

Medicare for Beginners

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Session Goals

Keeping in mind that there are more choices with Medicare coverage today, the goals of this session are that by the end of the program you will

- 1. Have an increased knowledge of Medicare.**
- 2. Understand the options of coverage available.**
- 3. Be able to make an informed decision regarding your health insurance coverage.**

Most Importantly . . .

Know what your next steps are . . .



What is Medicare?

Medicare is a federal health insurance program signed into law in 1965 created for people age 65+

In addition to those age 65+ Medicare is also available for those who are:

- * Any age and disabled for two years – dated back to the date application was submitted for disability.
- * Diagnosed with End Stage Renal Disease (ESRD)

The program is administered by the Centers for Medicare and Medicaid Services (CMS)





Part A- Hospital

- Inpatient Hospitalization
- Skilled Nursing Facilities
- Home Health Care
- Hospice

Part C – Advantage Plans

Combination of Part A,
Part B & Part D

Part B- Medical

- Outpatient services
- Doctors/Providers
- Preventive Benefits
- Durable Medical Equipment

Part D – Prescription

Prescription Drug
Coverage



Applying for Medicare

- Automatic enrollment if you already receive Social Security or Railroad Retirement benefits. If you are employed or have credible coverage you may delay enrollment.

Free-form Snip



Initial Enrollment Period

is the first time you can sign up for Medicare

The 7-month period surrounding the month of your 65th birthday



You can sign up for:

 PART A	 PART B
 PART C	 PART D



If you miss your Initial Enrollment Period or your Special Enrollment Period, you have two additional periods to enroll:



General Enrollment Period

January 1 through March 31



Coverage
begins
July 1st

You can sign up for:



PART A



PART B

Note: If you need to enroll in Part A, you must also enroll in Part B at this time.



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If you have credible coverage under your (or your spouse's) current employer group health insurance you may delay signing up for Medicare Part A, Part B and Part D.



Special Enrollment Period

applies to people who choose to keep current coverage past their 65th birthday

While you have coverage from an employer



OR

8 months after coverage ends for Parts A and B



63 days after coverage ends for Parts C and D



You can sign up for:



PART A



PART B



PART C



PART D



2020 Medicare Deductibles

Part A

- **Monthly Premium:** \$0
- **Hospital Deductible:** \$1,408
for each benefit period
- **Hospital Inpatient Copays:**
Days 1-60: \$0
Days 61-90: \$352 per day
Days 91 +: \$704 per day
Lifetime Reserve Days
- **Skilled Nursing Copay:**
Days 1-20: \$0
for each benefit period.
Days 21-100: \$176 per day
Days 101 +: No coverage
There is a 3 day hospital stay requirement.

Part B

- **Monthly Premium:** \$144.60
Late enrollees may incur a 10% penalty for each year of delay.
- **Annual Deductible:** \$198.00

Medicare was never intended to pay 100% of health care costs and does not cover non-medically necessary services.

Medicare only pays 80% of the approved amount, leaving a 20% co-payment.



Medicare Options

OPTION 1

Original Medicare

Part A and Part B

+

Supplement Insurance

Group Health Insurance,
MedSup, or Medicaid

+

RX Coverage

Group Health
Insurance or Part D
Insurance Plan

OR

OPTION 2

Medicare Advantage

(Part C)

Part A - Hospitalization

Part B - Medical

Part D - Prescription

For individuals under the age of 65 and on disability, new to Medicare can only sign up for Medicare Advantage plans. On your 65th birthday the enrollment process reverses to the initial enrollment period rules and decisions.



Option 1 - Supplement Insurance

Original Medicare
Part A & Part B

+

Supplement Insurance
Group Health Insurance,
MedSup, or Medicaid

- **Group Health Insurance**
 - Insurance from a former employer or union that supplements Medicare
- **Medicaid (QMB)**
 - Assistance for those with limited income and resources – **can only enroll in dual HMO plans**
- **Medicare Supplement Insurance**
 - Private insurance that coordinates with Original Medicare
 - Also called Medigap or MedSup



Medicare Supplement Insurance

- Plans are standardized
 - A – B – D – E – G – H – I – J – K – L – M

Plans C & F are no longer available in 2020

Note: Supplement insurances are also offering high deductible plans with low premiums.
- **Accepted anywhere in the U.S. that Medicare is accepted.**
- **Little or no out-of-pocket costs other than your monthly premium cost.**
- **Guaranteed Issue – Initial Enrollment Period**
- **Premiums increase every five years and may increase if there is an “across the board” premium increase regardless of one’s age.**

New in 2020 – No Supplement Insurance plans will pay the Part B deductible of \$198



Medicare Part D

- **Medicare's Prescription Drug Coverage**
 - Offered by private companies that contract with Medicare
 - Available two ways
 - Stand Alone Prescription Drug Plans
 - Available through Medicare Advantage Plans (HMO – PPO plans)
 - Initial enrollment is the same as Part B

- **Medicare enrollees are required to have Part D coverage**
 - Unless you have creditable coverage through an employer/spouse's employer or the V.A.



2020 Part D Costs

- **Average Monthly Premium:** \$30
- **Average Annual Deductible:** \$435
- **Copays:** Copay amounts based on formulary
- **Coverage Gap** \$4,020 - \$6,350 in total drug costs
75% discount on all medications while in the coverage gap – you pay the remaining 25%
- **Catastrophic Coverage** – Begins after prescription spending of \$6,350
Generic medications - \$3.60 Brand Name medications - \$8.95

Things to Consider:

- All plans have a different cost structure and formulary i.e. tiers.
- Tiers can change annually – have a “Check Up” done in the Fall
- Late enrollees may incur a 1% penalty for each month of delaying to sign up for Part D coverage.



Medicare Advantage & Part D Annual Review



Open Enrollment Period

October 15 through December 7



Coverage
begins
January 1st

Open Enrollment allows you the opportunity to change your Part D prescription plan coverage and Medicare Advantage plan coverage (HMO/PPO). It is important that you **review your prescription Part D coverage annually**. The Aging Program does provide this service and/or you can review your plan on [Medicare.gov](https://www.Medicare.gov).



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Certain life events trigger other Special Enrollment Periods for coverage . . .

- You move out of the network area your current plan serves, **OR**
- You enter, leave or live in a nursing home, **OR**
- Your plan changes and no longer serves your area, **OR**
- You are approved or lose Extra Help program benefits, **AND/OR**
- You lose Medicaid coverage.



Option 2 - Medicare Advantage (HMO/PPO) Insurance

- **Available if you are . . .**
 - Enrolled in Medicare Part A & B
 - Live within the plan's network area
- **Alternative to Original Medicare**
 - Offered by private companies to **replace** Original Medicare
 - Plans types
 - HMO (Health Maintenance Organization)
 - PPO (Preferred Provider Organization)
 - Majority of plans include Part D prescription drug coverage
 - Includes limited vision, dental, hearing aid, over the counter monies, adult day care, transportation, fitness center memberships . . .
 - Enrollees responsible to pay Part B monthly premium
 - Many offer zero monthly premium plans



12-Month Trial Period

You may have a guaranteed right to buy a Medicare Supplemental policy in either circumstances show below:

- You enroll in a Medicare Advantage plan when you are first eligible for Medicare at age 65, but within the 12 months you decide to replace the Medicare Advantage plan with a Medicare Supplemental plan.
- You drop a Medicare Supplemental plan and join a Medicare Advantage plan for the first time, but within the first 12 months you decide to replace the Medicare Advantage plan with a Medicare Supplemental plan.

“Free Look” or “Trail Period”

By law, when you purchase a Medicare Supplemental plan you have a 30-day “free look” or “trail period.” If you change your mind, you can cancel the policy and get a refund. When you switch from one plan to another plan, be careful. Do not cancel your first policy until your “free look” period for the second policy is over.



Moving Between Options

- **Supplement to Medicare Advantage**
 - Guaranteed Issue anytime enrollment is open – October 15 to December 7 or January to March.
- **Supplement to Supplement**
 - **No Guaranteed Issue**
 - Can try anytime – No special enrollment period
- **Medicare Advantage to Medicare Advantage**
 - Guaranteed Issue anytime enrollment is open - October 15 to December 7 or January to March.
- **Medicare Advantage to Supplement**
 - **No Guaranteed Issue**
 - Apply during General Enrollment - January to March or call 1.800.Medicare



**Programs are available
for Medicare recipients that have
low incomes . . .**

SOCIAL SECURITY'S **EXTRA HELP PROGRAM**

**DEPARTMENT OF JOB & FAMILY SERVICES –
MEDICARE SAVINGS PROGRAMS**

Qualified Medicare Beneficiary (QMB)

- Medicaid for those on Medicare -

Specified Low Income Medicare Beneficiary (SLMB)

Qualified Individual (QI)



2020 Extra Help with Prescription Drug Costs

- Reduced or NO **Premium**
- Reduced or NO **Deductible**
- Pay no more than \$3.60 for generic medications, and no more than \$8.95 for brand name medications.

Coverage Gap has replaced the Donut Hole

To apply schedule an appointment with a Licking County Aging Program Social Worker or go on-line at www.ssa.gov/benefits/medicare/prescriptionhelp to complete an application.



2020 Medicare Savings Programs

For those that are financially eligible,
Medicare Savings Programs can assist with:

- Paying the Part B monthly premium
- Paying all deductibles and coinsurance that Medicare does not pay
- Paying all or partial payment of the monthly premium for prescription coverage – Part D
- Helping to pay the Part A premium if you are under age 65, disabled or no longer entitled to free Part A solely because you return to work.

To apply for any of these programs schedule an appointment with a Licking County Aging Program Social Worker or visit your county Department of Job & Family Services.



Summary of Options

	Medicare Supplement	Medicare Advantage
Cost	<ul style="list-style-type: none"> • Part B Premium • Higher plan premium • Little or no out of pocket costs 	<ul style="list-style-type: none"> • Part B Premium • Lower or no plan premium • Out of pocket co-pays
Provider Choice	<ul style="list-style-type: none"> • No network restrictions on physicians, hospitals, etc. • May have foreign travel emergency coverage 	<ul style="list-style-type: none"> • Plan will have a provider network. Cost will be higher out of network • Your responsibility to make sure the provider is in network, including hospitals • Check with plan for travel restrictions
Considerations	<ul style="list-style-type: none"> • Accepted throughout the U.S., anywhere Medicare is accepted. • Can afford higher monthly premiums – premiums will increase every 5 years • No coverage for vision, dental or hearing. • Offer a discount for couples 	<ul style="list-style-type: none"> • Willing to use network of providers • May have added benefits (vision, dental, hearing, fitness, etc.) • Choice of a Medicare Advantage Plan is usually determined by medication coverage
Drug Coverage Included?	<ul style="list-style-type: none"> • No • Need to purchase separate Part D Plan 	<ul style="list-style-type: none"> • Yes • Some plans available without drug coverage

Protect Yourself From Unscrupulous Sales Practices

- The following sales tactics are prohibited:
 - Door to Door Sales
 - Giving out cash gifts or gifts exceeding \$15
 - High Pressure Sales Tactics
 - Misrepresenting a plan or giving incomplete information
 - Representing themselves as Medicare
- If you feel you have been victimized by an agent or a company
 - Get as much information as possible
 - Agents card, including name, address, phone
 - Company and plan information
 - Report the incident to the Ohio Dept. of Insurance
 - **1-877-727-6427** Healthcare Exchange Reports
 - **1-800-686-1527** All Other Reports



Additional Resources



1-800-686-1578

www.insurance.ohio.gov



1-800-MEDICARE

www.medicare.gov

www.mymedicare.gov



1-800-772-1213

www.socialsecurity.gov



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**If you have further questions or
would like to schedule
a phone appointment to
further discuss the options that
are best for you . . .**

**Call 740.345.0821, ext. 243
or e-mail Samantha, “Sam”
at sfitz@lcap.org**

