

Medicare Made Easy

A Self-Study Guide

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— **VOLUNTEERS** —
ASSISTING SENIORS

This self-study guide is not a legal document. The official Medicare program provisions are contained in the relevant laws, regulations, and rulings.

This self-study guide gives information about Medicare entitlement and benefits for all Medicare beneficiaries. It is divided into four sections to help you understand your benefits, compare your options, make your decisions and then give you information on when to enroll.

The information in this guide came from CMS and Nebraska SHIIP information. CMS is the Centers for Medicare and Medicaid Services and is responsible for administering the Medicare program. Nebraska SHIIP is a program that provides free and unbiased insurance counseling for individuals on Medicare.

This self-study guide is brought to you by:

Volunteers Assisting Seniors
1941 South 42nd Street, Suite 312
Omaha, NE 68105
Phone: (402) 444-6617
www.vas-nebraska.com

VAS Mission: To simplify the lives of seniors by enabling them to make informed decisions regarding their benefits.

Volunteers Assisting Seniors is a non-profit 501 (c) (3) corporation that provides many services to seniors including: Medicare counseling and education, Medicare fraud detection and education, Homestead Exemption assistance and guardian and conservator support.

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Section One

Understanding the Different Parts of Medicare

Medicare Options Chart

Part A Hospital



Part B Medical



| **Original Medicare** |



Supplement



Part D Drugs

OR



**Part C
Medicare Advantage**

Medicare is available for individuals 65 and older, individuals receiving Social Security Disability benefits for 24 months, and for individuals with permanent kidney failure (ESRD) or ALS.

With Medicare, you have two basic options to choose from: Original Medicare or Medicare Advantage (Part C). If you choose Original Medicare you can add a prescription drug plan (Part D) and a Medicare Supplement plan (Medigap) if you wish. If you choose Medicare Advantage, prescription drug coverage (Part D) is usually included and you cannot get a Medicare Supplement plan (Medigap).

If you have questions on understanding your Medicare benefits call VAS at
(402) 444-6617

Medicare Part A Benefits

Inpatient Care

- **Requirements For Coverage**
 - Physician prescribed care for treatment of illness or injury; must receive care which can be provided only in a hospital; hospital participates in Medicare
- **Covered Services**
 - Semi-private room; meals; regular nursing services; special care units; drugs furnished by hospital; labs and x-rays billed by hospital; medical supplies; operating & recovery room costs; rehab - physical and occupational therapy
- **Non-Covered Services**
 - Physician services (covered by Part B); personal convenience items; private rooms; private duty nurses; care received outside the U.S.

Skilled Nursing Facility (SNF) Care

- Follows a hospitalization to help one continue recovery or rehabilitation in a Medicare certified facility
- **Requirements For Coverage**
 - Prior hospital stay of at least 3 consecutive days before being transferred; same condition being treated as was treated in the hospital; admitted within 30 calendar days after the date of hospital discharge; receiving skilled care under the general direction of a physician, performed by a licensed professional, which is not custodial care only; receiving skilled care on a daily basis- nursing care 7 days a week and therapy care 5 days a week; care is provided by a Medicare certified SNF
- **Covered Services**
 - Semi-private room; meals, regular nursing services, rehabilitation services- physical / occupational therapy; drugs furnished by the facility during the stay; medical supplies; use of medical appliances
- **Non-Covered Services**
 - Physician services (covered by Part B); personal convenience items; private duty nurses; private room; intermediate / custodial care

Medicare Part A Benefits Continued

Home Health Care

- Medicare pays for home health services when furnished by a certified home health agency who will evaluate and determine if requirements are met for Medicare coverage
- **Requirements For Coverage**
 - Physician determines that you need medical care in your home and sets up a plan of care; care is provided by a Medicare certified home health agency; skilled care is needed on a part-time or intermittent basis; beneficiary is homebound
- **Covered Services**
 - Skilled nursing care; physical therapy; speech therapy; part-time home health aides; medical social services; medical supplies; occupational therapy
- **Non-Covered Services**
 - Full time nursing care; drugs / biologicals, meals, homemaker services, custodial care, transportation to a hospital or SNF

Hospice Care

- A special way of caring for someone whose disease cannot be cured and has limited life expectancy
- **Requirements For Coverage**
 - Eligible for Medicare Part A; doctor certifies that a patient is terminally ill - six months or less to live; a person chooses to receive hospice care instead of standard Medicare; care is provided by a Medicare certified hospice provider
- **Covered Services**
 - Drugs for pain relief and symptom management; nursing care; medical social services; counseling services; respite care; short term inpatient care; medical appliances and supplies; home health aid services; homemaker services; dietary counseling; any therapy
- **Non-Covered Services**
 - Treatment to cure the terminal illness; prescription drugs to cure the illness; care from another hospice provider; care from providers outside the hospice provider

Medicare Part B Benefits

Must Be Medically Necessary

- Medicare pays only if you have signs or symptoms of illness or an injury. A visit can be both routine (not covered) and medically necessary (covered). Your doctor makes this determination.

Must Be Reasonable

- Part B will not pay for services just because someone may want to visit a doctor or try an untested treatment. Medicare will deny a claim as unreasonable if visits are excessive or if the services are not generally accepted by the medical community. Medicare makes this determination.

Major Covered Services

- **Doctor Services:** medical/surgical services; diagnostic tests and procedures; radiology/pathology services; drugs administered by professionals; medical equipment and supplies used with medical treatment; second opinion before surgery; third opinion if first two are contradictory
- **Outpatient Hospital Services:** emergency room/outpatient clinics; lab tests billed by hospitals; X-rays/radiology services billed by hospitals; drugs which cannot be self-administered; outpatient surgery
- **Preventative Services:** immunizations; mammograms; pap smears; pelvic exams; colorectal cancer screenings; diabetes services/screening; prostate cancer screening; glaucoma screening
- **Self Administered Drug Coverage:** limited coverage
- **Outpatient Therapy:** \$_____ limit on speech/physical therapy and \$_____ limit on occupational therapy received at therapy facilities not attached to a hospital. No limit on therapy services received at a facility connected to a hospital.
- **Chiropractor Services:** manual manipulation of the spine to correct a subluxation only
- **Podiatrist Services:** for diabetic conditions
- **Ambulance Transportation:** covers medically necessary transports only to the nearest facility that can treat the condition
- **Durable Medical Equipment:** all equipment as long as prescribed by physician before purchased or rented; must come from a Medicare certified supplier; must be medically necessary; must be used in the beneficiaries home; certain types of other restrictions

Services Not Covered

- Care outside the U.S.; routine physicals; routine footcare; eye exams; hearing exams; eyeglasses; cosmetic surgery; dental care; acupuncture; experimental medical procedures; personal convenience items; services covered by other insurance companies

Your Medicare Part A and B Share of Cost

Part A

Most people do not pay a premium for Part A

Hospital charges:

- Deductible (first 60 Days)
- Days 61-90 copay per day
- Days 91-150 copay per day
- Beyond day 150 pay 100%

Skilled Nursing charges:

- First 20 days \$0
- Days 21-100 copay per day
- Beyond day 100 pay 100%

Part B

Monthly premium, could be higher for greater income

Yearly deductible

After deductible
Medicare pays 80%,
beneficiary pays 20%

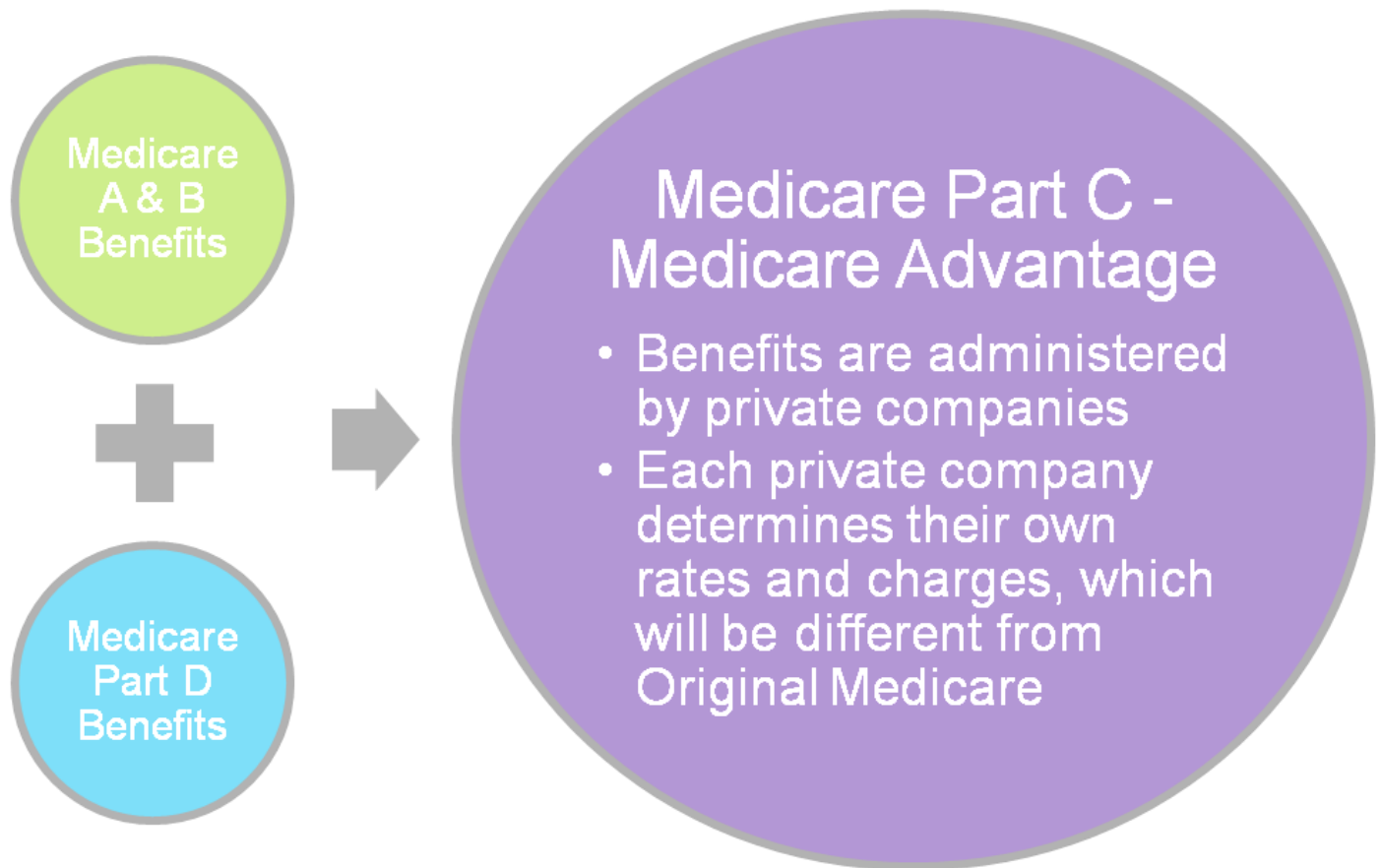
Note: All monetary amounts change annually, for information call
VAS at (402) 444-6617

Medicare Part D

Deductible	100% Paid by Beneficiary	
Initial Coverage Limit	25% Paid by Beneficiary	75% Paid for by Plan
Medicare Part D Doughnut Hole	<p>2015: Beneficiary will pay 45% for brands and 65% for generics</p> <p>2016: Beneficiary will pay 45% for brands and 58% for generics</p> <p>2017: Beneficiary will pay 40% for brands and 51% for generics</p> <p>2018: Beneficiary will pay 35% for brands and 44% for generics</p> <p>2019: Beneficiary will pay 30% for brands and 37% for generics</p> <p>2020: Beneficiary will pay 25% for brands and 25% for generics</p>	
Catastrophic Coverage	5% Paid by Beneficiary	95% Paid for by Plan & Medicare

These plans are run by private companies approved by Medicare. They help cover the catastrophic costs of prescription drugs but will still leave you with copays at the pharmacy. Each plan can vary in cost and drugs covered.

Medicare Advantage—Medicare Part C



Medicare Advantage plans are health plan options that are approved by Medicare, but run by private companies. When you join a Medicare Advantage plan you are still a Medicare beneficiary, but you are choosing to receive your benefits from a private company instead of Medicare. Many of the plans have networks you must use. Additionally, you cannot use a Medicare Supplement plan with a Medicare Advantage plan.

Medicare Supplement—10 Standard Plans

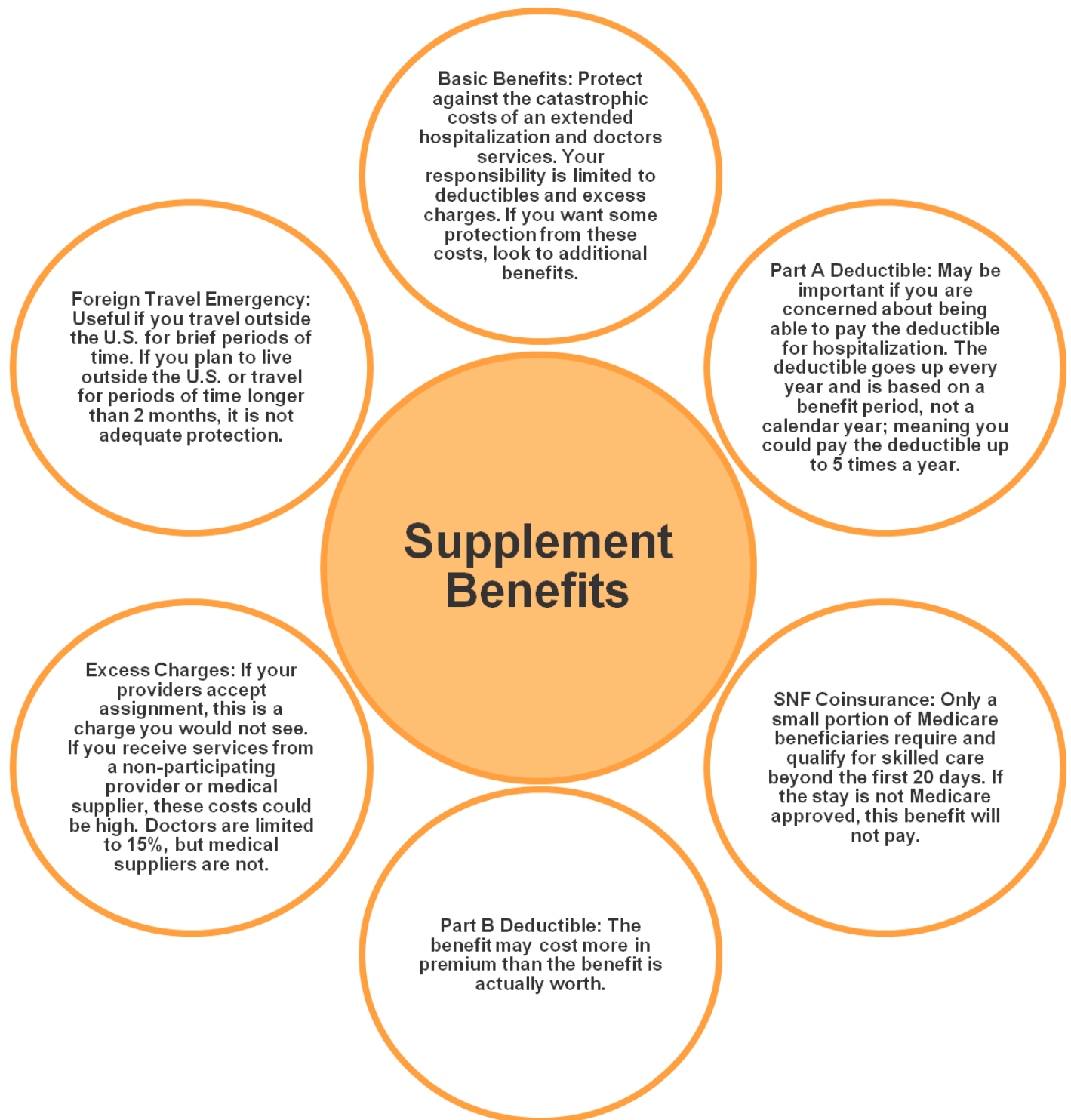
Basic Benefits	A	B	C ¹	D	F ¹	G	K	L	M	N
Part A Coinsurance, Days 61-90	X	X	X	X	X	X	X	X	X	X
Lifetime Reserve Days, Days 91 - 150	X	X	X	X	X	X	X	X	X	X
365 Additional Hospital Days	X	X	X	X	X	X	X	X	X	X
Parts A & B Blood Coinsurance	X	X	X	X	X	X	50%	75%	X	X
Part B Coinsurance	X	X	X	X	X	X	50%	75%	X	X ²
Part A Hospice Coinsurance	X	X	X	X	X	X	50%	75%	X	X
Additional Benefits										
SNF Coinsurance, Days 21 - 100			X	X	X	X	50%	75%	X	X
Part A Deductible		X	X	X	X	X	50%	75%	50%	X
Part B Deductible			X		X					
Part B Excess Charges					X	X				
Foreign Travel Emergency			X	X	X	X			X	X
Out of Pocket Limit							\$___	\$___		

¹New Plan C and F will not be sold beginning 2020

²Except for \$20 office visit, and \$50 ER visit

Medicare Supplement plans (Medigap) are standardized policies that pick up the deductibles, copays, and coinsurance left by Original Medicare. Depending on which standard plan you choose, your Medicare Supplement will pick up some or all of those deductibles, copays and coinsurance. It is important to first choose a plan based on the included benefits, then shop for a company based on cost. Medicare Supplement plans work with Original Medicare only, not Medicare Advantage.

Medicare Supplement—Evaluating the Benefits



I Have Active Work Insurance....

65 or Over

If you are 65 or over and covered under an Employer Group Health Plan (EGHP) from either your or your spouse's employer, and that EGHP has **more than 20 Employees**, Medicare will pay **secondary**.

Most people start Part A at 65, since there is no premium (for most) and Part A may provide secondary coverage for inpatient hospitalization.

In most cases, it is important **not to start Part B** at this time. Part B does have a monthly premium, and starting Part B begins your only six month 'guarantee issue' enrollment window for your Medigap Supplement.

In addition, ask your employer if your EGHP prescription coverage is 'creditable' for Medicare. If not, contact VAS at (402) 444-6617.

If you are 65 or over and covered under an Employer Group Health Plan (EGHP) from either your or your spouse's employer, and that EGHP has **less than 20 Employees**, Medicare will be **primary** and you need to take Medicare Parts A and B.

If your employer prescription coverage is 'creditable' for Medicare, you do not need to take Medicare Part D.

Under 65

If you are under 65 and covered under an Employer Group Health Plan (EGHP) from either your or your spouse's employer, and that EGHP has **more than 100 Employees**, Medicare will pay **secondary**.

Most people eligible for Medicare do take Part A and decline Part B. If you are receiving Social Security Disability, you are **required** to take Part A, but can decline Part B.

If you do decide to start Part B at this time, it may provide secondary coverage. You will have a six month 'guarantee issue' for a Medigap Supplement when you turn 65.

In addition, ask your employer if your EGHP prescription coverage is 'creditable' for Medicare. If not, contact VAS at (402) 444-6617.

If you are under 65 and covered under an Employer Group Health Plan (EGHP) from either your or your spouse's employer, and that EGHP has **less than 100 Employees**, Medicare will be **primary** and you need to take Medicare Parts A and B.

If your employer prescription coverage is 'creditable' for Medicare, you do not need to take Medicare Part D.

Medicare and Health Savings Accounts (HSA)

It is a federal regulation that once you enroll in any part of Medicare no more contributions can be made to your HSA without tax penalties. If you are insured by active work insurance after turning 65 and would like to continue contributions to your employer HSA, **do not start Part A**.

However, if you are receiving Social Security benefits or Social Security Disability benefits, you are required to take Medicare Part A. In this situation, you and your employer would not be able to continue contributing to your HSA without incurring a tax penalty. You could continue to use the funds in your HSA for medical expenses.

Medicare and COBRA or Retiree Insurance

If you become eligible for Medicare and are enrolled in COBRA or retiree insurance through your employer, always enroll in Medicare Part A and Part B when eligible. Medicare will be primary

and COBRA or retiree insurance will be secondary. Contact VAS at (402) 444-6617 for more information.

