



Tom Wolf, Governor Robert Torres, Secretary

MEDICARE 101



APPRISE



2

- APPRISE is the State Health Insurance Assistance Program (SHIP) in Pennsylvania
 - ▣ Under the direction of Pennsylvania Department of Aging and the Chester County Department of Aging
- APPRISE is a **FREE**, independent (unbiased), confidential health insurance counseling program
- Counselors are trained and certified **volunteers** who provide objective, easy to understand information about options for Medicare beneficiaries
- **Counselors have no financial interest in the decisions that you make**

Medicare is Difficult to Understand!

3



Clarifying Terminology

What is the difference between **Medicare** and **Medicaid**?

- **Medicare** is a federal program designed to **primarily help senior citizens and those with disabilities** with medical bills. Medicare is administered by the **Centers for Medicare and Medicaid (CMS)**
- **Medicaid** is a state program funded in part by the federal government to assist **people with limited income and resources** with medical bills. In Pennsylvania, it is administered by the **Department of Human Services (DHS)**.

Who is Eligible for Medicare?

- People age 65 or older
- People receiving Social Security disability income for 24 months
- People diagnosed with
 - ▣ ALS –Lou Gehrig’s Disease
 - ▣ End Stage Renal Disease
- Must be a citizen or permanent resident of the US.
- You do not have to be retired to sign up for Medicare

Medicare Part A – Hospital Insurance

6



Primarily for Inpatient care

Skilled Nursing Home Care

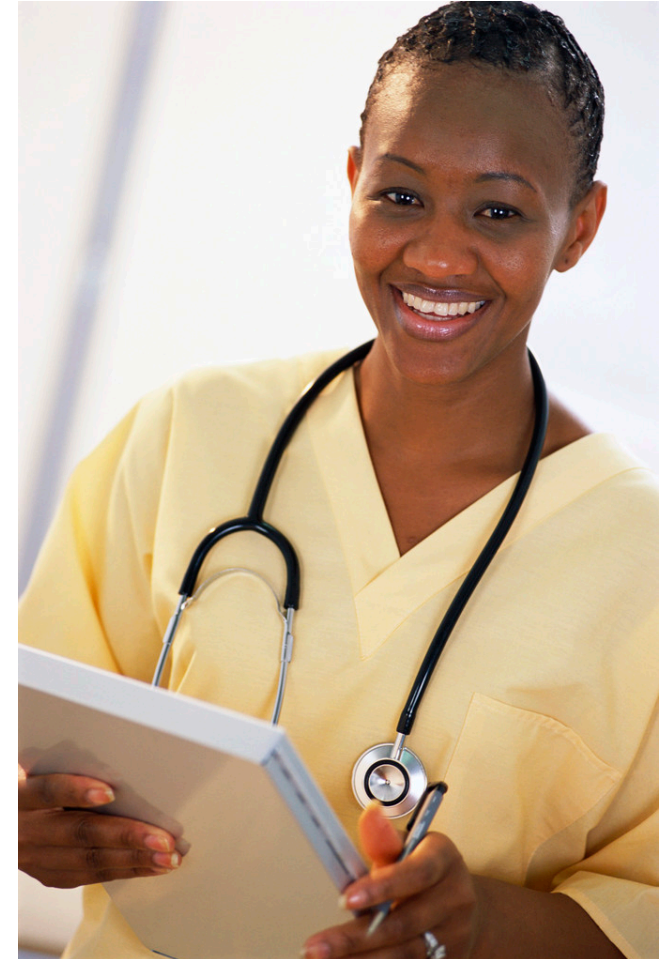
Home Health Care and Hospice

Paid for by payroll taxes
known as FICA

Medicare Part B Medical Insurance

Doctors Visits
Diagnostic Tests
Outpatient Services
Durable Medical Equipment
Therapies (Physical, Occupational,
Speech)
Mental Health
Emergency Room
Observation Status
Preventive Services

**Everyone pays a monthly Part B
Premium**



What Does Medicare NOT Cover?

- Most Dental Care
- Eye Exams and Corrective Lens
 - Medicare does cover Diseases of the Eye
- Hearing Aids
- Cosmetic surgery
 - Unless it is needed to improve the function of a malformed part of the body
- Long Term Care
- Acupuncture
- Foreign Travel (Medical Care outside the US)

Healthcare Marketplace (ACA)

- Those eligible for Medicare **CANNOT** use the Healthcare Marketplace.
 - ▣ When you become Medicare eligible you **MUST** transition to Medicare from the Marketplace
 - You will lose your subsidies when you become Medicare eligible
 - ▣ Exception: Those not eligible for premium free Part A – see handout
- The ACA does not affect your choices of insurance if you are covered by Medicare

How do I Enroll?

- Social Security **automatically** sends out Medicare cards to those eligible if they are receiving:
 - ▣ Social Security Retirement
 - ▣ Social Security Disability (Eligible 25th month on disability)
 - ▣ Supplemental Security Income (SSI)

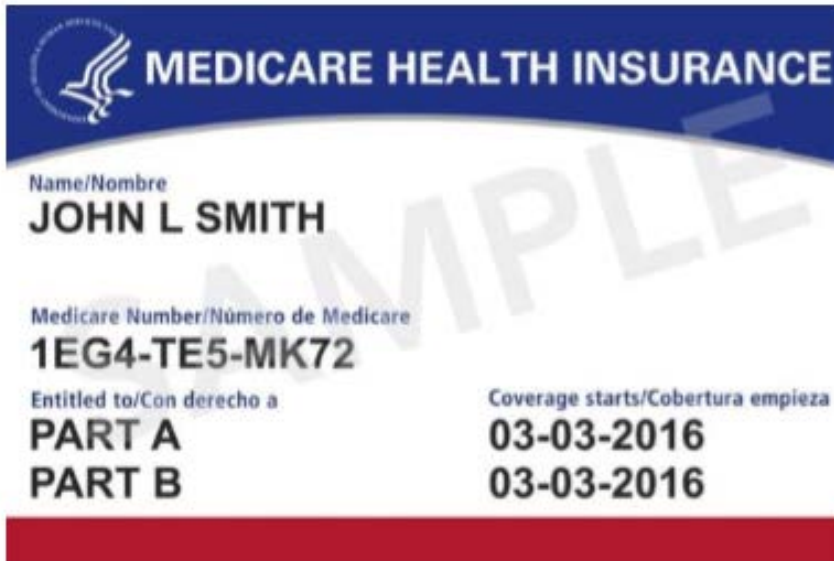
How do I Enroll?

11

- If you are **not** already receiving benefits, apply at a Social Security Office or online – www.ssa.gov or www.medicare.gov
 - ▣ Three (3) months before your 65th birthday
 - ▣ The month you turn 65
 - ▣ Three (3) months after you turn 65

Your Medicare Card and Medicare and You

12



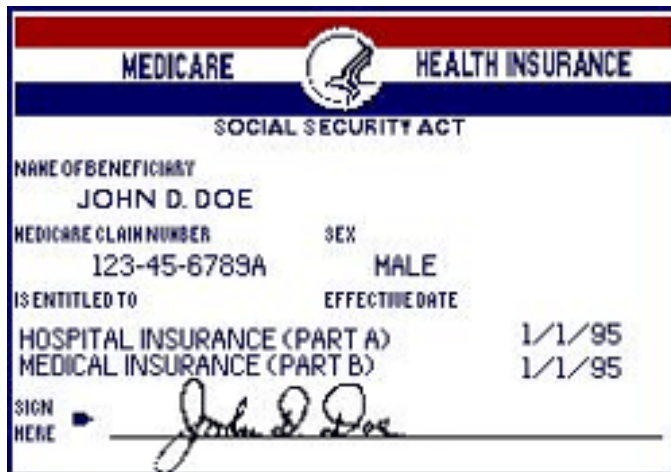
MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a
PART A
PART B

Coverage starts/Cobertura empieza
03-03-2016
03-03-2016



MEDICARE HEALTH INSURANCE

SOCIAL SECURITY ACT


NAME OF BENEFICIARY
JOHN D. DOE

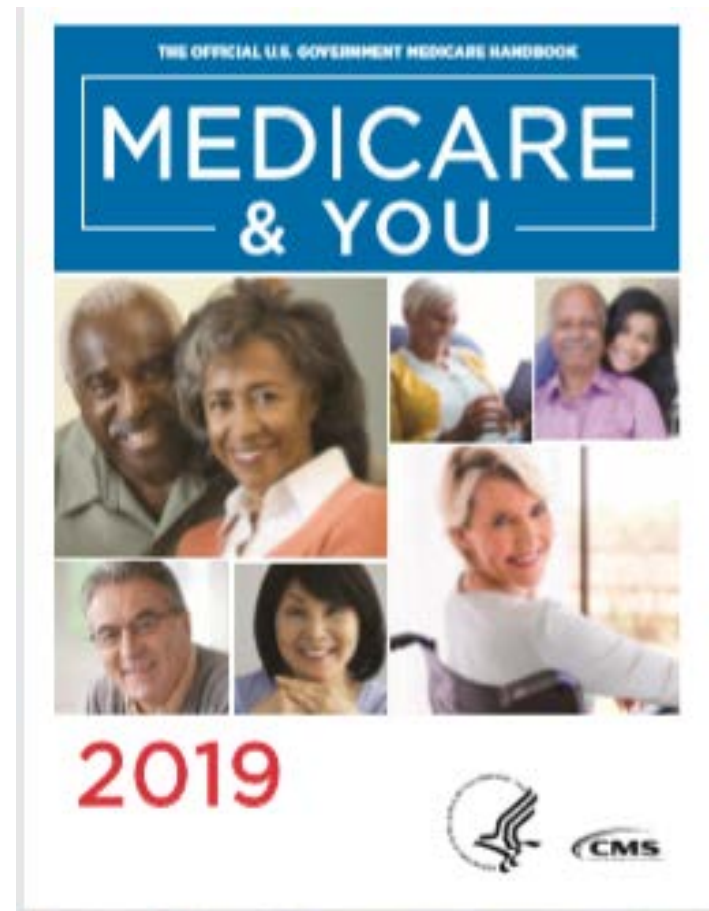
MEDICARE CLAIM NUMBER
123-45-6789A

SEX
MALE

IS ENTITLED TO
HOSPITAL INSURANCE (PART A)
MEDICAL INSURANCE (PART B)

EFFECTIVE DATE
1/1/95
1/1/95

SIGN HERE




Enrolling in Part A

- Part A has no premium if you or your spouse have worked 40 quarters (10 years)
- Most people sign up for Part A, even if covered by a group health insurance plan
- Some elect not to sign up if they have a group health plan
 - They may have an HSA which they wish to continue contributing to
 - They do not meet the 40 quarter requirement

HSA vs HRA and Medicare

- Health Savings Account and Medicare
 - ▣ For employees with high deductible plans
 - ▣ Funded by employers with possible employee contributions.
 - ▣ You **cannot join Medicare** (neither Part A or Part B) **and still contribute to an HSA. Please refer to handout.**
 - ▣ Tax impact, 6 month look back – hold contributions
- Health Reimbursement Account (also know as a Health Reimbursement Arrangement - HRA) and Medicare
 - ▣ Is employer funded and controlled
 - ▣ You **can join Medicare** and still benefit from an HRA

Does Everyone Enroll in Part B?

You may delay enrollment in Part B **IF:**

- ▣ You (or your spouse) are **ACTIVELY** employed in company with 20** or more employees (if under 65 disabled, 100 employees) **AND**
- ▣ You are covered under a group health insurance policy based **on active employment**
- ▣ **Note: COBRA is not considered active employment**

** If your company has fewer than 20 employees (100 employees if under 65 disabled), check with your employer to see how the group health insurance policy works with Medicare

Part B Delayed Enrollment

- You will have a Special Election Period of **8 months** to enroll in Part B from the time coverage ends or you stop working, **whichever comes first**
- When you want to enroll in Part B both of the following forms must be completed:
 - ▣ CMS-40B – Application for Enrollment in Part B
 - ▣ CMS-L564 – Request for Employment Information
 - ▣ Forms can be found on www.Medicare.gov or at your Social Security Office
- These forms must be submitted together to your local Social Security Office

Part B Delayed Enrollment

17

- You must complete the following form:
 - ▣ APPLICATION FOR ENROLLMENT in PART B
 - CMS 40B
 - <https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CM40B-E.pdf>

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form Approved
OMB No. 0938-1230

APPLICATION FOR ENROLLMENT IN MEDICARE PART B (MEDICAL INSURANCE)

1. Your Social Security Claim Number Beneficiary Identification Code (BIC)
 - -

2. Do you wish to sign up for Medicare Part B (Medical Insurance)? YES

3. Your Name (Last Name, First Name, Middle Name)

4. Mailing Address (Number and Street, P.O. Box, or Route)

5. City State Zip Code

6. Phone Number (including area code)
 () -

7. Written Signature (DO NOT PRINT)
 SIGN HERE 8. Date Signed
 / /

**IF THIS APPLICATION HAS BEEN SIGNED BY MARK (X), A WITNESS WHO KNOWS THE APPLICANT
MUST SUPPLY THE INFORMATION REQUESTED BELOW.**

9. Signature of Witness 10. Date Signed
 / /

11. Address of Witness

12. Remarks

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1230. The time required to complete this information is estimated to average 45 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

Part B Delayed Enrollment



19

- Forms CMS-40B **and** Form CMS-L564 must be submitted TOGETHER to any Social Security office
- Find a Social Security office at www.ssa.gov
 - ▣ Can be taken to **any** Social Security Office
- APPRISE can help if you have questions

What If I Miss My Opportunity To Enroll in Part A or Part B?

20

- You can enroll in premium free Part A any time after you turn 65.
- If you do not enroll in Part B at proper enrollment time you may:
 - ▣ Join from January 1st – March 31st of each year – this is known as the General Enrollment Period
 - ▣ Coverage begins July 1
- If you do not sign up for Part B when you are first eligible, you may pay a late enrollment penalty as long as you have Part B.
 - ▣ Your monthly premium for Part B may go up 10% for each full 12 month period that you could have had Part B, but didn't sign up for it
 - ▣ Example: If you wait 12 full months to sign up for Part B instead of paying \$135.50 you will pay \$149.05 per month.

What does Medicare Cost?

Part A – Hospital Insurance Premium

- No Premium – if you or your spouse has worked 40 quarters or 10 years
- Funded by payroll taxes
- Otherwise – up to \$437/month

Part B – Medical Insurance Premium

- \$135.50/month if enroll in 2019
 - ▣ Unless your income is >\$85,000 single or \$170,000 couple (Look back is 2 years)
- Usually deducted from Social Security check
- If not receiving Social Security pay quarterly

Medicare Deductibles & Copayments

- You may go to any provider that accepts Medicare
- You will pay:
 - ▣ Part A
 - Hospital Deductible - \$1,364 in 2019 for hospital stays within a 60 day period (called a 'spell of illness')
 - Days 61-90 – copayment of \$341/day
 - Days 91-150 – copayment of \$682/day
 - All days after 150 – you pay all cost
 - ▣ Part B
 - \$185 annual deductible in 2019
 - 20% coinsurance or copayment for most Part B Services
 - Exception Preventive Services

Medicare Roadmap

23

Original Medicare
Part A – Hospital
Part B - Medical



MEDIGAP Policies
Plans A-N
Or
RETIREE, VA, TRICARE



**Prescription Drug
Benefit**
Part D

OR

Medicare Advantage Plans
Part C

**Must still have
Original Medicare**
Part A and Part B

- Private Insurance companies approved by Medicare
- Monthly Premiums
- Networks
- Copays and coinsurances with services
- Must take plan's drug benefit

How to Pay for Medicare Deductibles and Copayments

- Medicare usually becomes primary after retirement

- Retiree plans
 - Employer sponsored retiree plans
 - Federal Retired Employee Insurance
 - State Employee Retirement Insurance
 - Retired Public School Employee Retirement Insurance (HOP)
 - Tricare for Life - Military retirement

- Special note to Veterans
 - Can have both Medicare and VA but both will not pay for the same service

Medicare Supplement Insurance aka “Medigap”

25

- Sold by private insurance companies
- Regulated by the PA Insurance Department
- Must say “Medicare Supplement Insurance”
- Covers “gaps” in the Original Medicare Plan
 - Deductibles Part A and B
 - 20% copayment in Part B
- Up to 11 **standardized** A-N Plans
- Must have Medicare A and B in order to purchase

Medicare Supplement Insurance aka “Medigap”

- Rates vary
 - ▣ By insurance company
 - ▣ With age, gender and residence
 - ▣ Prices vary from \$40-\$200 monthly at age 65
- Can change any time
 - ▣ But may incur underwriting if more than 6 months after you joined Part B
- Good for “snow birds”

Medigap Plans



27

Benefits	Medicare Supplement Insurance (Medigap) plans										
	A	B	C	D	F*	G	K	L	M	N	
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***	
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%	
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%	
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%	
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%	
Part B deductible			100%		100%						
Part B excess charges					100%	100%					
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%	
							Out-of-pocket limit in 2018**				
							\$5,240	\$2,620			

* Plan F also offers a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,240 in 2018 before your policy pays anything.

** For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$183 in 2018), the Medigap plan pays 100% of covered services for the rest of the calendar year.

** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

When Can You Buy Medigap?

- Within 6 months of enrolling in Part B
(guaranteed issuance, i.e. no restrictions)
- If you want to purchase one after the initial 6 months, **you may be subject to medical underwriting**
- If you lose certain kinds of health insurance – federal/state law provides special election periods

What to Look for When Shopping for a Medigap Plan

29

- Price
- If not in a guaranteed issuance period, look at underwriting policies
- Stability of the company
- Remember – benefits of Medigap plans are standardized by CMS
- APPRISE can help you sort through choices

Medicare Roadmap

30

Original Medicare
Part A – Hospital
Part B - Medical



MEDIGAP Policies
Plans A-N
Or
RETIREE, VA, TRICARE



**Prescription Drug
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- Monthly Premiums
- Networks
- Copays and coinsurances with services
- Must take plan's drug benefit

Medicare Part D Prescription Drug Benefit



31

- ❑ Prescription Drug Benefit
- ❑ Drug coverage sold by private insurance companies which offer only drugs.
- ❑ Have monthly premiums, co-pays and may have a deductible
- ❑ All plans must be CMS approved
- ❑ May be included in your Medicare Advantage Plan. **If it is and you want drug coverage, you must take that plan.**

Medicare Part D Benefit Stages



32

Deductible - if Plan has one

Initial Coverage Limit - Includes deductible and retail costs of the drugs you take

Coverage Gap (AKA Donut Hole) - You pay a percentage of retail costs of your drugs

Out of Pocket Spending Ceiling to Get Out of the Donut Hole - Your total costs plus any costs covered by other sources, but not premiums

Catastrophic Coverage – Minimum Cost Sharing

Drugs Covered Under Part B NOT Part D

- What falls into this category?
 - ▣ Treatments for cancer, macular degeneration, multiple sclerosis, etc.
 - ▣ Insulin Pumps
 - ▣ Therefore they will be subject to the 20% Part B co-payment
- Medigap Plans - 20% may be covered
- Medicare Advantage Plans – 20% cost share may be your responsibility, check with your plan

When Can You Switch/Join a Part D Plan?

- Join
 - ▣ **When first eligible for Medicare**
 - ▣ Can enroll on Medicare website or call prescription drug company directly
- Switch annually during open enrollment period
 - Oct 15 to Dec 7**
- **With a Medicare Advantage Plan you must take that plan's prescription drug plan if they offer one and if you want drug coverage**
- NO medical underwriting with prescription plans
- There are some special enrollment periods

Must I Buy A Prescription Drug Plan?

- If you have **Creditable Drug Coverage** you do not have to buy a prescription drug plan
- **Creditable Coverage**
 - ▣ Coverage that is at least as good as Medicare prescription drug plans
 - ▣ Examples of **Creditable Coverage**
 - Pace/Pacenet
 - Veterans Administration
 - Employer/Retiree Coverage

Part D Late Enrollment Penalty



36

- Must join Part D at age 65 unless you have creditable coverage or you will pay a penalty
- Penalty Calculation
 - Penalty is based on the number of months you delay enrollment in Part D.
 - This is added to the monthly premium for the rest of your life.
 - For example in 2019, for each twelve (12) months you delay your enrollment, your monthly premium penalty would be approximately \$4 which will be added to your plan's monthly premium.
- If your creditable coverage ends, you may join a prescription drug plan without penalty

Part D Cost for High Incomes

- Increased Part D premiums for consumers with high incomes (est. 5% of the population)
 - Single > \$85,000
 - Couple > \$170,000
 - Look back 2 years income information

Part D Plans Comparison

38

- Compare Plans at initial eligibility and annually
- Compare plans based on the drugs you take
- Why compare?
 - ▣ Formularies change
 - ▣ Your drugs may change
 - ▣ Monthly premiums may change
 - ▣ Deductibles/copayments may change
 - ▣ Another company's plan may provide you better coverage
- Use www.medicare.gov to do a Plan Comparison
- **APPRISE can help you with Plan Comparisons**

Medicare Roadmap

39

Original Medicare
Part A – Hospital
Part B - Medical



MEDIGAP Policies
Plans A-N
Or
RETIREE, VA, TRICARE



**Prescription Drug
Benefit**
Part D

OR

Medicare Advantage Plans
Part C

**Must still have
Original Medicare**
Part A and Part B

- Private Insurance companies approved by Medicare
- Monthly Premiums
- Networks
- Copays and coinsurances with services
- Must take plan's drug benefit

Medicare Part C

Medicare Advantage Plans (MA)

- Alternative delivery of Medicare
- Must pay for Medicare A and B
- You are still in the Medicare Program – but deductibles and co pays are different with MA Plans
- May have additional premium
- These are **NOT Medigap** plans
- Offered through Private Insurance Companies regulated by CMS
- Must live in plan's service area
- Plans have Networks of Providers
- Must use plan's Prescription Drug Program
- May have extra benefits – hearing, vision, dental coverage, etc.
- MOOP – Maximum Out of Pocket
- About 35% of Medicare recipients have Medicare Advantage Plans



Medicare Advantage Plan Types

- Private insurers approved by CMS
 - ▣ Companies must submit plans yearly
 - ▣ Are reimbursed by CMS
- Can choose how plan works
 - ▣ HMO (Health Maintenance Organization)
 - ▣ PPO (Preferred Provider Organization)
 - ▣ PFFS (Private Fee-for-Service)
 - ▣ SNP (Special Needs Plan)

Medicare Advantage Plans in Chester County - 2019

- Aetna Medicare (HMO, PPO)
 - Coventry Health America – Advantra (HMO,PPO)
- Allwell Medicare (HMO)
- Cigna Health Spring (HMO)
- Health Partners Medicare (HMO)
- Humana (HMO, PPO, PFFS)
- Independence Blue Cross
 - Keystone 65 (HMO)
 - Personal Choice 65 (PPO)
- Sunrise Advantage Plan (SNP - HMO)
- United Healthcare (HMO,PPO) - AARP
- UPMC for Life (HMO)

When Can You Switch/Join A Medicare Advantage Plan?

- **Can join when you are first eligible for Medicare**
- Open enrollment period each year from
Oct 15 to Dec 7th
- Jan 1 – March 31 each year– Medicare Advantage
Open Enrollment Period
- Can enroll on Medicare website or call company
directly
- There is no medical underwriting

Medicare.gov

The Official U.S. Government Site for Medicare

type search term here

Search

Sign Up /
Change Plans

Your Medicare
Costs

What Medicare
Covers

Drug Coverage
(Part D)

Supplements &
Other Insurance

Claims &
Appeals

Manage Your
Health

Forms, Help, &
Resources

Is my test, item, or service covered?

type your test, item, or service here

Go



Find health
& drug plans



Apply for
Medicare



Get started
with Medicare



Address change/Medicare card issue?

Select your card issue...

Go

Information for my situation

Select your situation...

Go

Find someone to talk to

Select your state...

Go

Decision: Original Medicare with Medigap or Medicare Advantage?

- Some factors to consider:
 - What can you afford? Higher monthly premium and little or no co-pays or a lower monthly cost with co-pays and deductibles
 - What is your experience with HMOs, PPOs, versus a fee for service plan (like Medicare with a Medigap)?
 - What is your risk tolerance?
 - It is a personal decision that YOU must be comfortable with.
 - **Can get guidance from an Apprise Counselor**

Comparison



46

Medigap

- ❑ Can use with any hospital or doctor that accepts Medicare
- ❑ Limited/No deductibles, co-pays, coinsurance (%)
- ❑ No referrals
- ❑ Coverage standard by Plan letter
- ❑ If you want a drug plan, you have to purchase one separately
- ❑ Can switch drug plan yearly
- ❑ No extra benefits (eye care, dental)
- ❑ Readily accepted by docs
- ❑ May have underwriting if switching plan. Can be rejected for existing medical conditions

Advantage Plans

- ❑ Usually local, has network
- ❑ Usually includes drug plan
- ❑ Premium may be less
- ❑ Has co pays and deductibles
- ❑ May need a referral
- ❑ Offerings differ by company and plan
- ❑ Can switch yearly
- ❑ Plans can change yearly
- ❑ May get extra benefits, sometimes at extra cost
- ❑ Not all doctors accept all Medicare Advantage Plans
- ❑ Have a Maximum Out of Pocket

Help for Low Income Individuals



47

There are Federal and State of Pennsylvania programs to help you with Medicare costs such as:

- ▣ Part B premium
- ▣ Medicare deductibles, copayments, etc.
- ▣ Prescription drug costs and premiums

- ▣ These programs look at your income **and** assets (with the exception of the Pennsylvania PACE program which looks only at income)
- ▣ Please see handout for details on these programs
- ▣ If your income is **LESS** than \$27,500 for a single person or \$35,500 for a couple make an appointment with an Apprise counselor to discuss how these program can help you.

Medicare Roadmap

48

Original Medicare
Part A – Hospital
Part B - Medical



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Help is Available



49

Chester County APPRISE can help you

610-344-5004

apprisechesco@outlook.com

Leave your name, short message, and phone number.

Volunteer will respond within one business day.

For More Information

- ❑ 1-800-MEDICARE (1-800-633-4227)
- ❑ *Medicare & You* handbook
- ❑ www.medicare.gov or 1-800-Medicare
- ❑ www.ssa.gov to enroll in Medicare
- ❑ State SHIP Availability – 1-800-783-7067
- ❑ National SHIP Availability -
www.shiptacenter.org or 1-877-839-2675
- ❑ For Veterans – contact the VA Enrollment Coordinator – 610-384-7711 ext. 4266

Volunteer Opportunities



51

Would you like to make a difference in the lives of Seniors in Chester County?

Are you looking for a rewarding opportunity?

Please consider volunteering in one of the following programs:

- ▣ **Ombudsman Program** – advocate for the rights of those receiving long-term care
- ▣ **APPRISE Program** – provide free health insurance counseling to Medicare beneficiaries
- ▣ **Advisory Council** – advise and assist the Department of Aging in meeting agency goals
- ▣ **Senior Centers** – assist participants with programming activities at the center
- ▣ **Chester County Department of Aging** – provide clerical support or assist with an upcoming project or activity.

For additional information on volunteer opportunities, please visit the Chester County Department of Aging Services' website:

www.chesco.org/aging or call 610-344-6350