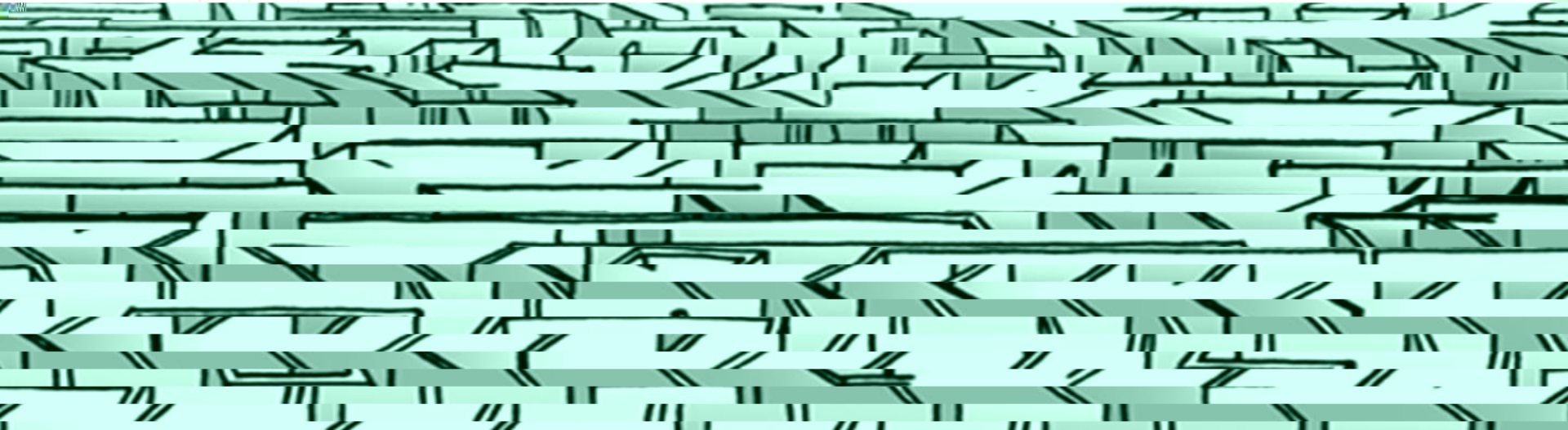
- Most offer comprehensive coverage
  - Some including Part D drug coverage
- Plans available locally, **but** may not be accepted by doctors, specialists and hospitals! You need to check with each one!
- May require you to use a network
- You must pay monthly premium to plan
  - Still must pay Part B premium
- May need a referral to see a specialist
- Can only join/leave plan during certain periods
- [illegible]
- Must have Part A and Part B to join

When can I enroll in a MA plan?

- During 7 month initial enrollment period
- Can join during annual fall open enrollment
  - October 15 December 7 each year
  - Coverage begins January 1
- May be able to join during other special times
- Contact the plan to join
  - Call their number
  - Visit their website
  - Plan information is available on www.medicare.gov

MyMedicare.gov

- Online information with all your claims and benefits.
- Eliminating monthly statement of claim information



Beware of Scams & Fraud!

- Scams and fraud cost US taxpayers billions of dollars each year
- Scammers can steal your identity, trick you into enrolling a bogus program, and file false claims on your behalf.

Protect Yourself

- Treat Medicare & Social Security # with care
- 5 H P H P E H U 0 H G L F D U H G R H
- Record doctor visits, tests & procedures in personal health care journal or calendar
- Compare health care journal to benefits statements (Medicare Summary Notice)

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
- Important
  - Make the right decisions
  - Make them at the right times
  - Get help if you need it

Resources

- www.medicare.gov
  - 1-800-MEDICARE or 1-800-633-4227
- www.socialsecurity.gov
  - Social Security 1-800-772-1213
  - Lawrence Social Security Office 1-866-698-2561 or Lenexa SS office: 1-800-772-1213
- www.mymedicare.gov
- www.ksinsurance.org 1-800-432-2484

"Knowledge for Life"

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