Medicare Overview for Navigators

September 28, 2018

SHIBA
OFFICE of the INSURANCE COMMISSIONER
WASHINGTON STATE

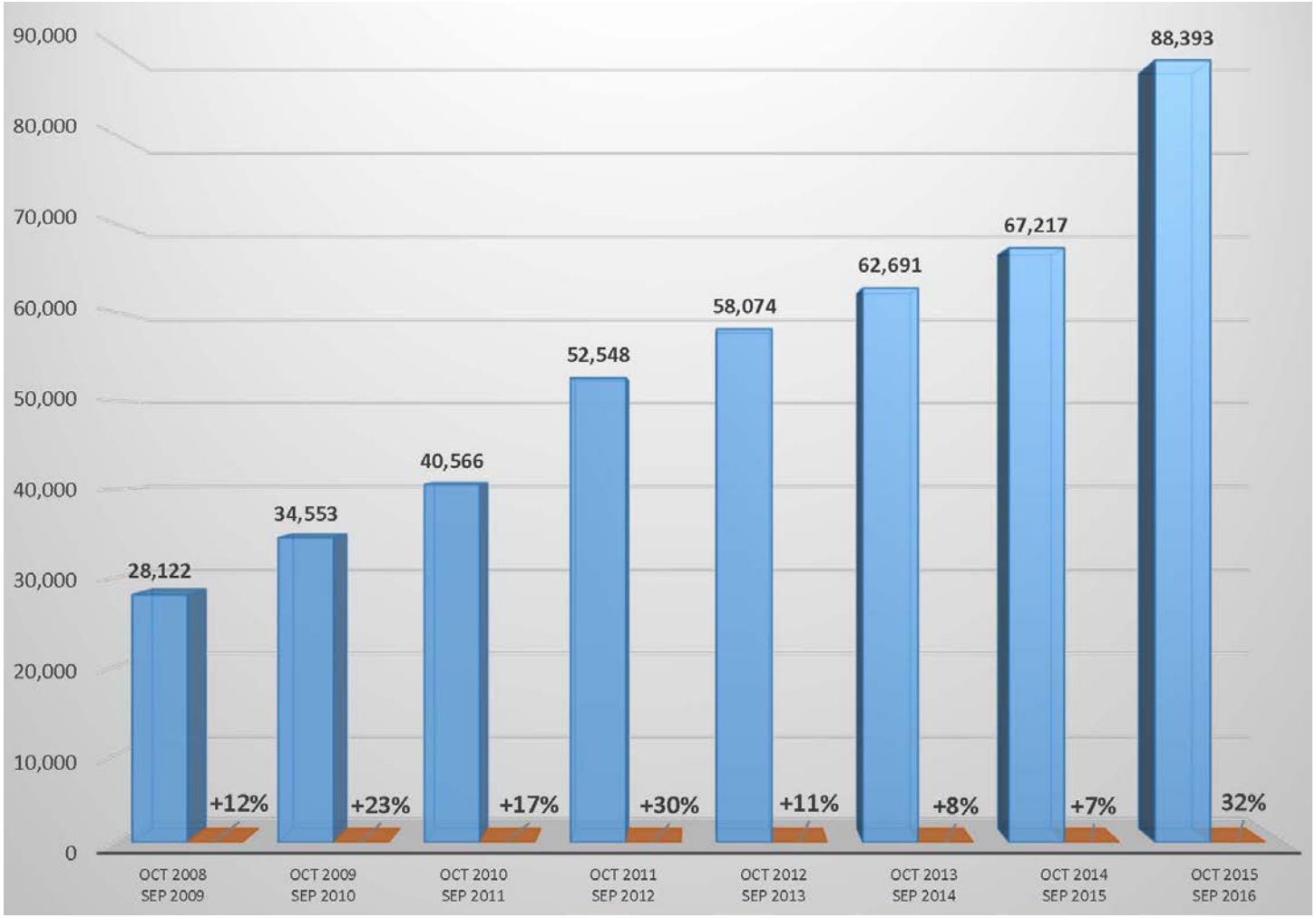
What we do

- With a Medicare emphasis, provide **free, unbiased** information about health care coverage & access
- We **confidentially** counsel consumers in their own communities about:
  - Government programs
  - Prescription plan review
  - Private insurance
- 20 sponsoring agencies serving all counties
- Manage 400 volunteers statewide

Federal grant – Medicare outreach & counseling

- Proud network of 54 SHIPs nationwide – 14,500 counselors (57% volunteer)
- Grass root partner
- Three main objectives:
  - Personalized counseling help
  - Community outreach
  - Provide trained & supported counselors (volunteer & paid)
- Performance measures – statewide and county
  - Includes: number of contacts, events, low-income, disabled, quick contacts & substantial counseling, counseling hours

Total client contacts – 12 month period



What is Medicare?

Health insurance for people:

- Age 65 and older
- Under age 65 and deemed disabled by the Social Security Administration
  - 24-month waiting period
- End-Stage Renal Disease (ESRD)
- Lou Gehrig's Disease (also known as ALS)

Medicare

Administered by:

- Centers for Medicare & Medicaid Services (CMS)

Enrollment is through:

- Social Security Administration (SSA) for most
- Railroad Retirement Board (RRB) railroad retirees

Medicare generally pays:

- 80% of medically-necessary charges if services are provided by Medicare-approved provider

The four parts of Medicare

Part A Hospital Insurance

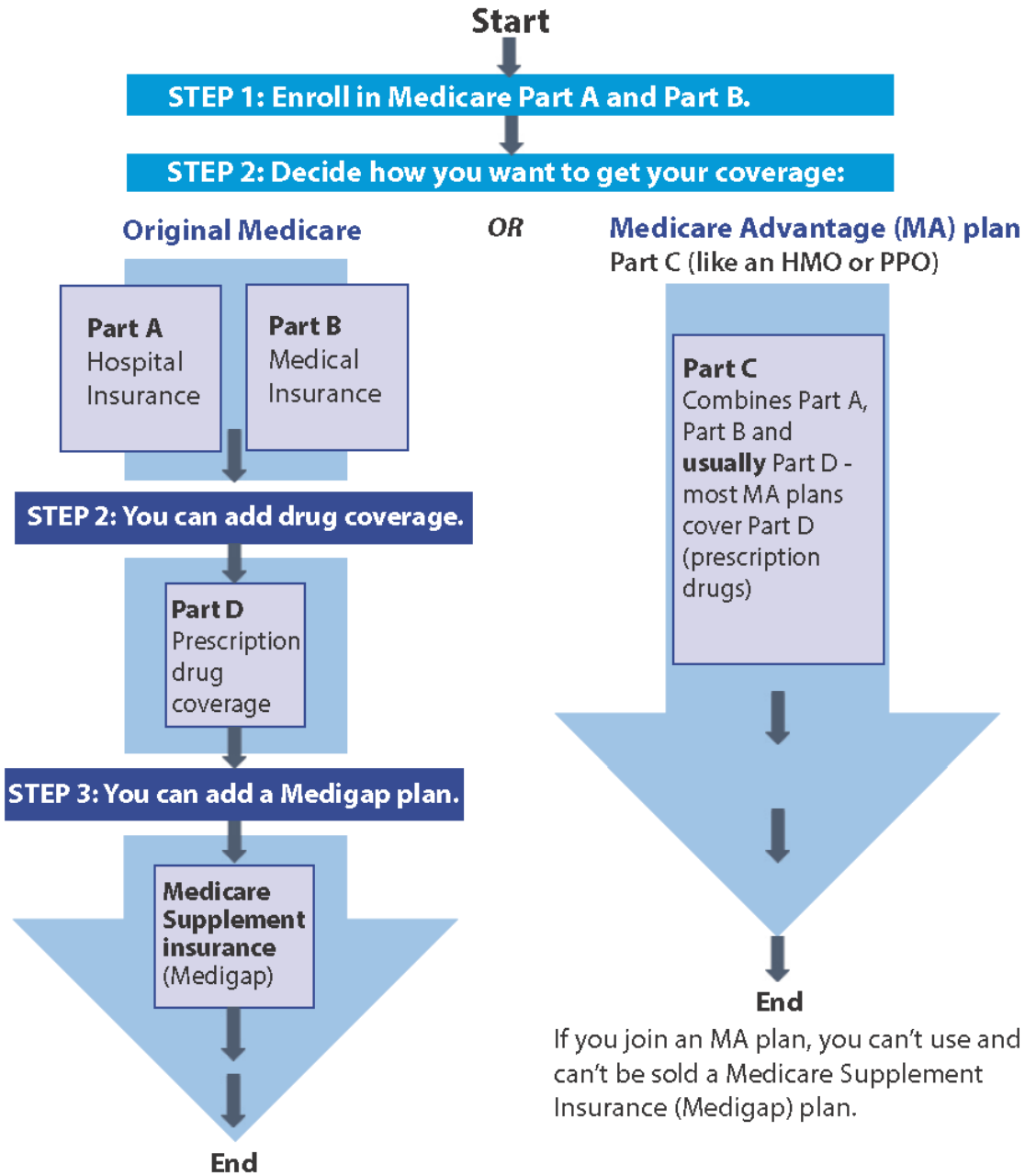
Part B Medical Insurance

Part D Medicare Prescription Drug Coverage

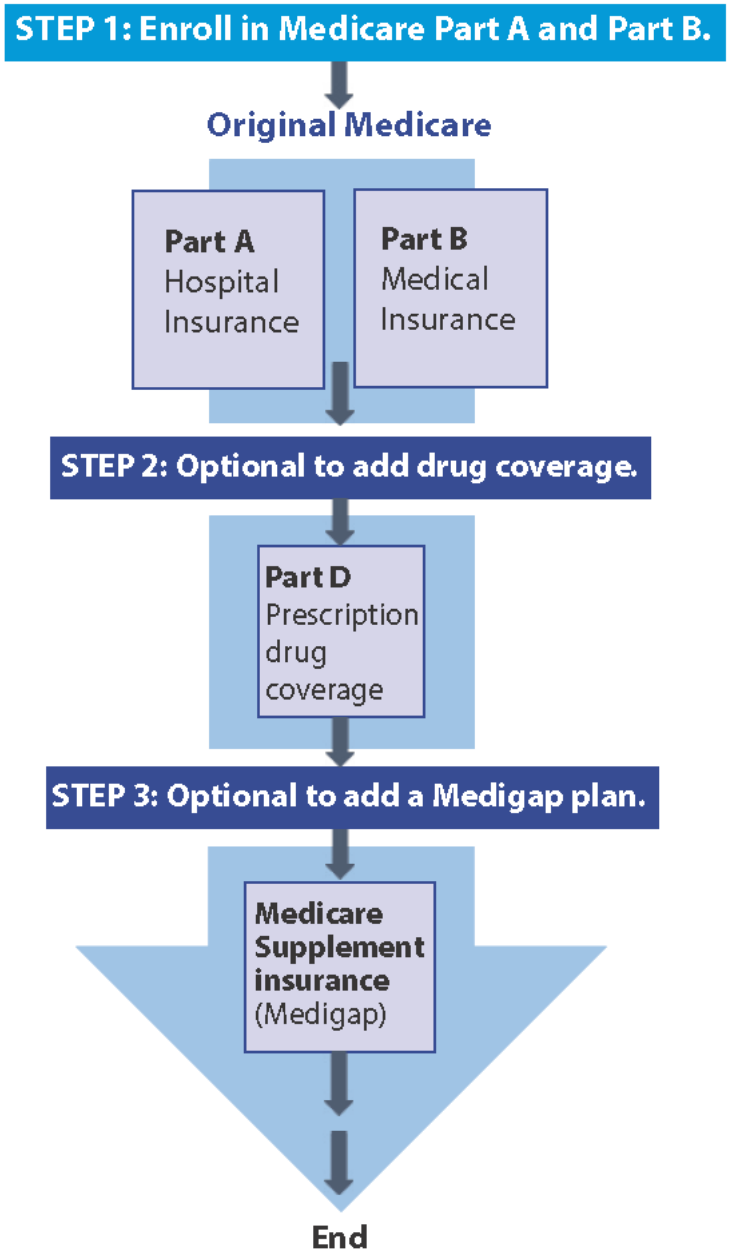
OR

Part C Medicare Advantage Plans (Includes Parts A & B and sometimes Part D)

Decide how you want to get your Medicare



Original Medicare



Original Medicare

Part A – Hospital insurance

- Hospital (inpatient)
- Skilled Nursing Facility
- Home health care
- Hospice care

Part B – Medical insurance

- Doctor's visits
- Outpatient hospital services
- Clinical lab tests
- Durable Medical Equipment
  - May need to use certain suppliers
- Preventive services

Medicare Part A (hospital insurance)

What does Part A cost?

- Most people get **Part A** premium **free**
  - Based upon enrollee or spouse working and paying FICA taxes

- Some people pay a premium to get Part A
  - If one doesn't have the work history
  - It costs **$232** or **$422** a month depending on work credits
  - If not bought when an individual is first eligible, monthly premium will go up 10% for twice the number of years one could have had Part A, but didn't.

Medicare & You 2018, pg. 26

Medicare Part B (medical insurance)

What does Part B cost?

- Most people **new** to Medicare will pay **$134/month**
- Those with higher incomes may pay more
- Social Security notifies you of what you have to pay
  - Premiums may change yearly

Medicare & You 2018, pg. 26

Additional Medicare costs

- **Part A** hospital deductible: **$1,340**
- **Part B** yearly deductible: **$183**
  - **20%** coinsurance, co-pays

Medicare & You 2018, pg. 26 for Part A, pp. 26-26-28 for Part B

Medicare does **not** cover everything

- Routine eye exams, eyeglasses
  - Only glasses after cataract surgery
- Routine dental care
  - Cleanings, fillings, crowns, bridges, dentures
- Hearing aids
- Most "alternative" medicine
  - Acupuncture, naturopathy
- Long-term care

Medicare & You 2018, pp. 59-60

Medicare enrollment

Automatic enrollment

Some people get Parts A and B **automatically**:

- If you receive **early** retirement benefits from Social Security **or** the Railroad Retirement Board, you will automatically be enrolled at age **65**.

- If you're **under** age 65 and **deemed** disabled by **Social Security,** it will automatically enroll you in Medicare **after** 24 months.

Medicare & You 2018, pg. 19

Enrollment is **not** automatic

At age **65** you must **actively** enroll in Medicare if you're not yet receiving Social Security or Railroad Retirement Board benefits:

- You need to enroll with Social Security or Railroad Retirement Board:
  - Online at: socialsecurity.gov
  - Call Social Security: 1-800-772-1213
  - Visit your local Social Security office
  - Railroad Retirement Board: 1-877-772-5772

Medicare & You 2018, pg. 20

Enrollment periods

- **Initial Enrollment Period** (IEP)
  - When you turn 65
- **General Enrollment Period** (GEP)
  - When you miss your IEP
- **Special Enrollment Period** (SEP)
  - Example: You continue to work past age 65

Medicare & You 2018, pp. 21-22

Initial Enrollment Period

3 months before the month you turn age 65	2 months before the month you turn age 65	1 month before the month you turn age 65	Your birthday month	1 month after you turn age 65	2 months after you turn 65	3 months after you turn 65
Medicare starts BD month	Medicare starts BD month	Medicare starts BD month	Medicare starts next month	Medicare starts in 2 months	Medicare starts in 3 months	Medicare starts in 3 months

The later you enroll, the later your coverage starts:

- Up to a 3-month wait

General Enrollment Period

General Enrollment Period starts **January 1 – March 31** for those who missed their Initial Enrollment Period and do not qualify for a Special Enrollment period.

- Medicare benefits start **July 1**
- Possible late-enrollment penalty
  - 10% for each full 12-month period that you could have had Part B, but didn't sign up for it
  - Penalty applies for as long as you have Part B

Special **E**nrollment **P**eriod – working past 65

- For people who are 65 and older, **actively working**, have employer coverage of their own or through their spouse can enroll in **Part B**.

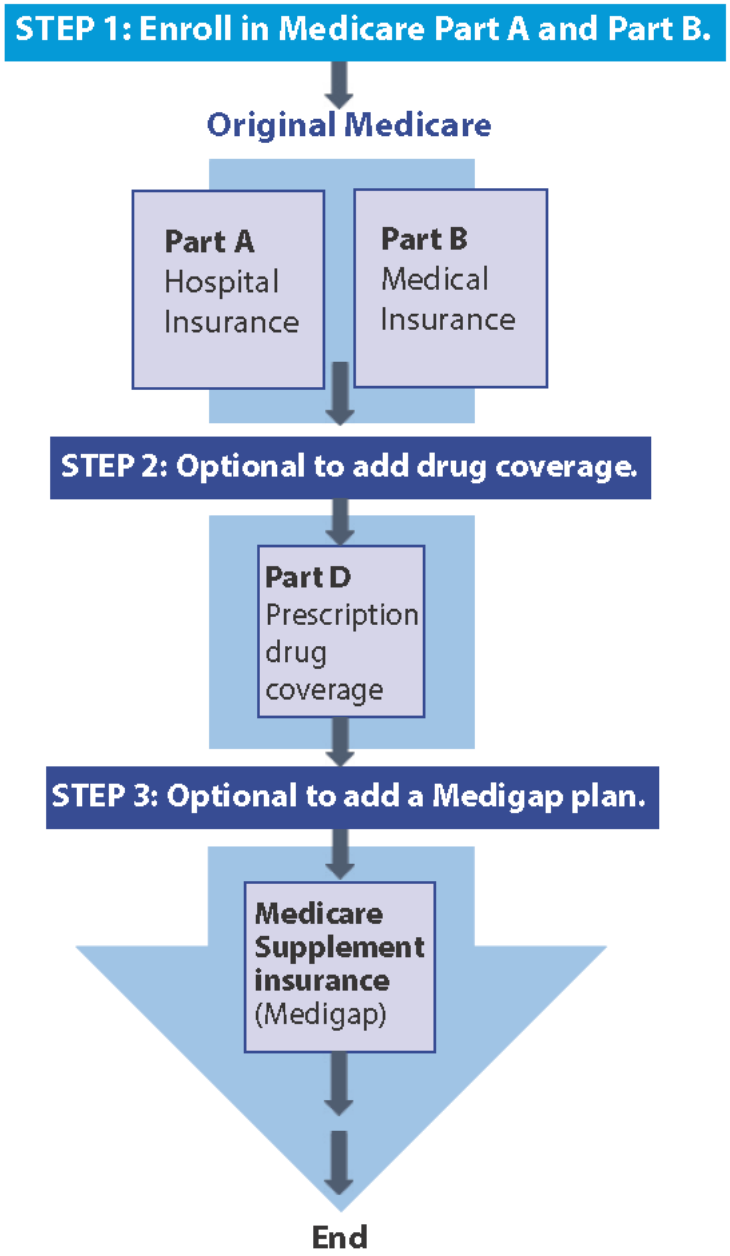
- Any time still covered by the employer plan.

- During the **8-month** Special Enrollment Period that **starts** the month after **active employment ends** or the **coverage ends**, whichever happens first.

******The Special Enrollment Period for **Part D** and **M**edicare **A**dvantage plans are only **63** days******

Medicare & You 2018, pp. 21-22

Original Medicare



Part D – Medicare Rx drug coverage

- **Part D plans are optional**
  - However, if you choose **not** to sign up when you're first eligible, you **could be** subject to a penalty.
    - Penalty is 1% of the "national base beneficiary premium" (~$36) multiplied by the number of uncovered months that one was eligible and didn't join a Part D plan.
- **Part D coverage options**
  - Medicare Part D stand-alone plans work with Original Medicare.
  - Most, but, **not** all Medicare Advantage plans have prescription drug coverage.

Part D enrollment

- You **must** have **Part A** and/or **Part B.**
- You must **actively** enroll in a Part D plan.
- You **can't** have a Part D plan outside the U.S.
- If you **have** drug coverage through your **employer plan,** you **may** have creditable coverage.
  - Creditable coverage is coverage that is as good or better than Medicare Part D.
  - With creditable coverage you **may not** need Part D.

Medicare & You 2018, pg. 84

Part D enrollment

Enroll in Part D during:

- Initial Enrollment Period (when you turn 65)

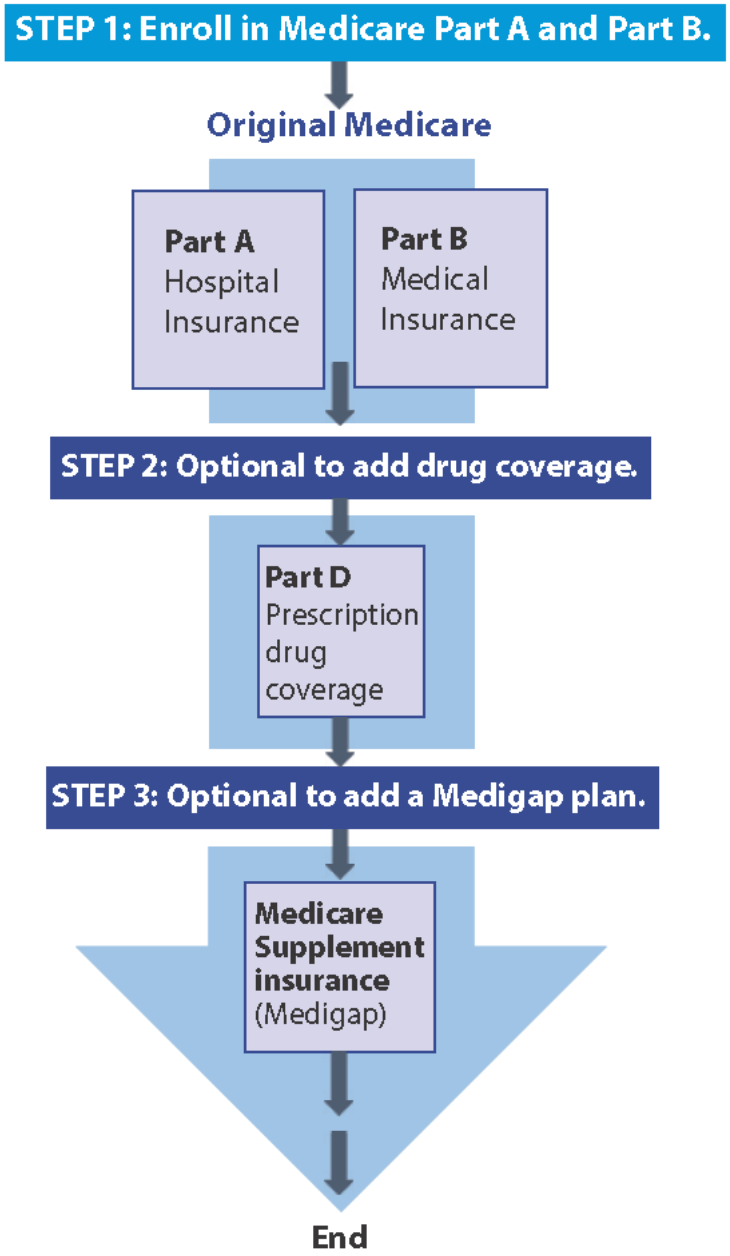
- The Open Enrollment Period that happens every year:
  - October 15 – December 7

    ****Coverage starts January 1****

- Special Enrollment Period
  - Move to a new area
  - Gain or lose employer or retiree coverage
  - Eligible for Extra Help/Low Income Subsidy (LIS)

Medicare & You 2018, pg. 89 for late enrollment

Original Medicare



Medigaps

Also called Medicare Supplement insurance

What is a Medigap policy?

- Medigap policies are sold by private companies.

- Medigap plans fill the gaps in Original Medicare.
  - Deductibles, coinsurance, copayments

- Washington state Medigap plans are standardized.
  - Plans with the same letter have the same coverage, the only difference is the cost

Medicare & You 2018, pg. 79

Medigap benefits	Medigap plans									
	A	B	C	D	F*	G	K**	L**	M	N
Part A Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Up to 365 Days	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Hospice Care Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Skilled Nursing Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			80%	80%	80%	80%			80%	80%

*Plan F has a high-deductible option
** Plans K and L have out-of-pocket limits of $5,240 and $2,620 respectively

Medicare & You 2018, pg. 80

Best time to buy a Medigap

- Your guaranteed issuance to buy a Medigap plan starts when you're age 65 or older **AND** enrolled in **Part B.**

- Your guarantee issuance lasts **6 months.** The plan **cannot**:
  - Subject you to a health screen
  - Deny you for pre-existing conditions

- If you missed your guaranteed issuance, you can apply for a Medigap:
  - However, the company does **not** have to sell you one

****Under age 65 there is no guaranteed issuance for a Medigap.****

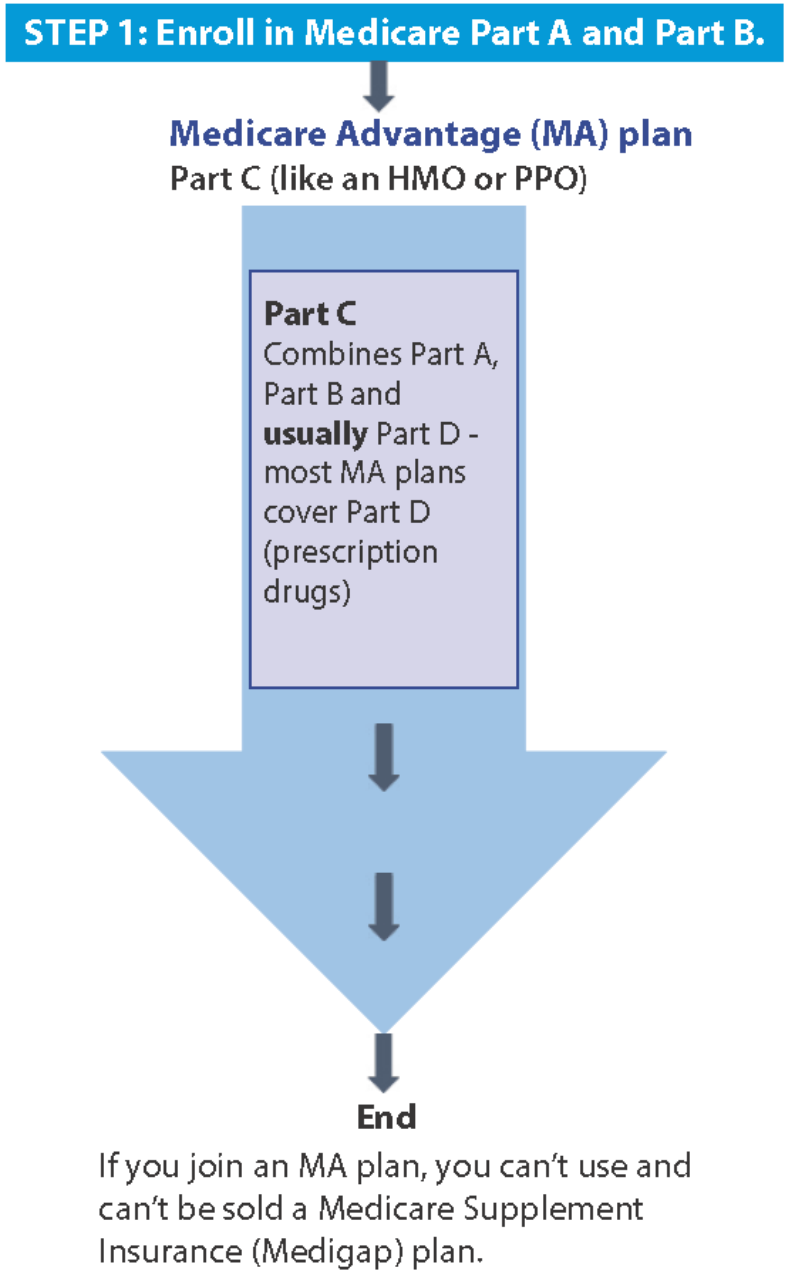
Medicare & You 2018, pg. 81

Medigap plans

Things to consider:

- Medigap plans **only** work with Original Medicare.
- Do you have other supplemental coverage, such as a retiree plan?
- Can you afford Medicare deductibles and copayments?

Part C - Medicare Advantage plans



Part C – Medicare Advantage (MA) plans

- Medicare contracts with private insurance companies to administer Medicare, creating another way to get your Medicare coverage.
- You **will** continue to **pay** your **Part B** premium and may have a monthly premium for your Medicare Advantage plan.
- You must **use** Medicare Advantage plan **network** doctors or hospitals.
- Medicare Advantage plans vary depending on the county you live in; you **must live** in the county where the plan is sold.

****Some counties don't offer Medicare Advantage plans.****

Medicare & You 2018, see pg. 65

How Medicare Advantage plans work

- Medicare Advantage plans **have** all the rights and protections of Original Medicare.
- Medicare Advantage plans **include** both Parts A and B and **may** include prescription drug coverage.
- Medicare Advantage plans **may** include **extra benefits** such as:
  - Vision, dental, hearing & gym membership
- The plan **may** require you to have a referral to see a specialist.
- You **cannot** buy a Medicare Advantage plan if you have End Stage Renal Disease (ESRD).

****Medicare Advantage plan premiums, benefits and cost sharing are determined by the plan.****

Medicare Advantage plan enrollment

Enroll in Medicare Advantage plan during:

- Initial Enrollment Period (when turning 65)

- The Open Enrollment Period that happens every year:
  - October 15 – December 7

    ****Coverage starts January 1****

- Special Enrollment Period
  - Move to a new area
  - Gain or lose employer or retiree coverage
  - Eligible for Extra Help/Low Income Subsidy (LIS)

Medicare & You 2018, pg. 68

Help for limited-income beneficiaries

What are Medicare Savings Programs (MSPs)?

- Help from Medicaid to pay Medicare costs
  - Pays Medicare premiums
  - May pay Medicare deductibles and coinsurance
- Income amounts change each year

Medicare & You 2018, pg. 99

Who can qualify for MSP?

	Individual monthly income limit:	Married couple monthly income limit:	Helps pay your:
Medicare Savings Program 2018	**$1,386**	**$1,872**	**Part B premiums, and sometimes Part A premiums, Medicare A & B deductibles and coinsurance**

Asset limits: Individual is $7,560 or Couple is $11,340

Note: This program disregards $20 of your monthly household income, so the income levels shown above are actually $20 higher than the Federal Poverty Level. People who work may have even higher income than what this chart shows. Assets do not include the home you live in and one car.

Who can qualify for Extra Help?

	Individual monthly income limit	Married couple monthly income limit	Helps pay your:
Extra Help 2018	**$1,538**	**$2,078**	**Part D premium, deductibles and copays**

Asset limits: Individual is $14,100 or Couple is $28,150

Note: This program disregards $20 of your monthly household income, so the income levels shown above are actually $20 higher than the Federal Poverty Level. People who work may have even higher income than what this chart shows. Assets do not include the home you live in and one car.

Medicare and the Affordable Care Act (ACA)

Medicare & the Affordable Care Act (ACA)

In Washington state, the ACA offers health insurance coverage to people through the Washington Healthplanfinder: www.wahealthplanfinder.org

Q: Can individuals who already have Medicare enroll in health coverage through the Washington Healthplanfinder?

A: No. It's illegal to knowingly sell one of these plans to a Medicare beneficiary.

Enrolled in ACA when Medicare starts

Q: What if I'm currently enrolled in a Qualified Health Plan and become entitled to free Medicare Part A?

A: You can keep your plan, but any tax credits you receive will be discontinued once Medicare Part A starts.

Enrolled in ACA when Medicare starts

Q: What if I'm enrolled in a Qualified Health Plan and become eligible to get Medicare Part A, but I can't get it for free?

A: You can keep your plan, but any tax credits or reduced cost-sharing you receive will be discontinued once Medicare Part A starts. If you choose to **ONLY** sign up for Medicare Part B, you can continue to receive the tax credits and reduced cost-sharing.

Enrolled in Apple Health when Medicare starts

Q: What if I am currently enrolled Washington Apple Health and get free insurance, and then become eligible for Medicare?

A: Your Apple Health plan will be discontinued once Medicare starts. You may be eligible for assistance via Medicaid or the Medicare Savings Program or for Extra Help for Medicare Part D. You may have to submit new applications. SHIBA can help with this.

Dropping Medicare to keep ACA coverage

Important!

People who get free Part A cannot drop it without dropping their retiree benefits (social security or railroad retirement) and paying back all retirement benefits received and costs incurred by the Medicare program.

Two points to consider…

Before you decide to avoid or defer enrolling in Medicare to sign up for (or keep) individual market coverage:

1. People who do not enroll in Medicare when first eligible, probably will have to wait to enroll.
   - See earlier information on General Enrollment Period.
2. Waiting to enroll in Medicare risks a break in health insurance coverage and paying higher premiums.
   - Late enrollment premium surcharge - usually lifelong.

For more information

SHIBA:

- 1-800-562-6900 or www.insurance.wa.gov/shiba

Medicare:

- 1-800-MEDICARE (633-4227)/TTY: 1-877-486-2048
- www.medicare.gov
- *Medicare & You* handbook

Social Security:

- www.socialsecurity.gov

Apply for assistance:

- www.washingtonconnection.org

Need help with other insurance questions?

The Office of the Insurance Commissioner can also help you with questions, information and complaints about all types of insurance, such as:

- Homeowner
- Auto
- Life
- Annuities
- Health
- And more!

Call our Insurance Consumer Hotline:

1-800-562-6900

On the web at: **www.insurance.wa.gov**