

A Medicare Primer

Medicare Basics

Prepared as a service for members by



www.nsea.org/retired

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Our agenda for today

- Medicare basics
- NSEA-Retired BlueSenior Classic
- Medicare Part D basics
- Using the Internet to find Part D provider

What is Medicare?

- Health insurance for people 65 and older, people with disabilities, and people with end-stage renal disease
- No income test for eligibility
- Covers most medical services you need
- Run by federal government, but can be provided by private companies

You are eligible for Medicare if you...

- are a US citizen or have your resident visa and have lived in the USA for 5 consecutive years, and...
- are 65 and older, **or**
 - have been getting disability benefits for at least 24 months, or
 - have kidney failure

How do you enroll in Medicare?

There are 4 ways to enroll:

1. Automatic enrollment

- **Your Medicare card will be mailed to automatically if you:**
 - ✓ **Have been receiving Social Security benefits before you turn 65, or**
 - ✓ **You have a disability and have been receiving SSDI for at least 24 months**

How do you enroll in Medicare?

2. Initial Enrollment

- Enroll during a 7-month window that starts 3 months before your birthday month, includes your birthday month, and ends 3 months after your birthday month
 - ✓ Enroll 1 to 3 months before your birthday month to assure that coverage begins by the time you turn 65
- Coverage begins on the 1st of the month in which you turn 65 – if you are enrolled (if your birthday is on the 1st of month, coverage begins on 1st of prior month)
- Can enroll on-line at ***www.socialsecurity.gov/retirement***

How do you enroll in Medicare?

3. Special Enrollment

- You are eligible to enroll after age 65 if you continued to work at a job that provides group health insurance that covers you after age 65, and:
 - ✓ The company has 20 or more employees, and you are 65 or older
 - ✓ The company has 100 or more employees, and you are a person with a disability

Enroll when you retire or lose your health coverage

- ✓ You have a special 8-month enrollment period after health insurance stops, but enroll early to avoid gaps in coverage
- ✓ COBRA is not considered coverage based on eligible employment – start Medicare coverage when you reach age 65 to avoid penalties


How do you enroll in Medicare?

4. General Enrollment


- If you miss initial or special enrollment periods, you can enroll between January 1 and March 31 of each year
- Coverage will start **July 1** (you will have no coverage until then)
- You will pay a 10% Part B premium penalty for each 12 months you are out of the program if you delay enrollment
 - ✓ Penalty lasts for life!
 - ✓ Penalty may not apply if you worked after 65 and had group coverage so you did not need Medicare

When you enroll you get a card!

Current Medicare Card

MEDICARE			HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)				
NAME OF BENEFICIARY JANE DOE				
MEDICARE CLAIM NUMBER 000-00-0000-A		SEX FEMALE		
IS ENTITLED TO HOSPITAL (PART A)		EFFECTIVE DATE 07-01-1986		
MEDICAL (PART B)		07-01-1986		
SIGN HERE → <u>Jane Doe</u>				

New Medicare Card

	MEDICARE HEALTH INSURANCE		
Name/Nombre JOHN L SMITH			
Medicare Number/Número de Medicare 1EG4-TE5-MK72			
Entitled to/Con derecho a PART A		Coverage starts/Cobertura empieza 03-03-2016	
PART B		03-03-2016	

What does Medicare Cover?

Part A = “free*”

- Inpatient hospital
- Inpatient skilled nursing facility
- Home health care
- Hospice care
- Blood

**If you are not part of Medicare, the premium is \$421 per month in 2018*

Part B = has premium**

- Doctor services
- Durable medical equipment
- Home health care
- X-rays, lab services
- Outpatient services
- Some preventative tests

bone mass; diabetes; colorectal cancer screening; flu shot; glaucoma tests; etc.

****Premium higher if income exceeds \$85,000**

Part D = Prescription drugs = has premium

What does Medicare not cover?

- Most outpatient prescription drugs
(drugs are covered by Medicare Part D)
- Routine dental care
- Routine vision care
- Long-term care
- Routine hearing care
- Routine foot care
- Custodial care in home or facility
- Deductibles (buy supplement for this)

Medicare in 2018 will cover most preventive services

- You can get a “Welcome to Medicare” preventative visit **once** while on Medicare – Medicare billing code GO438
- The preventative visit must occur within 12 months of the start of your Medicare Part B coverage
 - You pay nothing if doctor accepts assignment
- Annual “Wellness Visit” is covered once every 12 months **after** “Welcome to Medicare Visit” has taken place (don’t have to have had Welcome Visit to qualify)
 - Ask for it by name, or by Medicare billing code: GO439
- No deductible or co-pay for 23 preventive services rated “A” or “B” by US Preventive Services Taskforce (Affordable Care Act, ACA)

What are your costs in 2018?

- Part A: hospital deductible of \$1,340 per stay per year; \$335/day for days 61-90 in hospital
- Part B: \$183 ded.+ \$134.00 premium
 - *May be less for individuals on Medicare prior to 1/20/16*
 - *Premium will depend on your income level in 2017*
- Medicare pays 80% of Medicare-approved services; you pay co-insurance of 20%
- May buy supplemental insurance to cover deductibles and co-pays
- Can get help if on a limited income

Part B premiums for 2018

- New enrollees after 1/1/2018 pay \$134.00
 - Individuals who started Medicare prior to 1/1/2018 may pay less, depending on income
- Individuals who pay Part B premiums from their Social Security check are “held harmless” from Part B premium increase
 - Part B premium cannot increase if there is no COLA for Social Security
 - If you do not have Part B premium deducted from your Social Security check and there is no COLA, you will pay higher premium for Part B
- Premiums are higher if modified adjusted gross income on tax return filed two years ago was >\$85,000 (\$170,000 for couples)

What can doctors charge under original Medicare?

- Choose a doctor who “takes assignment”
 - “Assignment” means the doctor accepts the Medicare approved charge as payment in full
- Doctors who do not “take assignment” can charge up to 15% over the Medicare approved amount
- Some doctors “opt out” to avoid Medicare limits

Example of charges

Doctor bills \$150

(Medicare is an 80/20 insurance plan)

Medicare approves
\$100

Medicare pays \$80

- If doctor takes assignment, ***you pay \$20***

- If doctor does not take assignment, you pay \$20 plus 15% above Medicare approved amount, or \$15, ***a total of \$35***
- If doctor “opts out,” ***you pay the full charge of \$150***
 - Medicare pays \$0

Use www.medicare.gov/physician to find providers who accept assignment or participate in Medicare – or ***ask*** your provider if he/she does

Things to remember

- Sign up for Medicare early to avoid premium penalties (up to 3 months before your 65th birthday)
- Use doctors and medical suppliers who take assignment
- You have the right to all Medicare benefits, regardless of the Medicare supplement that you purchase

What is a Medicare Supplement?

- Insurance that pays in addition to what you get from Medicare
- May pay your deductible and co-insurance
- Available through Blue Cross, NEA Member Benefits, AARP, etc.
- Plans are standardized across the nation, but union plans may offer different benefits
- Premiums vary

How do I enroll in a Medicare Supplement?

- If you are enrolled in EHA retiree coverage, you will automatically get information on **NSEA-Retired BlueSenior Classic** about 60-90 days before your 65th birthday
- If you are still working, and enrolled in EHA, Blue Cross will mail you enrollment forms when you retire – sometime in late July – regardless of when your birthday is

Mailing for NSEA-Retired BlueSenior Classic

- If you are insured through EHA at age 65, Blue Cross will mail enrollment information for NSEA-Retired BlueSenior Classic to you about 60-90 days before your birthday
- If you are an NSEA-Retired life member, call 1-800-562-6394 for the enrollment forms
- Look for this sticker on the envelope for NSEA-Retired BlueSenior Classic enrollment forms



What are the Medigap, or Medicare Supplement “Rules”?

- You can buy any policy you want during a six-month “open enrollment period.”
 - 6-month time-frame starts when you are covered by Medicare Part B and are age 65 or older
- No waiting period for pre-existing conditions if you had coverage before you bought a Medigap policy.
- After open enrollment period, insurance company may be allowed to refuse to sell you a policy.

What kind of Medigap plans are available?

- 10 standardized plans, **Plan A → Plan N**
- Coverage increases from **Plan A → N**
- Premiums increase from **Plan A → N**
 - June 1, 2010 added **M & N**, stop **E, H, I, & J**
- ✓ **Plan F** is the most popular supplement
- ✓ **NSEA-Retired BlueSenior Classic** is a **Plan F plus optional dental coverage**

Medigap Plans

How to read the chart:

The chart below shows basic information about the different benefits that Medigap policies cover. If a percentage appears, the Medigap plan covers that percentage of the benefit. If a row is blank, the policy doesn't cover that benefit. **Note:** The Medigap policy covers coinsurance only after you have paid the deductible (unless the Medigap policy also covers the deductible).

	Medigap Plans									
Medigap 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 up	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%
Medicare Part A Deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Medicare Part B Deductible			100%		100%					
Medicare Part B Excess Charges					100%	100%				
Foreign Travel Emergency (Up to Plan Limits)			100%	100%	100%	100%			100%	100%

Out-of-Pocket
Limit**

\$4,800	\$2,400
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*Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,110 in 2013 before your Medigap plan pays anything.

Not correct for 2018

To sign up for Medicare....

- Sign up for **Part A** (“free”)
- Sign up for **Part B** (has a premium)
- Sign up for a **Medigap** policy
 - Consider NSEA-Retired BlueSenior Classic with dental coverage
 - Consider NEA Member Benefits policy
- Sign up for Medicare **Part D** (drug benefit)

Where else can I get help?

- US Government Site, www.medicare.gov
- Medicare hotline: **1-800-633-4227** (800-MEDICARE)
- Health Care Financing Regional Office
Nebraska 1-816-426-2866
- NEA Member Benefits www.neamb.com
- State Health Insurance Assistance Program, SHIP
1-800-234-7119
- Medicare Rights Center
www.Medicarerights.org
- Social Security Administration, www.ssa.gov **1-800-772-1213**

Questions?