

MEDICARE 2012

By
Howard Houghton
Fairfax County SHIP
Program

What Is Medicare?

- A health insurance program for people
 - 65 years of age and older
 - Under age 65 with certain disabilities
 - With End-Stage Renal Disease (ESRD)
- Administered by the Centers for Medicare & Medicaid Services (CMS)
- Enrollment
 - Social Security (SSA)
 - Railroad Retirement Board (RRB)

Applying for Medicare

- Apply 3 months before age 65
 - Don't have to be retired
 - Contact the Social Security Administration
- Enrollment automatic if receiving
 - Social Security
 - Railroad Retirement benefits



Medicare Coverage Basics

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part C (Medicare Advantage Plan)
- Part D (Medicare Prescription Drug Coverage)

Medicare Coverage Choices

Original Medicare:

Part A, Part B, Part D and a Supplement, such as a employee retiree plan, a military retiree plan or an individual Medigap plan.

OR

Medicare Advantage / Part C

Combines Part A, Part B and usually Part D...

No supplement plan needed!

Medicare Part A

- Most people receive Part A premium free
- People with less than 10 years of Medicare- covered employment
 - Can still get Part A
 - Will pay a premium
- For information about Part A entitlement
 - Call SSA
 - 1-800-772-1213
 - TTY users call 1-800-325-0778

Part A Helps Pay for

- Hospital inpatient care
- Skilled nursing facility (SNF) care
- Home health care
- Hospice care
- Blood
- Be Aware of Observation Care Issue!

Enrolling in Medicare Part B

- Automatic Enrollment
 - Must opt out if not wanted
- Initial Enrollment Period (IEP)
 - 7 months starting 3 months before month of eligibility
- General Enrollment Period (GEP)
 - January 1 through March 31 each year
 - Coverage effective July 1
 - Premium penalty
 - 10% for each 12-month period eligible but not enrolled
 - Paid for as long as the person has Part B
 - Limited exceptions to penalty.

Enrolling in Medicare Part B

- May delay enrolling in Part B with no penalty if
 - Covered under employer or union group health plan
 - Based on current employment
 - Person or spouse
 - Will get a Special Enrollment Period (SEP)
 - Sign up within 8 months after coverage ends

Part B Coverage

- Doctors' services
- Outpatient medical/surgical services
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- No cost sharing for most Medicare covered preventative health care services beginning in 2011.

Paying the Part B Premium

- Pay monthly Part B premium
 - Most pay \$99.90 in 2012
 - Higher income may pay more
- Taken out of monthly payments
 - Social Security
 - Railroad retirement
 - Federal government retirement
- For information about premiums
 - Call SSA, RRB, or Office of Personnel Management
- If no monthly payments
 - Billed every 3 months
 - Medicare Easy Pay

Preventive Benefits-2012

- The Affordable Care Act improves Medicare
- Can now obtain an annual Wellness Exam
- Can also get many preventive services free...see handout or review Medicare handbook.

What Can You Do to Help Prevent Illness?

- Exercise
- Eat Well
- Keep a Healthy Weight
- Don't Smoke
- Get Preventive Services

Original Medicare

- Go to any provider that accepts Medicare
- People are responsible for
 - Part A in 2012
 - \$1,156 deductible for hospital stays up to 60 days
 - Additional costs after 60 days
 - Different costs for other Part A services
 - Part B in 2012
 - \$140 annual deductible
 - 20% coinsurance for most Part B services
- Some programs may help with costs
- Works best with a Medicare supplement plan.

Medigap

- Health insurance policy
 - Sold by private insurance companies
 - Costs vary by plan, company and location
 - Must say “Medicare Supplement Insurance”
 - Covers “gaps” in Original Medicare
 - Deductibles, coinsurance, copayments
 - Does not work with Medicare Advantage Plans
 - Up to 10 standardized plans A – N
 - Except in Massachusetts, Minnesota, Wisconsin

Supplemental Insurance

- People can buy a Medigap policy
 - Within 6 months of enrolling in Part B
 - Must be age 65 or older
 - If they lose certain kinds of health coverage
 - Through no fault of their own
 - If they leave MA Plan under certain circumstances
 - Whenever the company will sell them one
 - Retiree Coverage
 - Military Coverage

Medicare Advantage (MA) Plans

- Health Maintenance Organization (HMO) Plans
 - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans
- Cost Plans (Kaiser Permanente)

Eligibility for MA Plans

- Live in plan's service area
- Enrolled in Medicare Parts A & B
 - Continue to pay Part B premium
 - May also pay monthly premium to plan
- Don't have ESRD at enrollment

How MA Plans Work

- Get all Part A and B services through plan
 - Use providers in plan's network
 - Benefits and cost sharing may differ from Original Medicare
 - Must still pay Part B premium
 - May get extra benefits
 - Vision, hearing, dental services
 - Prescription drug coverage
- Still in Medicare program
 - Get all Part A and Part B services
 - Have Medicare rights and protections

MA Disenrollment

- Beginning in 2011 there will be a new Medicare Advantage Disenrollment Period (MADP).
- This period of time, from January 1st to February 14th, allows a person who is unsatisfied with their Medicare Advantage plan to switch back to Original Medicare.
- They can also add a Medicare Part D plan at that time, even if their MA plan did not cover medications. The effective date is the 1st of the following month.

Medicare Prescription Drug Coverage

- Medicare Part D
- Available to all people with Medicare
- Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage and other Medicare plans
 - Some employers and unions

Enrollment Periods

- Initial Enrollment Period (IEP)
 - 7 months
 - Starts 3 months before month of eligibility
- Annual Coordinated Election Period (AEP)
 - October 15th through December 7th in 2011
 - Can join, drop, or switch coverage
 - Effective January 1 of following year
- Special Enrollment Period (SEP)

Prescription Drug Plan Costs

- Costs vary by plan
 - In 2012 members may pay
 - Monthly premiums averaging \$40
 - Annual deductible, no more than \$320
 - Copayments or coinsurance
 - Very little after \$4,700 out-of-pocket
- May offer supplemental benefits
- Plan information and costs available
 - www.medicare.gov
 - 1-800-MEDICARE (1-800-633-4227)

Medicare Part D

MEDICARE PART D - JANUARY 1, 2012

- You may pay the first **\$320** of coverage called a “deductible”.
- Medicare will pay 75% of costs between \$320 and \$2,930 in drug spending. Your co-pay will be 25% (**\$652.50**) of these costs.
- You will pay 100% of the drug costs above \$2,930 until you reach a total of \$6,657.50 in drug costs, but will receive a 50% discount on brand name drugs and 14% on generic drugs. (An additional **\$3727.50** out of your pocket)
- Your total out of pocket equals **\$4,700**. (\$320 deductible, \$652.50 co-pays plus \$3727.50 not covered during the “donut hole”)
- Medicare will then pay 95% of the costs of your drugs after you have reached the \$6,657.50 threshold which will increase yearly based on inflation.

Extra Help With Drug Costs: SSA Low Income Subsidy Program

- Available for many people with limited income and resources
 - Income limit in 2012
 - \$1,396.25/month (one person)
 - \$1,891.75/month (married couple)
 - Resource limit
 - \$13,070 (one person)
 - \$26,695 (married couple)

Apply at www.ssa.gov/prescriptionhelp

Extra Help With Drug Costs

- People with lowest income and resources
 - Pay no premiums or deductibles
 - Have small or no copayments
- Those with slightly higher income and resources
 - Pay no or a reduced premium
 - Have a reduced deductible
 - Pay a little more out of pocket

Eligibility for Extra Help

- Who may automatically qualify
 - People with Medicare who get
 - Full Medicaid benefits (Duals)
 - Supplemental Security Income (SSI)
 - Help from Medicaid paying Medicare premiums (Medicare Savings Program: QMB, SLMB & QI-1)
- Others must apply and qualify
- See www.dmas.virginia.gov web page.

Medicaid

- Joint Federal and state program
 - For some people with limited income and resources
- If eligible, most health care costs covered
- Eligibility determined by state
- Application processes vary
- Office names vary
 - Social Services
 - Family Services
 - Human Services

Other Savings Programs

- Medicare Savings Programs (MSP)
 - Help from Medicaid paying Medicare expenses
 - QMB, SLMB, and QI-1
 - For people with limited income and resources
 - May also pay deductibles and coinsurance
- State-specific programs
- PACE

MSP Programs

- Qualified Medicare Beneficiary (QMB):

Maximum monthly income maximum of \$951 or \$1,281, with assets of no more than \$6,940 or \$10,410. If eligible, Medicaid pays your secondary Medicare costs such as deductibles and coinsurance. QMB also pays Medicare A & B premiums.

MSP Programs

Special Low-Income Medicare Beneficiary (SLMB): Pays only Medicare Part B premium.
Maximum monthly income of \$1,137 or \$1,533.
Maximum assets of \$6,940 or \$10,410.

Qualified Individual 1 (QI-1):
Pays only Medicare Part B premium.
Maximum monthly income of \$1,277 or \$1,723.
Maximum assets of \$6,940 or \$10,410.

For More Information

- 1-800-MEDICARE (1-800-633-4227)
 - TTY users call 1-877-486-2048
- www.medicare.gov
- www.scc.virginia.gov/division/boi
- *Medicare & You Handbook*
- Social Security: 1-800-772-1213 or www.ssa.gov
- Fairfax County SHIP~VICAP: 703-324-5851
- www.highmarkmedicareservices.com/bene/medpar.html
- www.fairfaxcounty.gov/dfs/olderadultservices