

# Medicare for Beginners

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**ODI**  
Ohio Department  
of Insurance

# 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?

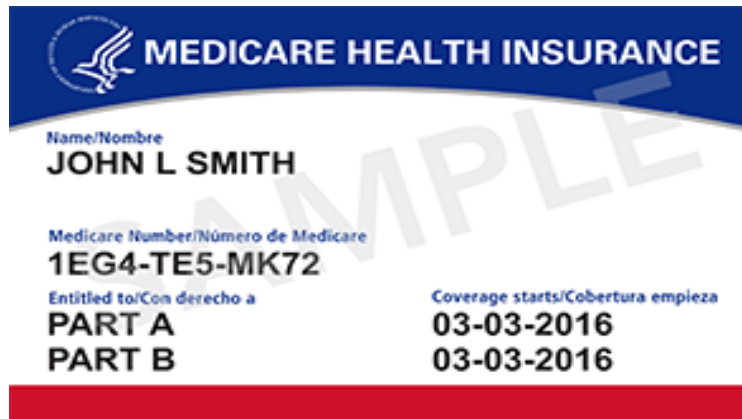
Medicare is a federal health insurance program signed into law in 1965 created for people age 65+

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 1<sup>st</sup>

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 65<sup>th</sup> 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 1<sup>st</sup>

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).



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

# 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](http://www.insurance.ohio.gov)



1-800-MEDICARE

[www.medicare.gov](http://www.medicare.gov)

[www.mymedicare.gov](http://www.mymedicare.gov)



1-800-772-1213

[www.socialsecurity.gov](http://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”  
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