

New-to-Medicare



In this Presentation

High level discussion of Medicare designed to help you prepare for your meeting with a VAS counselor.

Medicare decisions should not be made from this presentation alone, as every situation is unique.

It will cover:

- Who is eligible for Medicare
- How Medicare works
- When to enroll
- How Medicare works with other insurance

Volunteers Assisting Seniors (VAS)

Non-profit serving eastern Nebraska since 1977

Utilizes a network of trained volunteers to provide specialized services including:

- Medicare Health Insurance Counseling
- Homestead Exemption Assistance



Nebraska SHIP

- State program that provides local Medicare counseling
- VAS is the Nebraska SHIP Eastern Regional office
- Medicare counselors are trained and certified by SHIIP
- Nebraska SHIIP provides free, unbiased Medicare
 - Counseling
 - Publications
 - Classes
 - Outreach events



Who is eligible for Medicare?

Medicare is individual health insurance for those:

- Aged 65 and older
- Determined disabled by Social Security
- Diagnosed with End Stage Renal Disease (ESRD) or ALS



I am turning 65

In most cases, when turning 65 you should,

- Have active work insurance (≥ 20 employees) with 'creditable' drug coverage through you or your spouse
- or-
- Enroll in Medicare as your primary insurance

to avoid Medicare permanent penalties and delayed or missed Medicare enrollment opportunities.

How Medicare works

Most health insurance is offered as complete packages that include coverage for:

- Hospitalizations
- Doctor visits
- Laboratory and diagnostic testing
- Treatments and therapies
- Prescription drugs

How Medicare works

Medicare has several Parts that you combine to create your own package of health insurance coverage.

- Learn about the different Parts
- Learn about the two ways to combine the Parts for your Medicare package
- Determine which combination of Medicare parts works best for you

How Medicare Works

1) Enroll in



Part A Hospital



Part B Medical

ORIGINAL MEDICARE

2) Choose one of the following



Supplement



Part D Drugs

- OR -



Part C Medicare Advantage

How Medicare works

To insure yourself with Medicare:

1. Enroll in Original Medicare
 - Medicare Part A and Part B
2. Choose one of the following options:
 - Medigap Supplement and Prescription Drug (Part D)
- OR -
 - Medicare Advantage (Part C)

Definitions

- **Covered Services** – what services the Part covers
- **Premiums** – what you pay monthly for that Part
- **Costs for Services** - what you pay when using services
- **Networks** – what providers you can use
- **Enrollment** - when you can sign up
- **Insurer** – government vs private insurance
- **Eligibility** – who can sign up

Original Medicare - Part A and Part B

1) Enroll in



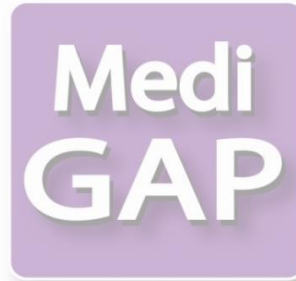
Part A Hospital



Part B Medical

ORIGINAL MEDICARE

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Part C Medicare Advantage

Original Medicare - Part A and Part B

- **Insurer** - Federal Government
 - Administered by Centers for Medicare and Medicaid Services (CMS)
 - Eligibility and payments managed through Social Security Administration (SSA)
 - Railroad Board if Railroad Retiree
- **Covered Services** - Health services only
 - Does not cover prescription drugs
 - Each person insured individually
- **Network** – National, where Medicare is accepted



Part A (Hospital) – Covered Services

- Inpatient Hospital
- Skilled Nursing Facility (rehab only)
- Home Health Care
- Hospice Care (room and board not included)



Part B (Medical) – Covered Services

- Doctors' services
- Outpatient hospital visits
- Emergency room visits
- Tests, Lab work
- Durable Medical Equipment (DME)



Part A (Hospital) – Premium

- \$0 / month - Worked for 40+ quarters contributing to FICA
- \$252 / month - Worked for 30 to <40 quarters
- \$458 / month - Worked for fewer than 30



Part B (Medical) – Premium

- \$144.60/month
- Higher income individuals pay more – IRMAA
(Income Related Monthly Adjustment Amount)
- May incur permanent monthly penalty if without Part B
or active employer insurance after turning 65



Part A (Hospital) – Costs for Services

- Inpatient Hospital (*per benefit period*)
 - Deductible - \$1408
 - Copays - \$0/day 1-60; \$352/day 61-90; \$704/day 91- 150
- Skilled Nursing Facility
 - Copays - \$0/day 1-20; \$176/day – 21-100
- Home Health Care - \$0



Part B (Medical) – Costs for Services

- Deductible (annual) - \$198
- Copay – 20% for most services
- Excess charges – up to 15% for non-assignment providers



Original Medicare Coverage Gaps

Coverage Gaps with Original Medicare (Part A and Part B)

- Deductibles and Copays for covered health services with no out-of-pocket maximum
- No Prescription Drug Coverage

Options to cover the gaps

- Add Medigap Supplement and Part D Drug Plan
- OR -
- Enroll in all-in-one Medicare Advantage plan



Medicare Basics

1) Enroll in



Part A Hospital



Part B Medical

ORIGINAL MEDICARE

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Part C Medicare Advantage

Medigap Supplement Plans

1) Enroll in



Part A Hospital



Part B Medical

ORIGINAL MEDICARE

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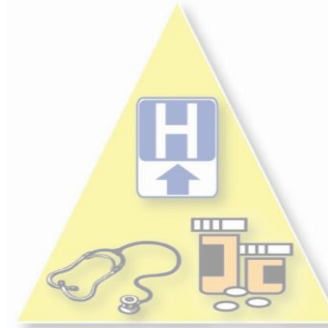


Supplement



Part D Drugs

- OR -



Part C Medicare Advantage

Medigap Supplement Plans

- **Eligibility** - Must have Part A and Part B, and ≥ 65 years
- **Coverage** - Health insurance policies that pay for some/most extra Medicare costs of Part A and B
- **Insurer** - Private insurance companies
- **Network** – National; wherever Medicare accepted
- **Enrollment** - One six month 'guarantee issue' enrollment period
 - ≥ 65 and starting Part B for the first time



Medigap Supplement Plans

Supplement plans A,B,D,G,K,L,M and N; F and C

Plans are standardized by Medicare

- Every Plan X must cover the same Plan X benefits – regardless of price

Plan G provides the most coverage in 2020

- Does not cover Part B deductible

Plan F and C no longer offered to those who turn 65 in 2020 or later



Medigap Plan G – Costs Example

Premiums

- Based on age, gender, zip code, tobacco use
- Average \$110 to \$140 / month

Costs for Services

- Deductible (annual) Part B - \$198
- Copays and other Deductibles - \$0 for Medicare approved services
- Annual maximum out-of-pocket - \$198



Medicare Part D (Drugs)

1) Enroll in



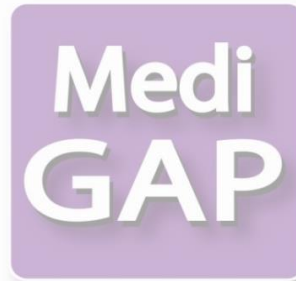
Part A Hospital



Part B Medical

ORIGINAL MEDICARE

2) Choose one of the following

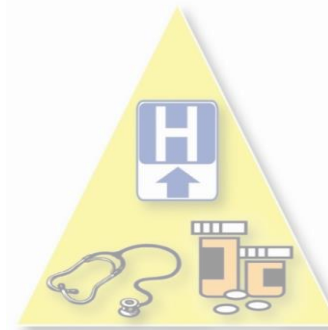


Supplement



Part D Drugs

- OR -



Part C Medicare Advantage

Part D (Drugs)

Insurer - Private insurance companies

Coverage – Select brand and generic prescription drugs

Eligibility - By state, and enrolled in Part A and/or Part B

Network – Plans contract with pharmacies

Enrollment - Review and change plan every year

(May incur permanent monthly penalty if without Part D or “creditable coverage” after turning 65.)



Part D (Drugs) Costs

Premiums - vary by plan; 28 Nebraska Part D plans

- \$13.20 - \$89.60 / month
- Premium may be higher based on income (IRMAA)

Costs for Prescriptions

- Annual Deductibles
- Copayments or coinsurance
- Pricing can change during the year by Stage



Part D (Drugs) Costs – Stages

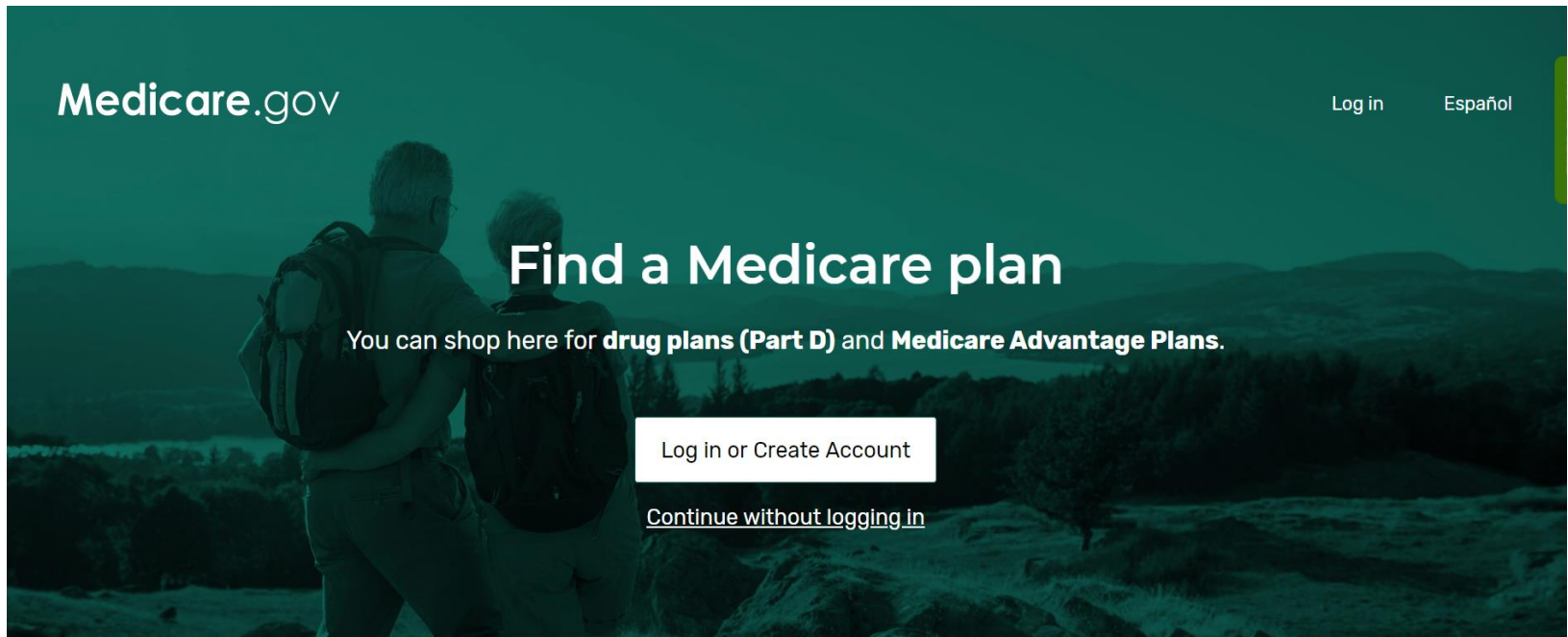
May progress through four pricing stages during the year, based on accumulated cost of drugs purchased.

- **Before Deductible** – pay full cost of drug
- **After Deductible** – various levels of copays and coinsurance
- **In Coverage Gap** – pay about 25%
- **After Coverage Gap** – pay about 5% until end of year



Part D (Drugs) Selection

Medicare.gov can calculate coverage and pricing options



Part C (Medicare Advantage)

1) Enroll in



Part A Hospital



Part B Medical

ORIGINAL MEDICARE

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Part D Drugs

- OR -



Part C Medicare Advantage

Part C (Medicare Advantage)

Medicare pays private insurance companies to manage your health care

Private insurance companies set up their own health insurance plans that include:

- Covered services
- Premiums, deductibles and copays
- Networks

You must be enrolled in Medicare Part A and Part B, but you will not use it for your coverage

- All coverage goes through the Medicare Advantage plan



Part C (Medicare Advantage)

Insurer - Private insurance companies

Eligibility – Determined by county of residence

- Must be enrolled in Medicare Parts A and B.

Network - Limited network of local providers (HMO and PPO)

- Out-of-network in emergency
- PPO's may cover out-of-network but at a higher price

Enrollment – Can review and change your plan every year



Part C (Medicare Advantage) Covered Services

- All services covered by Medicare Part A and Part B
- Most provide drug coverage
- Some plans provide additional coverage for:
 - Dental – limited, usually routine
 - Vision – limited
 - Hearing
 - Gym memberships



Part C (Medicare Advantage) - Costs

Premiums – 18 plans in Douglas county – most \$0/month

Costs for Health Services – set by plan

- Deductible (one)
- Copays for most services
- Maximum out-of-pocket limit for Health expenses
\$3400 to \$6700 per year

Costs for Prescription Drugs

- Drug pricing has same structure and similar costs as Medicare Part D
- Drug coverage/pricing available at www.Medicare.gov



Medicare Basics

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Part C Medicare Advantage

Medicare Advantage vs. Medicare Supplement

- Low monthly cost
- Larger Copays and Deductibles
- Drug Coverage Included
- Limited Provider Choice
- Yearly Enrollment
- High Monthly cost
- Minimal Copays and Deductibles
- Drug Coverage not included
- Choice of Providers
- One Time Enrollment



Next Steps

- Determine how you would like to insure yourself with Medicare
 - Decisions today can impact your insurance options into the future
- VAS counselors will be able to provide you with a more detailed comparison

Enrolling in Medicare

Medicare has set enrollment periods with specific enrollment requirements

Missing an enrollment period could mean:

- You will not be able to enroll if you have pre-existing conditions (Medigap Supplement)
- You will have to wait until the next available enrollment period and go without coverage (Part B, Part D, Part C)
- You may have a permanent penalty that will be applied to you monthly premium (Part B and Part D)

When can I enroll?

Most common enrollment periods

Initial Enrollment Period – when eligible for Medicare at 65

- Parts A,B,C,D
- Seven-month period around your 65th birthday.
- Medicare can start the first of your birthday month.

Special Enrollment Period – when employer insurance ends

- Parts A,B,C,D

Medigap Supplement Guarantee Issue – when first starting Part B at 65 or older

- Lasts 6 months from when first starting Part B



I am turning 65 and have insurance. What should I do?

Every situation is unique. Depending on the type of insurance, the costs and coverage you have:

- You may do nothing
- You may add some Parts of Medicare to your existing insurance
- You may end your current insurance and enroll in Medicare

VAS is available to help you understand your options.

I have insurance through my employer

Your insurance can be through your spouse's or your employer.

Let your employer know that you are turning 65 and ask:

- Is my prescription drug coverage 'creditable' for Medicare?
- Are there 20 or more employees at my company?

I have insurance through my employer

If 'yes' to both questions:

- In most cases you will not need to start any Parts of Medicare until you end your employer coverage.

If 'no' to either question:

- In most cases, you will start some Parts of Medicare to avoid Medicare penalties and delayed or missed Medicare enrollment opportunities.

I have another type of insurance

If you have:

- Tri-Care
- Retiree
- Federal Retiree
- COBRA
- Medicaid

These insurance coverages become secondary when you turn 65. In most cases, you will start some Parts of Medicare to provide complete coverage.

I have another type of insurance

If you have:

- ACA
- Short-term insurance
- No insurance

These options are not considered adequate coverage by Medicare. In most cases, you will end your current insurance and enroll in Medicare to avoid penalties and delayed or missed Medicare enrollment opportunities.

I have VA benefits

VA coverage is a benefit that can be used at VA facilities, and does not work directly with Medicare insurance.

In many cases, you will want to start some Parts of Medicare to provide some coverage outside of the VA network.



VA

U.S. Department
of Veterans Affairs

Contact VAS for more info

- How does Medicare work with my insurance that I have?
- Am I eligible for financial assistance programs?
- Do I have to pay IRMAA?
- What if my benefits are through the Railroad Retirement Board?
- I am eligible for VA benefits. What should I do about Medicare?
- I receive Social Security benefits. How does that effect Medicare?



Each Insurance situation is unique

What works for many, may not work for you.

VAS counselors can help you understand your insurance options

Contact VAS 3-4 months before turning 65 or ending your employer insurance so you can:

- Develop a plan to help you transition to Medicare
- Avoid gaps in coverage, penalties and missed enrollment opportunities.

Contact Information

Volunteers Assisting Seniors
1941 South 42nd Street
Suite #312
Omaha, NE 68105
402-444-6617

www.vas-nebraska.org



Social Security
Old Mill Centre
604 N 109th Court
Omaha, NE 68154
1-866-716-8299

www.socialsecurity.gov

