2016 National Training Program

Understanding Medicare
What is Medicare?

- Health insurance for three groups of people
  - 65 and older
  - Under 65 with certain disabilities
  - Any age with End-Stage Renal Disease (ESRD)

- Administered by
  Centers for Medicare & Medicaid Services (CMS)
  - Social Security Administration (SSA)
    - Enrolls most individuals
  - Railroad Retirement Board (RRB)
    - Enrolls railroad retirees
The Four Parts of Medicare

- **Part A** Hospital Insurance
- **Part B** Medical Insurance
- **Part C** Medicare Advantage Plans (like HMOs/PPOs) Includes Part A, Part B and sometimes Part D coverage
- **Part D** Medicare Prescription Drug Coverage
Enrolling in Medicare

- Already get Social Security or Railroad Retirement
  - Enrolled automatically
    - 3 months before age 65
    - 3 months before your 25th month of disability benefits
  - Receive Initial Enrollment Package in mail
    - Includes your Medicare card

- Not getting Social Security or Railroad Retirement
  - Enroll through SSA or RRB (not automatic)
  - Apply 3 months before age 65
    - Don’t have to be retired
# Enrollment Periods

<table>
<thead>
<tr>
<th>Enrollment Period</th>
<th>Begins</th>
<th>Ends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Enrollment Period (IEP)</td>
<td>3 months before the month of birthday</td>
<td>3 months after the month of birthday</td>
</tr>
<tr>
<td>Special Enrollment Period (SEP)</td>
<td>the month after you lose employer coverage – based on active employment</td>
<td>8 months after coverage ends</td>
</tr>
<tr>
<td>General Election Period (GEP)</td>
<td>January 1st</td>
<td>March 31st</td>
</tr>
</tbody>
</table>

Understanding Medicare
Enrolling in Part B if You Have Employer or Union Coverage

- May affect your Part B enrollment rights
  - You may want to delay enrolling in Part B if
    - You have employer or union coverage and
    - You or your spouse, or family member if you are disabled, is still working

- See how your insurance works with Medicare
  - Contact your employer/union benefits administrator
When Medicare is Primary

- Medicare is your only insurance
- Your other source of coverage is
  - A Medigap policy
  - Medicaid
  - Retiree benefits
  - The Indian Health Service
  - Veterans benefits and TRICARE for Life
  - COBRA continuation coverage
    - Except 30-month coordination period for people with End-Stage Renal Disease (ESRD)
Medicare is Secondary

- To employer group health plans (EGHP)
  - 65+ and still working: EGHP 20 or more employees
  - Disability: EGHP 100 or more employees
  - ESRD: Any size EGHP after initial 30-months

- To non-EGHP involving
  - Workers’ Compensation (WC)
  - Black Lung Program
  - No-fault/liability insurance
Paying for Medicare Part A

- Most people receive Part A premium free
  - If you paid FICA taxes at least 10 years
- If you paid FICA less than 10 years
  - Can pay a premium to get Part A
  - May have penalty
    - If not bought when first eligible
Paying the Part B Premium

- Deducted monthly from
  - Social Security benefit payments
  - Railroad retirement benefit payments
  - Federal retirement benefit payments

- If not deducted
  - Billed every 3 months
  - Medicare Easy Pay to deduct from bank account

- Contact SSA, RRB or OPM about premiums
Part B Late Enrollment Penalty

- Penalty for not signing up when first eligible
  - 10% more for each full 12-month period
  - May have penalty as long as you have Part B
- Sign up during a Special Enrollment Period
  - Usually no penalty
Your Medicare Coverage Choices

- Original Medicare (Part A and Part B)
  - Medigap Policies
- Medicare Advantage Plans (Part C)
- Other Medicare Health Plans
- Medicare Prescription Drug Coverage (Part D)
Your Medicare Coverage Choices

Original Medicare

Part A
Hospital Insurance
You can add Medicare Supplement Insurance (Medigap policy)

Part B
Medical Insurance

You can add Part D
Prescription Drug Coverage

Medicare Advantage Plan

Part C
Combines Part A, Part B, and usually Part D
You may be able to add

Part D
Prescription Drug Coverage
(Most Part C plans cover prescription drugs. You may be able to add drug coverage to some plan types if not already included.)
What is Original Medicare?

- Health care option run by the Federal government
- Provides your Part A and/or Part B coverage
- See any doctor or hospital that accepts Medicare
- You pay
  - Part B premium (Part A is usually premium free)
  - Deductibles, coinsurance or copayments
- Get Medicare Summary Notice (MSN)
- Can join a Part D plan to add drug coverage
Part A Helps Pay for Medically Necessary

- Hospital inpatient care
- Skilled nursing facility (SNF) care
- Home health care
- Hospice care
Part B Helps Pay for Medically Necessary

- Physician/practitioner services
- Outpatient medical/surgical svcs & supplies
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Other medical services

Also pays for some preventive health care services
Part B-Covered Preventive Services

- "Welcome to Medicare" preventive visit
- Yearly “Wellness” visit
- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Bone mass measurement
- Breast cancer screening (mammogram)
- Cardiovascular disease (CVD) Risk Reduction Visit
- Cardiovascular disease screenings
- Cervical and vaginal cancer screening
- Colorectal cancer screenings
  - Screening fecal occult blood test
  - Screening flexible sigmoidoscopy
  - Screening colonoscopy
  - Screening barium enema
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots (Vaccine)
- Glaucoma tests
- Hepatitis B shots (Vaccine)
- Hepatitis C screening
- HIV screening
- Medical nutrition therapy services
- Obesity screening and counseling
- Pneumococcal shot (Vaccine)
- Prostate cancer screening
- Sexually-transmitted infections screening and counseling
- Tobacco use cessation counseling
NOT Covered by Part A and Part B

- Long-term care
- Routine dental care
- Dentures
- Cosmetic surgery
- Acupuncture
- Hearing aids and exams for fitting hearing aids
- Other – check on www.medicare.gov
2016 Medicare Costs

Understanding Medicare
Medigap Policies

- **Medigap (Medicare Supplement Insurance) policies**
  - Private health insurance for individuals
  - Sold by private insurance companies
  - Supplement Original Medicare coverage
  - Follow Federal/state laws that protect you

- **Medigap Open Enrollment Period**
  - Starts when you are both 65 and signed up for Part B
  - Once started cannot be delayed or repeated
Medicare Advantage (MA) Plans

- Health plan options approved by Medicare
  - Another way to get Medicare coverage
  - Still part of the Medicare program
  - Run by private companies
- Also called Part C
- Includes all benefits/services covered under Part A and Part B
- May have to use network doctors or hospitals
- May include prescription drug coverage (Part D)
- Types of plans available may vary
  - HMOs, PPOs, PFFS, SNPs
# Medicare Advantage Eligibility Requirements and Costs

## Requirements
- You must live in plan’s service area
- You must have Medicare Part A **and** Part B
- You must not have ESRD when you enroll
  - Some exceptions
- You can only belong to one Medicare health plan at a time

## Costs
- **You must still** pay Part B premium
- You may pay additional monthly premium to plan
- You pay deductibles, coinsurance and copayments
Other Types of Medicare Health Plans

- Other types of Medicare health plans
  - Not Medicare Advantage Plans
    - Medicare Cost Plans
    - Demonstrations and Pilot Programs
    - Programs of All-inclusive Care for the Elderly (PACE)
- Only available in certain areas
Medicare Prescription Drug Coverage

- Also called Medicare Part D
- Prescription drug plans approved by Medicare
- Run by private companies
- Available to everyone with Medicare
- Must be enrolled in a plan to get coverage
- Two sources of coverage
  - Medicare Prescription Drug Plans (PDPs)
  - Medicare Advantage Plans with Rx coverage (MA-PDs)
    - And other Medicare health plans with Rx coverage
**Medicare Part D Eligibility Requirements and Costs**

**Requirements**
- You must have Medicare Part A and/or Part B
- You must live in plan service area
- You must enroll in a Medicare Rx plan
- You can’t live outside the U.S. or be incarcerated

**Costs**
- Costs vary by plan
- In 2016 most people will pay
  - A monthly premium
  - An annual deductible - $360
  - Copayments or coinsurance
  - 45% on covered brand-name drugs in donut hole
  - 58% on generic drugs in donut hole
  - Very little after spending $4,850 out-of-pocket
## Improved Coverage in the Coverage Gap

<table>
<thead>
<tr>
<th>Year</th>
<th>What You Pay for Brand-Name Drugs in the Coverage Gap</th>
<th>What You Pay for Generic Drugs in the Coverage Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>47.5%</td>
<td>79%</td>
</tr>
<tr>
<td>2014</td>
<td>47.5%</td>
<td>72%</td>
</tr>
<tr>
<td>2015</td>
<td>45%</td>
<td>65%</td>
</tr>
<tr>
<td>2016</td>
<td>45%</td>
<td>58%</td>
</tr>
<tr>
<td>2017</td>
<td>40%</td>
<td>51%</td>
</tr>
<tr>
<td>2018</td>
<td>35%</td>
<td>44%</td>
</tr>
<tr>
<td>2019</td>
<td>30%</td>
<td>37%</td>
</tr>
<tr>
<td>2020</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>
Medicare Prescription Drug Coverage Premium

- Higher income pay higher Part D premium
  - Uses same thresholds used to compute income-related adjustments to the Part B premium
    - As reported on your IRS tax return from 2 years ago
- Must pay if you have Part D coverage
Late Enrollment Penalty

- Higher premium if you wait to enroll
  - Additional 1% of base beneficiary premium
    - For each month eligible and not enrolled
    - For as long as you have Medicare drug coverage
  - National base beneficiary premium
    - $34.10 in 2016
    - May change each year
- Except if you had creditable drug coverage or get Extra Help
# When you can Join or Switch MA or Part D Plans

<table>
<thead>
<tr>
<th>Enrollment Period</th>
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<th>Ends</th>
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<tbody>
<tr>
<td>Initial Enrollment Period (IEP)</td>
<td>7 month period begins 3 months before the month you turn 65</td>
<td>3 months after the month of birthday</td>
</tr>
<tr>
<td>Annual Enrollment Period</td>
<td>October 15</td>
<td>December 7</td>
</tr>
<tr>
<td>Special Enrollment Period (SEP)</td>
<td>• Move from the plan service area&lt;br&gt;• You enter, live in or leave a long-term care facility&lt;br&gt;• Other special situations&lt;br&gt;• 5 Star Plans&lt;br&gt;• Low Performing Plans</td>
<td>The month before and 2 months after&lt;br&gt;Continuous Limited</td>
</tr>
<tr>
<td>Medicare Advantage Disenrollment Period (MADP)</td>
<td>January 1st</td>
<td>February 14&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
</tbody>
</table>
Medicare and the Health Insurance Marketplace

- Medicare isn’t part of the Marketplace
- If you have Medicare you’re covered and don’t need to do anything related to the Marketplace
- The Marketplace doesn’t offer Medigap or Part D plans
- It’s against the law for someone who knows you have Medicare to sell you a Marketplace plan
  - Even if you only have Part A or Part B
Marketplace and Becoming Eligible for Medicare

- You can get a Marketplace plan before your Medicare coverage begins
  - You may cancel the plan when Medicare coverage starts, or
  - You may keep the plan, but once your Part A coverage starts you won’t be able to get lower costs for your Marketplace plan

- Sign up for Medicare during your Initial Enrollment Period
  - Or, if you enroll later, you may have to pay a late enrollment penalty for as long as you have Medicare
Choosing Marketplace Instead of Medicare

- You can’t choose Marketplace coverage over Medicare unless
  1. You pay or you’d have to pay a Part A premium
     - You can drop Part A and B and may be eligible to get a Marketplace plan
  2. You have a medical condition that qualifies you for Medicare (like ESRD) but haven’t applied for Medicare
  3. You’re not yet collecting Social Security retirement or disability benefits before you’re eligible for Medicare
# Introduction to Medicare Resource Guide

<table>
<thead>
<tr>
<th>Resources</th>
<th>Medicare Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Centers for Medicare &amp; Medicaid Services (CMS)</strong>&lt;br&gt;1-800-MEDICARE&lt;br&gt;(1-800-633-4227)&lt;br&gt;(TTY 1-877-486-2048)&lt;br&gt;www.medicare.gov&lt;br&gt;www.CMS.gov</td>
<td><strong>Medicare &amp; You Handbook</strong>&lt;br&gt;CMS Product No. 10050</td>
</tr>
<tr>
<td><strong>Social Security</strong>&lt;br&gt;1-800-772-1213&lt;br&gt;TTY 1-800-325-0778&lt;br&gt;<a href="http://www.socialsecurity.gov/">http://www.socialsecurity.gov/</a></td>
<td><strong>Your Medicare Benefits</strong>&lt;br&gt;CMS Product No. 10116</td>
</tr>
<tr>
<td><strong>Railroad Retirement Board</strong>&lt;br&gt;1-877-772-5772&lt;br&gt;<a href="http://www.rrb.gov/">http://www.rrb.gov/</a></td>
<td><strong>Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare</strong>&lt;br&gt;CMS Product No. 02110</td>
</tr>
<tr>
<td><strong>State Health Insurance Assistance Programs (SHIPs)</strong>&lt;br&gt;For telephone numbers call CMS&lt;br&gt;1-800-MEDICARE (1-800-633-4227)&lt;br&gt;1-877-486-2048 for TTY users</td>
<td><strong>To access these products</strong></td>
</tr>
<tr>
<td><strong>Colorado SHIP: 1-888-696-7213</strong>&lt;br&gt;<strong>Larimer County: 970-495-8558</strong></td>
<td>View and order single copies at <a href="http://www.medicare.gov">www.medicare.gov</a></td>
</tr>
<tr>
<td><a href="http://www.medicare.gov/caregivers/">http://www.medicare.gov/caregivers/</a></td>
<td>Order multiple copies (partners only) at productordering.cms.hhs.gov. You must register your organization.</td>
</tr>
<tr>
<td><a href="http://www.Insurekidsnow.gov">http://www.Insurekidsnow.gov</a></td>
<td></td>
</tr>
<tr>
<td><strong>Affordable Care Act</strong>&lt;br&gt;www.healthcare.gov/law/full/index.html</td>
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</table>
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