



SHIP

State Health Insurance
Assistance Program

Navigating Medicare

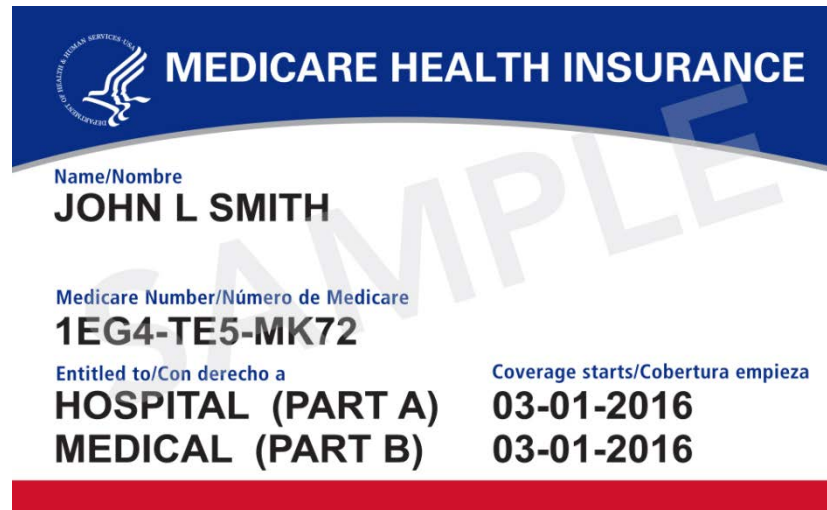
Medicare: What You Need to Know

USI

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+ Medicare Card (front)



+ Medicare – What is it?

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

- Administered by
 - Centers for Medicare & Medicaid Services (CMS)

+ A-B-C-D

- Medicare has four parts
 - Part A – Hospital/Skilled Care Insurance
 - Part B – Outpatient/Medical Insurance
 - Part C – Medicare Advantage Plans
 - Part D – Prescription Drug Coverage

+Original Medicare

Parts A and B

- ❑ Use the red, white, and blue card.

- ❑ Go to *any* provider that accepts Medicare countrywide

- ❑ How much does it cost?
 - ❑ Part A- free for most people
 - ❑ Part B premium \$170.10 in 2022 for *most* new beneficiaries
 - ❑ Deductibles
 - ❑ Coinsurance or copayments

+ Medicare Enrollment

- Automatic Enrollment
 - If you are already receiving Social Security benefits
 - If receiving Railroad Retirement benefits

OR

- Apply 1-3 months before you want your benefits via ssa.gov or call your local office.

+ Enrollment Details

- You do not need to be retired to have Medicare coverage
- If you have health insurance through an employer/union based on active employment, you *may not* want to enroll in Medicare
- If you are working and contributing to a HSA you may not want to enroll in Medicare
 - You can't make HSA contributions for any month you are enrolled in Medicare - even Part A only
- Talk to your benefits administrator to see if there are other restrictions and/or requirements or options

+ Let's review!

- When you turn age 65, you are automatically signed up for Medicare.
- Do you have to sign up for Medicare like the TV commercials say?
- To receive benefits, you can sign up the month before you need the benefits.

+ Part A – Hospital Coverage

- Part A premium is \$ _____ for most people
- People with less than 10 years of Medicare-covered employment
 - Can pay a premium to get Part A -\$274-\$499 in 2022.
- Coverage
 - Hospital inpatient care, skilled nursing facility (SNF) care, home health care, hospice care, and blood work.
- Charges based on “benefit period”
 - Inpatient hospital care and SNF services
 - Begins day admitted to hospital and ends when no care is received in a hospital or SNF for 60 days in a row.
 - You pay deductible for each benefit period, and there is no limit to number of benefit periods.



Paying for Hospital Stays



- For inpatient hospital stays in 2022 you pay
 - \$1,556 deductible for days 1 – 60
 - \$389 co-payment per day for days 61 – 90
 - \$778 co-payment per day for days 91 – 150 (60 lifetime reserve days)
 - All costs for each day beyond 150 days
 - Make sure you've been admitted! MOON

- Skilled Nursing Facility Stay in 2022 you pay
 - \$0 for the first 20 days of each benefit period
 - \$194.50 per day for days 21–100 of each benefit period
 - Day 101 and beyond all costs

+ Let's Review Part A

- I will only ever have to pay the Part A deductible once no matter how many days I'm in the hospital.
- There is no Part A monthly premium.
- It doesn't matter if I'm an in-patient or in observation status.

+ Part B – Medical- What's Covered

- Doctors' services
- Outpatient medical and surgical services and supplies
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Advance Directives counseling
- Other medical services
- Clinical laboratory tests
- Home health services (not covered under Part A)
- Durable medical equipment
- Outpatient hospital services
- Blood Work
- Ambulance service, if other transportation would endanger your health

+ Part B Enrollment

- Enrollment in Part B is *optional*
- Enrolled automatically if receiving SS or RR benefits
 - To keep Part B, keep the Medicare card received in the mail
 - *If you don't want Part B, follow instructions with card*
- If you are not automatically enrolled, you must apply for Part B before you want it, via the Social Security Administration.



Part B – Enrollment Periods

- Initial Enrollment Period (IEP)
 - 7 month window: beginning 3 months before turning 65
- General Enrollment Period (GEP)
 - January 1 - March 31 each year
 - Coverage effective July 1
 - Premium increases 10% for each 12-month period you were eligible but did not enroll *and did not have credible or creditable insurance*
- Special Enrollment Period (SEP)
 - Enroll anytime when working and covered by a large employer/union creditable health insurance
 - Enroll within 8 months of stopping work or employer/union health plan coverage ending while still working
 - No late enrollment penalty and no delay in starting coverage

+ Part B Costs

- Monthly premium –varies, but most new folks in 2022=\$170.10
 - SSA determines premiums based on income
- Taken out of your monthly payment
 - Social Security
 - Railroad Retirement
 - Federal Government retirement
- OR may be billed every 3 months-pay in advance or pay on line
- Yearly deductible
 - \$233
- 80% covered by Medicare, 20% co-insurance for most services

+ Medicare Part B - Paying the Premium

IRMAA 2022

Yearly Income Filed Individual Tax Return (2020)	File Joint Tax Return (2020)	Premium (2020)
\$91,000 or less	\$182,000 or less	\$170.10
\$91,001-\$114,000	\$182,001-\$228,000	\$238.10
\$114,001-\$142,000	\$228,001-\$284,000	\$340.20
\$142,001-\$170,000	\$284,001-\$340,000	\$442.30
\$170,001- \$500,000	\$340,001- \$750,000	\$544.30
\$500,001 or more	\$750,001 or more	\$578.30

+ Let's review Part B

- I don't have to pay for Part B if I don't want the insurance, right?
- I plan on using the VA for medical care when I retire. So I don't need Part B, right?
- If I don't sign up for Part B when I'm age 65, can I get it later?

+ Medigap - Overview

- Health insurance policies also called *Supplements*.
 - Sold by private insurance companies, plans named by letters of the alphabet e.g. Plan A, Plan G, etc.
 - Follow federal and state laws that protect you in every state
 - Accepted by all Medicare providers nationwide
 - Cover “gaps” in Original Medicare Parts A and B
 - You must purchase a plan where you live
 - Plans are standardized from company to company, plan to plan
 - Different types of plans (attained age, community rated, issue age)
 - Do not include a drug plan
 - Comparison tool on our SHIP website!

+ Medigap – How It Works

- Only works with Original Medicare A and B
- Can go to any doctor, hospital, or provider that accepts Medicare
 - Except with a Medicare SELECT policy
- You pay a monthly premium to the insurance company
- All Medigap plans must be approved by the IDOI



Overview of Medigap Plans A through N

A	B	C	D	F*	G	K**	L**	M	N
Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits	Basic Benefits*** (50%)	Basic Benefits*** (75%)	Basic Benefits	Basic Benefits****
		Skilled Nursing Facility	Skilled Nursing Facility	Skilled Nursing Facility	Skilled Nursing Facility	Skilled Nursing Facility (50%)	Skilled Nursing Facility (75%)	Skilled Nursing Facility	Skilled Nursing Facility
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible (50%)	Part A Deductible (75%)	Part A Deductible (50%)	Part A Deductible
		Part B Deductible		Part B Deductible					
				Part B Excess Charge (100%)	Part B Excess Charge (100%)				
		Foreign Travel	Foreign Travel	Foreign Travel	Foreign Travel			Foreign Travel	Foreign Travel

Basic Benefits include the following: Part A hospital coinsurance hospital costs up to an additional 365 days after Medicare benefits are used up; Part B coinsurance or copayment; first 3 pints of blood per year; and Part A hospice care coinsurance or copayment.

* Denotes that Plan F offers a high deductible option. The plan pays the same benefits as Plan F after you have paid an annual deductible (\$2,180).

**After you meet an out-of-pocket yearly limit (Plan K \$4,960 & Plan L \$2,480) and the Part B deductible (\$166 in 2016), the Medigap plan pays 100% of covered services for the rest of the calendar year.

*** Medicare Part A hospital coinsurance and Part B preventive care coinsurance paid at 100%.

**** 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 visits that don't result in an inpatient admission.

(revised 11/17/15)

Note: Plans C and F are no longer sold to new (in 2020) beneficiaries..

Appendix C

	Medicare Supplement Insurance (Medigap) Plans									
Benefits	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%
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 2021**			
							\$6,220	\$3,110		

- Plans F and G also offer a high-deductible plans. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,490 in 2022 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 (\$233 in 2022), the Medigap plan pays 100% of covered services for the rest of the calendar year. Max OOP is \$6620 for K and \$3310 for L in 2022.
- *** 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.

+ Medigap Enrollment

- Guaranteed Issue Period (GIP)
 - 6 months for people activating Part B when they turn 65- can buy *any* plan
 - 63 days when losing most types of other insurance
 - Trial Right: Advantage Plan to Medigap
 - Trial Right: Medigap to Advantage Plan
- Special Enrollment Period (SEP)- available when you are losing employer/union secondary coverage (63 days and can buy A,B,D,G,K,L); your COBRA coverage ends (63 days/same choices); your Advantage Plan goes out of business (63 days/any plan)

+ Let's review Medigap

- I can shop for Medigap plans with any insurance agent I want. I saw some good prices on a TV commercial.
- I am healthy and don't want to pay all that money for insurance I won't use. Can I buy a Medigap plan when I'm older and sicker?
- How do I find prices on these policies?

+ Medicare Part D – Rx Coverage

- Available for all people with Medicare
- Requirements:
 - Have Medicare Part A, Part B, or both
 - Live in plan service area
 - Must enroll in a Medicare prescription drug plan
- Provided through
 - “Stand alone” Medicare Prescription Drug Plans-insurance companies with a Medicare contract
 - Medicare Advantage Plans-managed care insurance

+ Medicare Part D – Costs in 2022

- Costs vary by plan, most people will pay:
 - Monthly premium-varies
 - Maximum annual deductible is \$480.
 - Once you and your plan spend \$5582.50, you'll pay no more than 25% (Coverage Gap),
 - Until you reach OOP of \$7050 (enter Catastrophic Coverage).
 - Your plan will then cover up to 95% of your drug costs. You will pay either \$3.95 for generic or \$9.85 for brand name drugs or 5% of the cost, whichever is greater.

+ Medicare Part D - Enrollment

- When first eligible for Medicare
 - 7 month timeframe: 3 months before Medicare begins, the month Medicare benefits begin, and 3 months after Medicare is effective. Drug plan benefits begin no earlier than the month Medicare begins.
- During specific enrollment periods
 - Annual Coordinated Election Period
 - Special Enrollment Periods

+ Medicare Part D – Making Changes

- Annual Election Period
 - October 15- December 7 each year

- Special Enrollment Periods
 - Permanently move out of plan service area
 - Lose creditable prescription drug coverage
 - Enter, reside in, or leave a long-term care facility
 - Like a nursing home
 - Have other exceptional circumstances

+ Late Enrollment Surcharges/Penalties

- The late enrollment penalty is calculated by multiplying 1% of the national base beneficiary premium (\$33.37 in 2022) times the number of full, uncovered months that you were eligible but didn't join a Medicare drug plan and *went without other creditable prescription drug coverage*.
- This amount is rounded to the nearest \$.10 and added to your monthly premium. You may have to pay this penalty for as long as you have a Medicare drug plan.
- IRMAA applies to Part D, too.

+ Let's review Part D

- I don't take any medicines. Do I have to buy a Part D plan?
- I am a veteran and can get my meds from the VA. Do I need Part D too?
- Do I have to wait until Oct. 15th to get a Drug Plan?

+ Medicare Advantage Plans - Overview

- Health plan options approved by Medicare
 - A way to get your Medicare benefits delivered through private companies approved by Medicare
 - Still in Medicare program
 - Still have Medicare rights and protections
 - Still get regular Medicare-covered services
 - May include extra benefits
 - Almost always includes prescription drug coverage (Part D)
- Different Advantage Plans
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)
 - Private Fee-for-Service (PFFS)
 - Special Needs Plan (SNP)
- Also called Replacement Plans, Part C, Managed Care Plans. Also called supplements to Medicare but they are not Supplements/Gap plans.

+ Advantage Plans – Join and Switch

- Initial Coverage Election Period (IEP)
 - Seven month period begins three months before taking Part B
- Annual Election Period (AEP)
 - October 15th – December 7th each year
 - Coverage starts January first of next year
- Annual Disenrollment/Change Period
 - January 1st – March 31st every year (new plan coverage begins the first of the month after you switch)
 - May also join a Medicare Part D plan during change

+ Advantage Plans – How They Work

- Get Medicare-covered services through the plan, all of Part A and Part B covered services
- Most Plans may provide additional benefits
- Usually include prescription drug coverage
- You have to stay in a certain network of hospitals and providers
- Still pay the Part B monthly premium!
- ***Co-pays, deductibles, and some rules are different than Original Medicare***

+ Let's review Advantage Plans

- I will probably move to Florida a year or two after retirement. Will I have to come back to Indiana for healthcare?
- What if I have an Advantage Plan and my favorite specialist leaves the network? Can I change plans to follow her?
- Do I still have to pay that Part B monthly premium?
- Are the “free” Advantage Plans advertised on TV really free?

+ Medicare and HSAs

- The Social Security Administration (SSA) determines the month your Medicare begins. If you apply for Medicare Part A or Social Security benefits after you attain age 65, your Medicare Part A coverage will begin retroactively up to six months prior to your application month, but not before the month you attained the age of 65.
- You cannot contribute to your HSA once your Medicare coverage begins. If you contribute to your HSA after your Medicare coverage starts, you may have to pay a tax penalty and repay employer contributions. If you'd like to continue contributing to your HSA, you should not apply for Medicare, Social Security, or Railroad Retirement Board benefits.
- You can withdraw money from your HSA after you enroll in Medicare to help pay for medical expenses (like deductibles, premiums, coinsurance or copayments).

+ Advantage vs Gap

■ Advantage Plans:

- Usually lower monthly premium
- Usually higher OOP
- Provider Networks
- Added benefits not covered by traditional Medicare
- Can change plan every year
- May not be able to buy a Gap Plan if you want to change, except
- Trial Right: join an advantage plan when you were eligible for Medicare at age 65 and within the first year of joining, you can return to Original Medicare and have a GIP for a Medigap plan.

■ Medigap Plans:

- Premium price likely to increase each year
- *Probably cannot change plans each year, especially as you age
- Can go to any Medicare provider nationwide
- Does not include a prescription drug plan

* Trial Right provision allows a current Gap insured to try out an Advantage Plan for no more than 12 months, then return to the Gap plan. This is a once in a lifetime opportunity.

+ For More Information

- **SHIP telephone: 1-800-452-4800**
 - TTY users should call 1-800-846-0139
- **SHIP website: www.medicare.in.gov**
- 1-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
- *Medicare & You 2022* handbook
- Other Medicare publications
- www.medicare.gov
- www.cms.hhs.gov
- Note: Assistance Plans are available to some people. Call SHIP for help.
- Facebook LIVE every Monday www.facebook.com/Indiana.SHIP



Need Help with
Medicare Costs?