



Educators' Medicare Supplement Plan

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An Independent Licensee of the Blue Cross and Blue Shield Association

Introductions

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Agenda

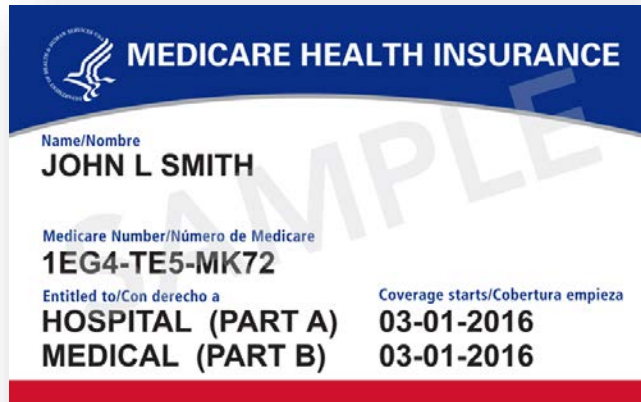
- 1 What is Medicare?
- 2 Medicare Part A
- 3 Medicare Part B

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**What is
Medicare?**

Medicare has four parts:



- 1 Medicare Part A - Hospital
- 2 Medicare Part B - Medical
- 3 Medicare Part C – Medicare Advantage
- 4 Medicare Part D – Prescription Drug Plan

Who is eligible?

Must be a United States citizen or permanent legal resident who has resided in the United States for five continuous years and is one of the following:



Age 65 or older and eligible to receive Social Security



Under age 65, permanently disabled and have received Social Security disability benefits for at least two years



Diagnosed with end-stage renal disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig's disease

What will Medicare cost me?

- Medicare A – Typically \$0
- Medicare B – Generally \$135.50
- Medicare D – Varies by carrier

If your yearly income in 2017 (for what you pay in 2019) was			You pay each month (in 2019)
Beneficiaries who file individual tax return	Beneficiaries who file joint tax return	Income-related monthly adjustment amount	
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$135.50
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 or less than or equal to \$214,000	\$54.10	\$189.60
Greater than \$107,000 or less than or equal to \$133,500	Greater than \$214,000 and less than or equal to \$267,000	\$135.40	\$270.90
Greater than \$133,500 and less than or equal to \$160,000	Greater than \$267,000 and less than or equal to \$320,000	\$216.70	\$352.20
Greater than \$160,000 and less than \$500,000	Greater than \$320,000 and less than \$750,000	\$297.90	\$433.40
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$325.00	\$460.50
Beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses:		Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$85,000		\$0.00	\$135.50
Greater than \$85,000 and less than \$415,000		\$297.90	\$433.40
Greater than or equal to \$415,000		\$325.00	\$460.50

\$135.50
\$189.60
\$270.90



2 Original Medicare Benefits: Part A



Original Medicare Benefits: Part A

**Premium:
Generally, no
cost to the
beneficiary**



Inpatient hospital care and services



Skilled nursing facility care



Home health care services



Hospice care



Original Medicare Benefits: Part A

› Hospital Deductible: \$1,364 (per benefit period)

- Days 1-60: Coverage is paid in full after you've met the deductible
- Days 61-90: You pay \$341 per day
- Day 91: You pay \$682 per day for 60 lifetime reserve days



Original Medicare Benefits: Part A

- **Skilled nursing covered up to 100 days (after 3-day hospital stay)**
 - Days 1-20: Paid in full, no deductible
 - Days 21-100: You pay \$170.50 per day skilled nursing coinsurance (your responsibility)
- **Hospice care covered if provided in Medicare-certified facility**
- **Medicare-approved home health care, covered in full**



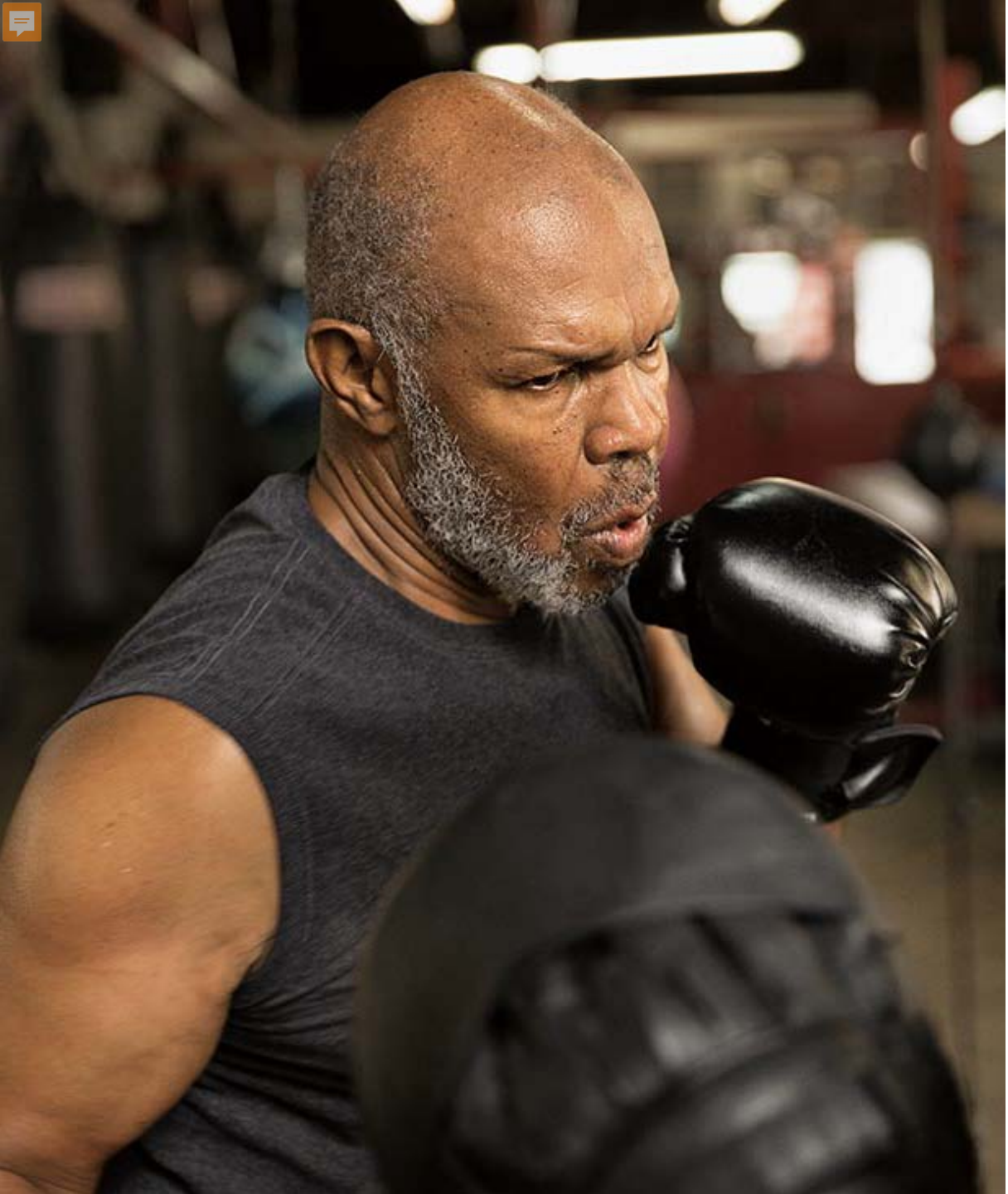
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Original Medicare Benefits: Part B

Original Medicare Benefits: Part B



- **Premium: \$135.50 - \$460.50 monthly**
- **Deductible: \$185.00 annually**
- **Coverage for physician and outpatient care and services**
- **Your responsibility is 20% of the cost for most services**



Original Medicare Benefits: Part B

› Preventive Care:

- Medicare will cover a one-time routine physical exam within the first 12 months you are enrolled in Part B coverage (“Welcome to Medicare”)
- Annual Wellness Exam
- Certain screening and immunizations at \$0 cost

Medicare Coverage Choices



PART A

Hospital Insurance



PART B

Medical Insurance

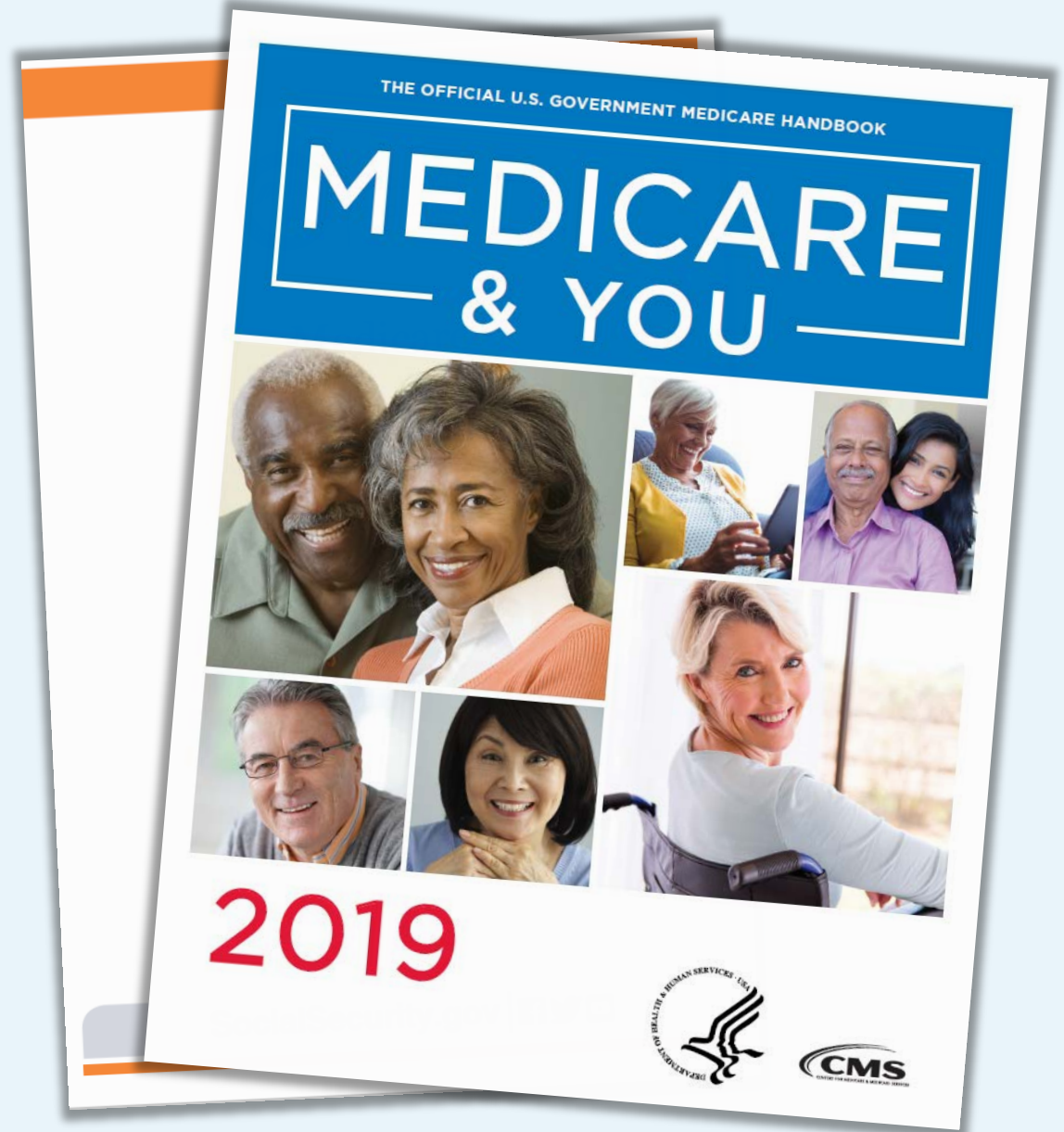


**Educators'
Medicare
Supplement**



PART D

**Prescription Drug
Coverage**





4 Original Medicare Benefits: Part D

Medicare Benefits: Part D

Annual Deductible	Initial Coverage	Coverage Gap	Catastrophic Coverage
\$415	\$3,820	37% for all other generic drugs 25% on some brand drugs based on CMS agreement with drug manufacturers	Amount you pay after paying \$5,100 out-of-pocket for covered drugs. The greater of \$3.40 copay for generic drugs and \$8.50 copay for all other covered drugs OR 5% coinsurance

- The standard Medicare Part D plan has a deductible, then covers a percentage of costs
- Members pay a monthly premium and share in the cost of prescriptions
- Insurance companies may offer the standard and/or enhanced plan options
- Formulary lists generally cover specific generic and brand-name drugs
- Coverage gap is slowly closing; by 2020 it will pay the same as Initial Coverage does today

Medicare Benefits: Part D



TERMINOLOGY

- Network Pharmacies
 - Preferred/Standard
- Drug Tiers
- Exception Requests
- Formulary
- Step Therapy
- Prior Authorization
- Quantity Limit

MEDICARE D INCOME INDEXING

IF YOUR FILING STATUS AND YEARLY INCOME IN 2016 WAS...

Individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2018)
\$85,000 or less	\$170,000 or less	485,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170 up to \$214,000	not applicable	\$13.00 + your plan premium
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	not applicable	\$33.60 + your plan premium
Above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	not applicable	\$54.20 + your plan premium
above \$160,000	above \$320,000	not applicable	\$74.80 + your plan premium

Here's the math:

Part D Late Enrollment Penalty (LEP)

The late enrollment penalty is calculated by multiplying 1% of the “national base beneficiary premium” (\$35.02 in 2018) by 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. The monthly penalty is rounded to the nearest \$0.10 and added to the monthly Part D premium.

X

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(24% penalty)

\$35.02

(2018 base beneficiary premium)

\$8.40

\$8.40 rounded to the nearest \$0.10 = **\$8.40**

Extra help from Medicare

(to pay the costs of Medicare prescription drug coverage)

	YEARLY INCOME	OTHER RESOURCES
Single Person	less than \$18,210 per year	resources less than \$14,100 per year
Married person living with a spouse and no other dependents	less than \$24,690	less than \$28,150 per year