



# Medicare 101





# What is Medicare?

- ▶ Medicare is a federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS).
- ▶ CMS is an agency within the Department of Health and Human Services (HHS).
- ▶ The Social Security Offices process applications for Medicare and can also provide general information on the program.

# Enrollment Periods

- ▶ **Initial Enrollment Period (IEP)** begins three (3) months prior to the month of turning age 65 and continues through the end of the third month after
- ▶ **General Enrollment Period (GEP)** allows individuals who did not enroll in Part B during the IEP to enroll between January 1 and March 31 of each year for a July 1 effective date
- ▶ **Special Enrollment Period (SEP)** allows enrollment for individuals who delayed enrolling in Part B because they were receiving benefits through an employer as an active employee (or dependent of someone who is); SEP runs eight months from the time of retirement or loss of coverage

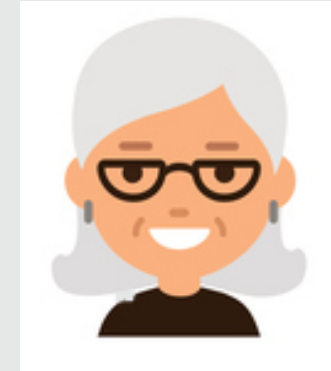




## Part B - Enrollment Periods:

### *Example:*

- ▶ Betty turns 65 on June 21, 2020. She will have group health coverage from her employer until she stops working on December 31, 2020.
- ▶ Betty's Part B enrollment opportunities:



Enrollment Period	Begins	Ends
Initial Enrollment Period (IEP)	3/1/20	9/30/20
Special Election Period (SEP)	1/1/21	8/31/21
General Election Period (GEP) (each year)	1/1	3/31



## Part B - Monthly Premium

If your yearly income in 2018 was			You pay (in 2020)
File individual tax return	File joint tax return	File married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	not applicable	\$202.40
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	not applicable	\$289.20
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	not applicable	\$376.20
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$462.70
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60



## Part D - Premium

If your yearly income in 2018 was			You pay (in 2020)
<b>File individual tax return</b>	<b>File joint tax return</b>	<b>File married &amp; separate tax return</b>	
\$87,000 or less	\$174,000 or less	\$87,000 or less	Your plan premium
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	not applicable	\$12.20 + your plan premium
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	not applicable	\$31.50 + your plan premium
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	not applicable	\$50.70 + your plan premium
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$76.40 + your plan premium



# Medicare Overview

**Medicare benefits are available under a number of different programs:**



**Part A**



**Part B**



**Part C**



**Part D**





**Medicare  
Eligibility  
Part A**





## Part A – Hospital Coverage

- ↪ No premiums are required for Part A coverage if the eligibility requirements below have been met:
  - ↪ An individual or his/her spouse has worked at least 10 years in Medicare-covered employment (paid Medicare taxes)
  - ↪ Aged 65 years or older
  - ↪ A U.S. citizen or permanent resident
- ↪ The federal government funds Part A costs through Social Security payroll tax deductions



*Note: In 2020, the Part A monthly premium is \$229 for a person who has worked 30-39 quarters or \$458 for a person who has worked less than 30 quarters of Medicare covered employment.*



## Part A - Benefits:

### Hospitalization; semi-private room and board; general nursing; miscellaneous services and supplies

Services	Medicare Pays
First 60 days	All but \$1,408 benefit period*
Days 61-90	All but \$352 per day
After 90 days, using 60 "lifetime reserve days"	All but \$704 per day
After lifetime reserve days are exhausted	\$0

*\*Benefit Period: Begins on the first day inpatient services are rendered and ends after no hospital or skilled care was received for 60 days after discharge from the hospital.*



## Part A - Benefits:

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### Skilled Nursing Facility Care; after hospitalization for at least three days, in a Medicare-approved facility

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Services	Begins
First 20 days	All approved amounts
Days 21-100	All but \$176 per day
After 100 days	\$0



**Medicare  
Eligibility  
Part B**



## Medicare Part B

## Medical Insurance

Outpatient physician services, lab, radiology (x-ray), durable medical equipment (DME), dialysis, some preventative care.

\$144.60 to \$491.60 monthly depending on income (enrollment is optional)

- Income Related Monthly Adjustment Amounts (IRMAA) – some individuals will pay a higher Part B premium based on their modified adjusted gross income filed in 2018.
- Premiums is usually deducted from a social security, railroad retirement or civil service retirement check.



## Part B - Benefits

**Physician services in or out of the hospital,  
supplies, physical/speech therapy, diagnostic tests,  
durable medical equipment.**

Services	Medicare Pays
First \$198 of Medicare – approved amounts (Part B Deductible)	\$0
Remainder of Medicare-approved amount	80%
Part B Excess Charges*	\$0

*\* Excess Charges: Original Medicare does not cover these excess charges. Physicians who do not accept Medicare assignment can charge an additional 15% of Medicare-approved amounts. Excess charges or physician limiting charges are the Medicare beneficiary's responsibility (in the states where these charges apply).*

# Medicare Assignment:

- ┆ Providers who accept “Medicare Assignment,” agree to:
  - ┆ Receive payment from Medicare for covered services; and
  - ┆ Accept Medicare rates for covered services
- ┆ Those providers that do NOT accept Medicare assignment but still accept Medicare can bill the beneficiary for “excess charges,” or up to 15% of the Medicare allowed amount
- ┆ Medicare requires that the “limiting charge” is 15% (may be lower in some states)





## Part B - Benefits

### Part B also covers preventive services:

One-time "Welcome to Medicare" physical exam	Glaucoma tests
Physical Exam - (Yearly "Wellness exam")	Hepatitis B shots
Abdominal aortic aneurysm screening*	HIV screening
Bone mass measurement	Mammograms (screening)
Cardiovascular disease screenings	Pap test / pelvic exam / clinical breast exam
Colorectal cancer screenings	Prostate cancer screening
Diabetes screenings	Pneumococcal Shots
EKG screening*	Smoking cessation
Flu shots	

*\* Excess Charges: Original Medicare does not cover these excess charges. Physicians who do not accept Medicare assignment can charge an additional 15% of Medicare-approved amounts. Excess charges or physician limiting charges are the Medicare beneficiary's responsibility (in the states where these charges apply).*





# Medicare Parts A and B: Covered Services



## Plan A

- ▾ Inpatient hospital care
- ▾ Care in critical access hospitals
- ▾ Skilled nursing care
- ▾ Hospice care
- ▾ Home health care



## Plan B

- ▾ Physician services
- ▾ Outpatient hospital care
- ▾ Physical therapy
- ▾ Ambulance
- ▾ Durable medical equipment
- ▾ Prosthetics
- ▾ Part B covered drugs

## Medicare Parts A and B do NOT cover:

- ↯ Part A & B coinsurance and deductibles
- ↯ Routine hearing exams, screenings and hearing aids
- ↯ Routine eye exams, eyewear and contacts not associated with cataract surgery
- ↯ Custodial care (unskilled) in a nursing home
- ↯ Cosmetic surgery
- ↯ Most outpatient prescription drugs
- ↯ Most dental care
- ↯ Most healthcare while traveling outside the United States



# Signing up for Medicare

## Collecting Social Security

Enrollment is automatic. Beneficiaries will receive an initial Enrollment Package during their IEP

The Initial Enrollment Period (IEP) is 3 months before their 65th birthday, continues through your birth month and lasts for 3 months after, or the 25th month of disability benefits.

## Not Collecting Social Security

Apply 3 months before you turn 65 (don't have to be retired)

Call Social Security 1-800-772-1213

Visit local Social Security office <https://secure.ssa.gov/ICON/main.jsp>

Enroll online [www.ssa.gov/forms/apply-for-benefits.html](http://www.ssa.gov/forms/apply-for-benefits.html)





**Medicare  
Eligibility  
Part C**

# Medicare Advantage Eligibility Requirements:

- ↳ Entitled to Part A and enrolled in Part B
- ↳ Resides in the MA plan's service area
- ↳ Does not have End Stage Renal Disease (unless individual is an existing commercial plan member)\*
- ↳ Enrolls during required time frames

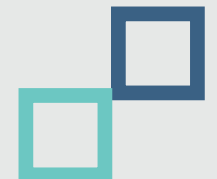
*\*Individuals who develop ESRD while enrolled in a health plan (e.g., a commercial or group health plan, or a Medicaid plan) offered by the MA organization, are eligible to enroll during ICEP in an MA plan offered by that organization.*





## Part C - Medicare Advantage:

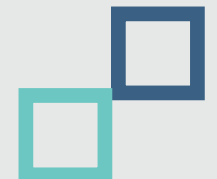
- ▶ The Medicare Advantage (MA) Program combines coverage for Parts A & B benefits and is administered by private health plans.
- ▶ Private health plans contract with CMS to administer benefits on behalf of CMS.
- ▶ Medicare pays a fixed amount for the beneficiary's care every month to the companies offering MA plans.





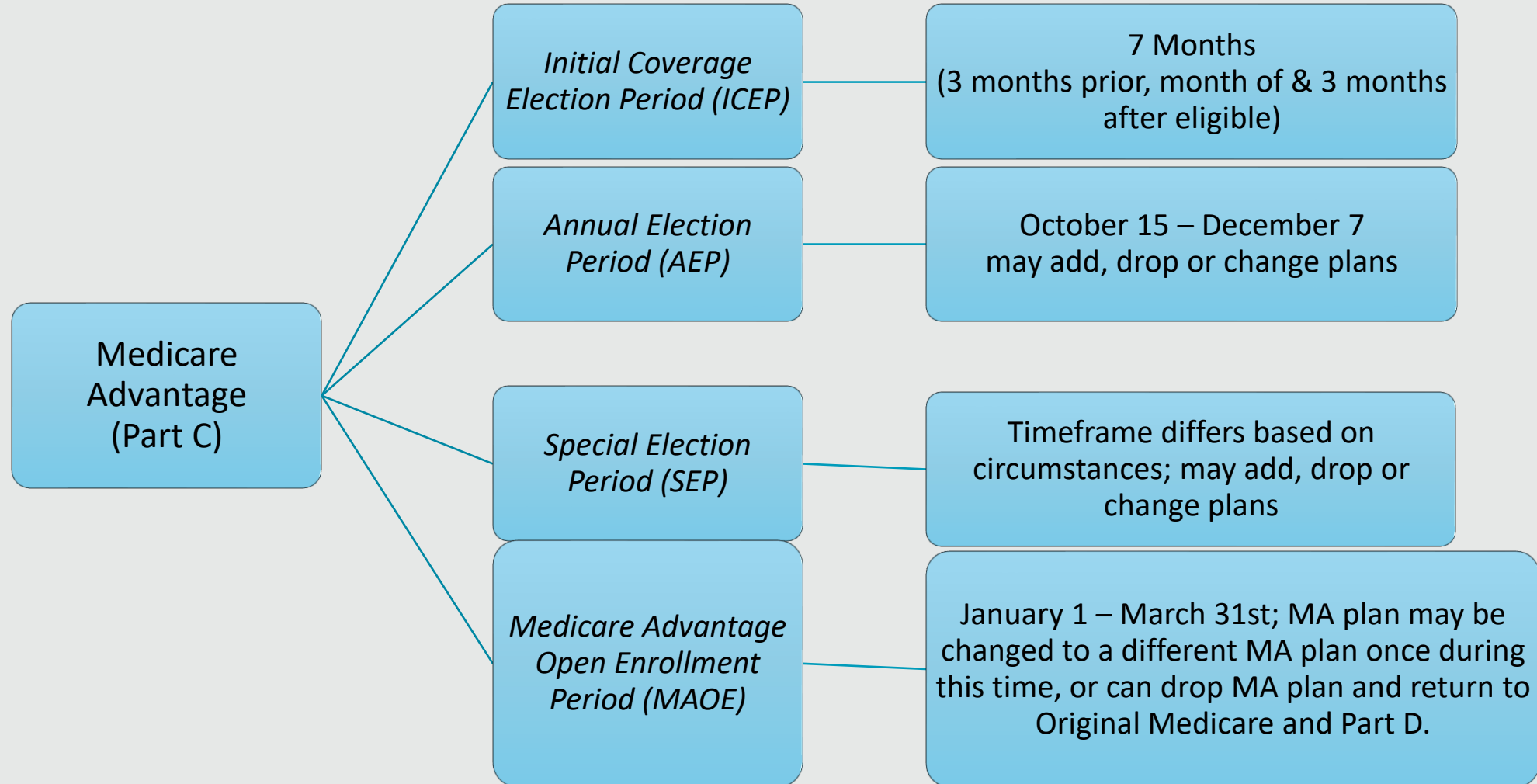
## Part C - Medicare Advantage:

- ┆ MA plans structure original Medicare benefits to function like an HMO or PPO.
- ┆ MA plans are required to offer at least one option with integrated prescription drug benefits.
- ┆ At a minimum, plans must cover all services covered under Medicare, but can also provide extra benefits not covered by traditional Medicare:
  - ┆ Routine vision and hearing exams
  - ┆ Fitness benefits
  - ┆ Dental benefits

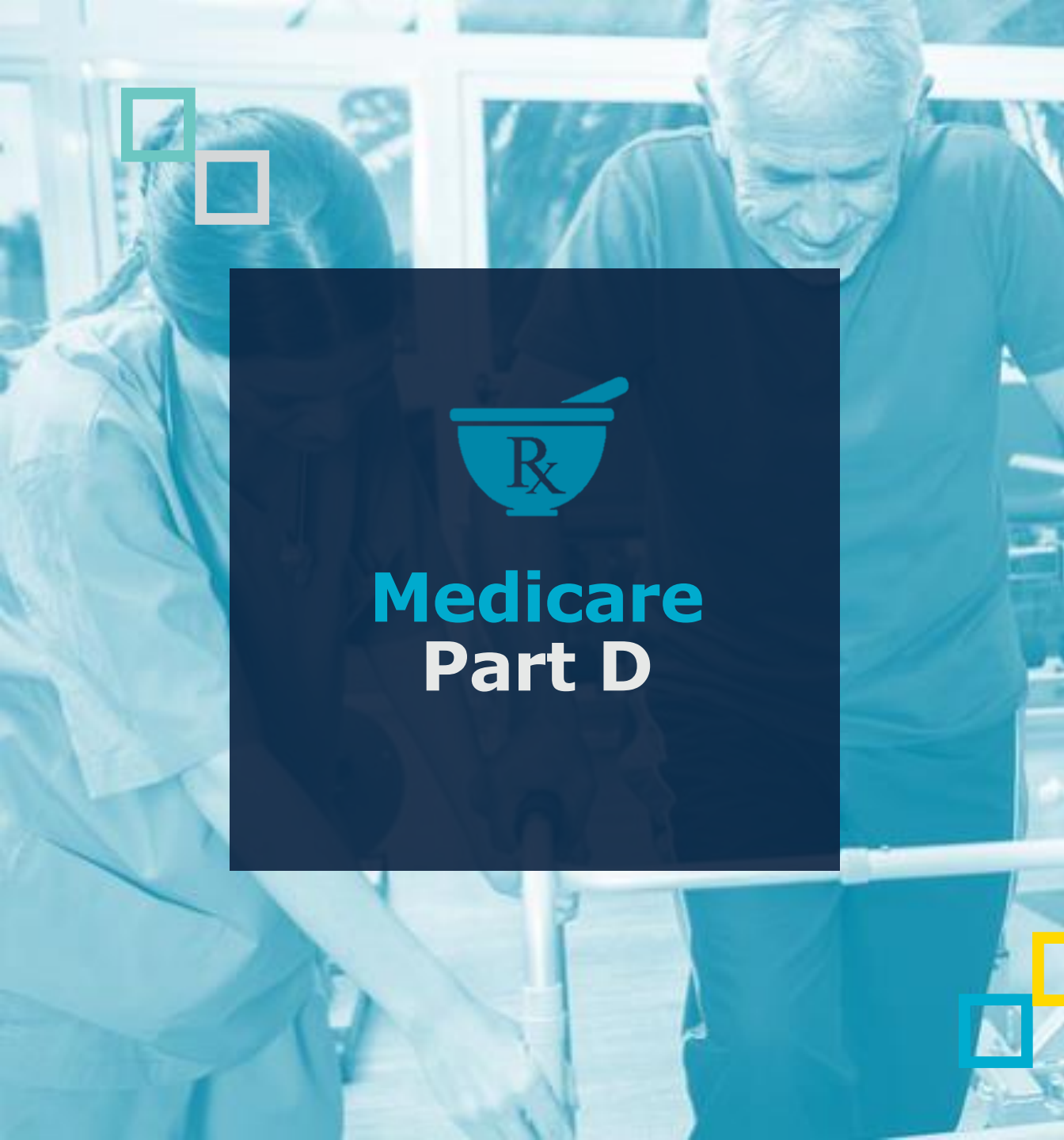




# Part C - Medicare Advantage:








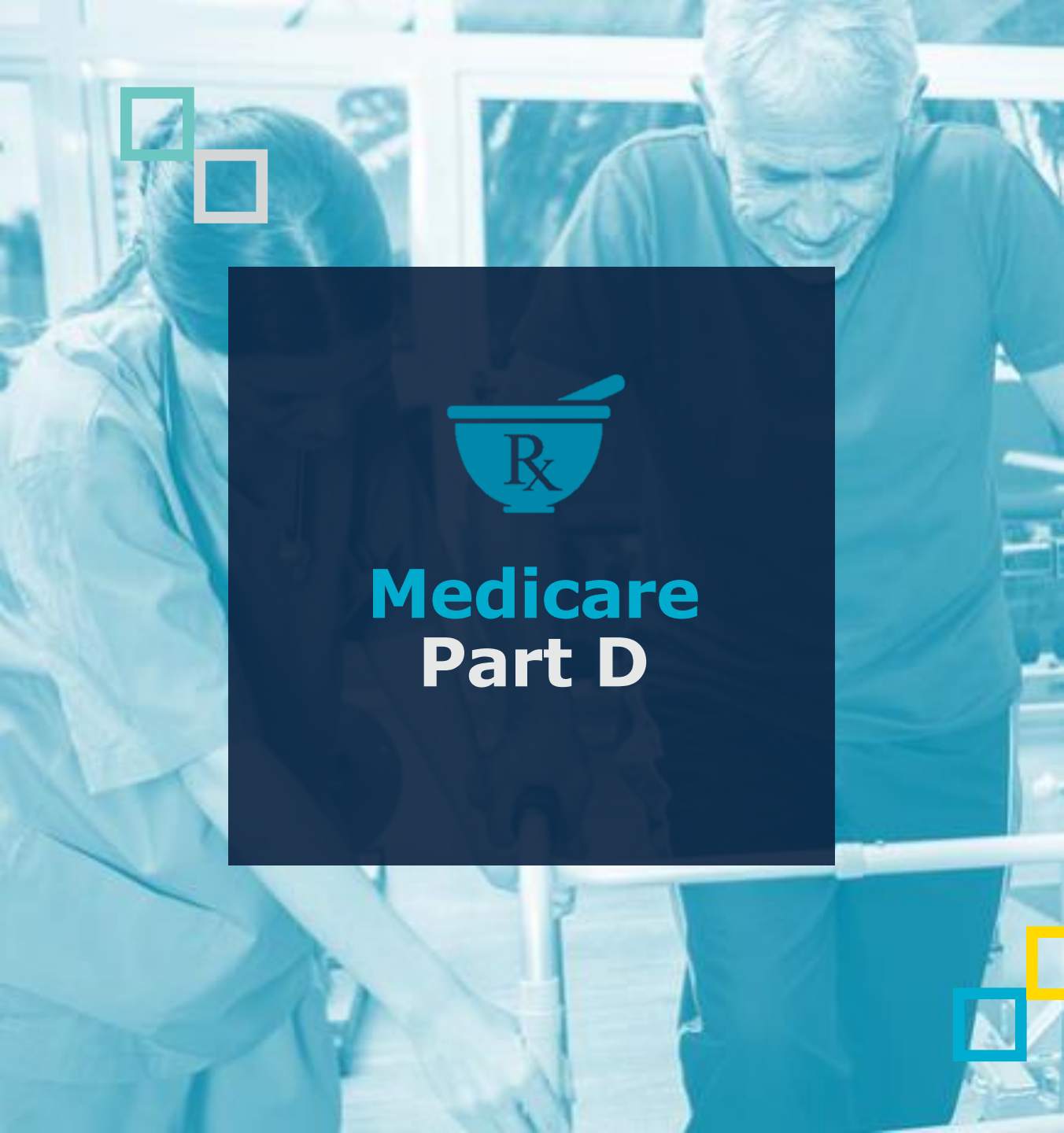
## Medicare Part D

### Prescription Drug Plan (PDP)

Prescription Drugs

Dependent upon the plan that you enroll in and is carrier specific.

- Plans are administered by private companies
- Unlike Part A and B, you sign up for Part D directly with the private health plan.



# Medicare Part D

## Medicare Part D is optional

Must have Medicare Part A and/or Part B, and must live in the plans service area

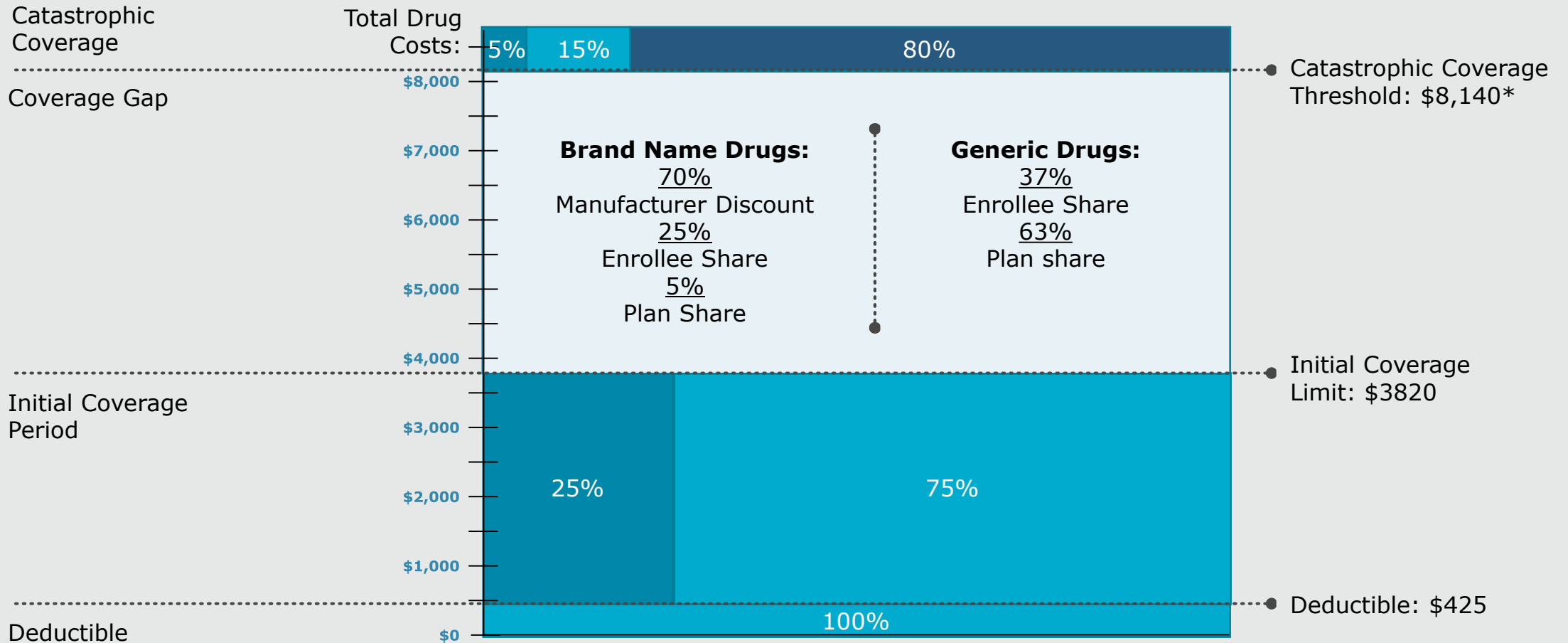
- Medicare Advantage plan that includes RX drug coverage
- Stand alone Prescription Drug Plan
- Coverage through an employer or union

- Late enrollment penalty if not enrolled when first eligible and went 63 continuous days without.
- Penalty amount is 1% of the national base beneficiary premium (\$32.74 in 2020) times the number of full uncovered months.
- If you get extra help you will not pay the late enrollment penalty



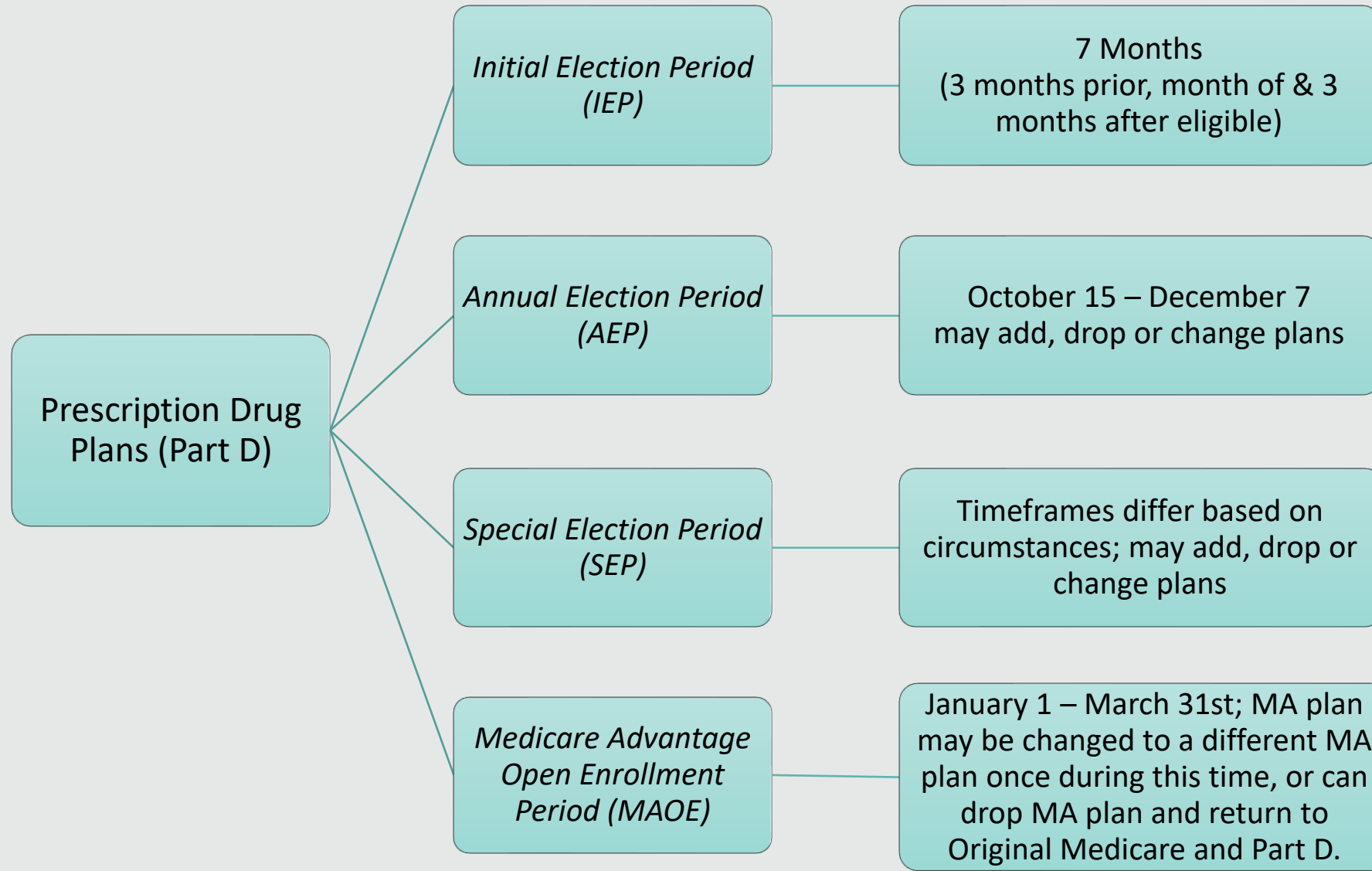
# Part D – Components of the Basic Benefit

Share of costs paid by: ■ Enrollees ■ Plans ■ Medicare





# Part D – Enrollment Periods



# Common Medicare Coverage



## Original Medicare Plan

**Part A**  
(Hospital)

**Part B**  
(Medical)

Medicare provides this coverage  
Part B is optional

+

**Part D**  
(Prescription Drug Coverage)

+

**Medicare Supplement**  
(Medigap)

## Medicare Advantage Plans

**Formerly called Part C**  
(Combines Part A & Part B)

Medicare contracts with private insurance companies to provide this coverage. Medicare pays a demographically based capitated rate per member per month.

**Plans Include:**

HMO

Regional PPO

Private Fee for Service

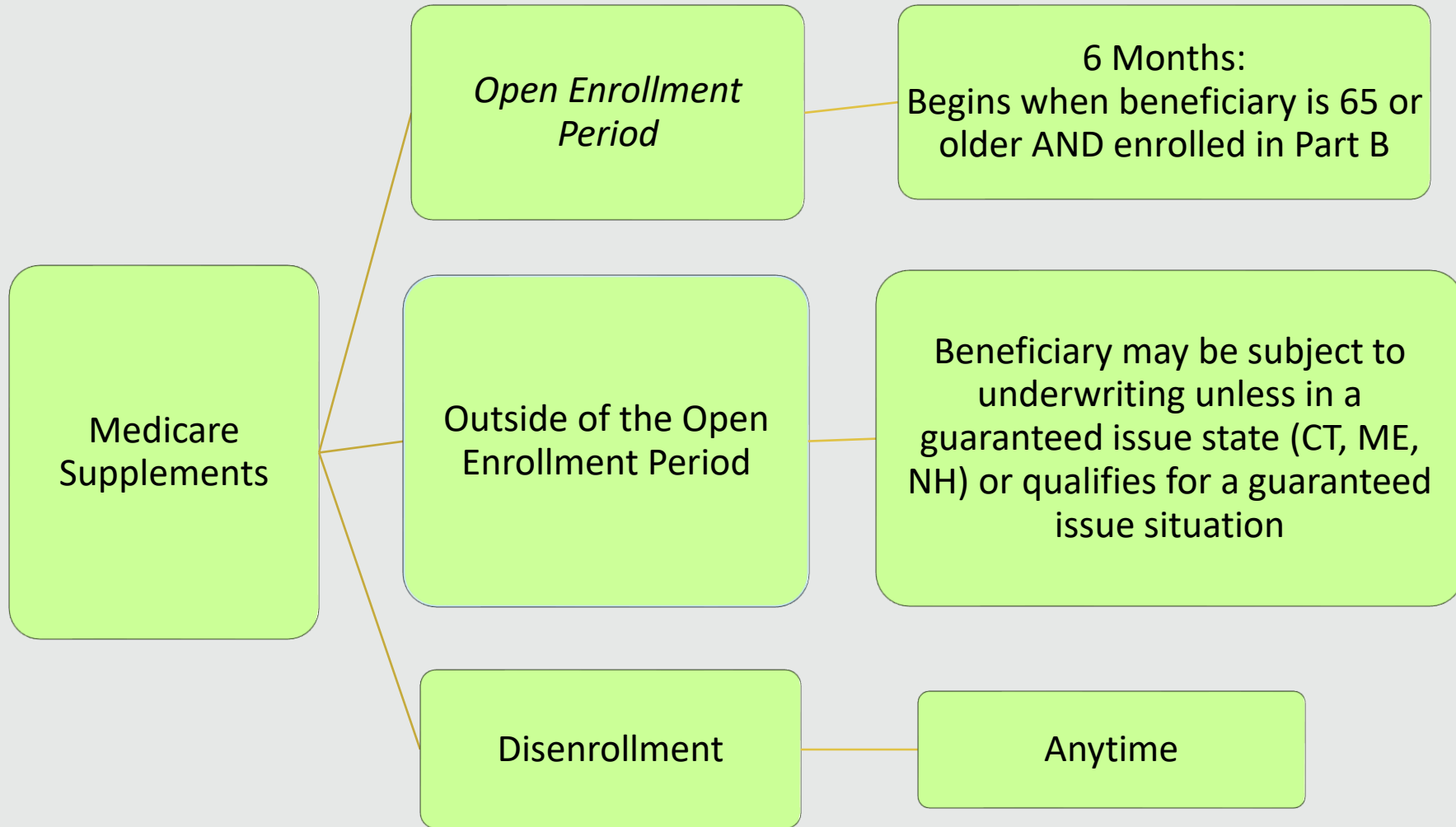
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**Part D**  
(Prescription Drug Coverage)





# Medicare Supplement:




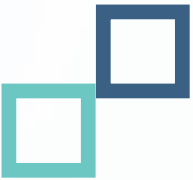

# Medicare Supplement vs Medicare Advantage Plan

## Medicare Supplement

- Fills the gaps in Original Medicare
- No Rx coverage – can be paired with Medicare Part D Prescription Drug coverage
- Enrollment is year-round
- Typically accepted by any provider that accepts Medicare assignment
- Monthly premiums typically range from \$85-\$150, but vary by plan and geography
- Premiums can be affected by age, gender, zip and smoking
- Health questions may be asked to determine eligibility
- Benefits are the same regardless of which company offers them
- Most plans do not cap out-of-pocket costs

## Medicare Advantage

- Replaces Original Medicare
- Often includes Medicare Part D Prescription Drug Coverage
- Enrollment is limited to open enrollment and annual election periods; or special circumstances throughout the year called Special Election Periods
- Coverage is usually network-based, like an HMO or PPO
- Premiums can be as low as \$0 per month
- Premiums are the same. Age and gender do not impact premiums, but premiums vary by country
- Guaranteed acceptance, except for those with end-stage renal disease (ESRD)
- Benefits vary by company
- Out-of-pocket costs capped



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# Additional Medicare Information

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# Part B and Employer or Union Coverage



Find out how the beneficiary's insurance works with Medicare

- ↳ Contact their employer/union benefits administrator

The beneficiary may want to delay enrolling in Part B if:

- ↳ They have employer or union coverage and
- ↳ They or their spouse is still working



Thank  
you

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