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
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!

John Doe

000-00-0000

Male
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 $413 per month in 2017*

**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?**

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<th>What Medicare Doesn’t Cover</th>
<th>What to Buy Supplement for</th>
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<tr>
<td>Most outpatient prescription drugs (drugs are covered by Medicare Part D)</td>
<td>Deductibles</td>
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<td>Routine dental care</td>
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<td>Routine vision care</td>
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<td>Long-term care</td>
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<td>Routine hearing care</td>
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<td>Routine foot care</td>
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<tr>
<td>Custodial care in home or facility</td>
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<tr>
<td>Deductibles (buy supplement for this)</td>
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</table>
Medicare in 2017 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 2017?

- Part A: hospital deductible of $1,316 per stay per year; $329/day for days 61-90 in hospital
- Part B: $183 ded. + $134.00 premium
  - $121.80 for individuals on Medicare between 1/1/2016 and 12/31/2016
  - $104.90 for individuals on Medicare prior to 1/1/2016
- 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 2017

- New enrollees after 1/1/2017 pay $134.00
  - Individuals who started Medicare in 2016 pay $121.90
  - Individuals on Medicare prior to 1/1/2016 pay $104.90

- 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 your 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

Medicare Basics for 2017
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
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).

<table>
<thead>
<tr>
<th>Medigap Benefits</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>F*</th>
<th>G</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
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<tbody>
<tr>
<td>Medicare Part A Coinsurance and hospital costs up to an additional 365 days...</td>
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<td>Medicare Part B Coinsurance or Copayment</td>
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<td>50%</td>
<td>75%</td>
<td>100%</td>
<td>100%***</td>
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<td>Blood (First 3 Pints)</td>
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<td>Part A Hospice Care Coinsurance or Copayment</td>
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<td>Skilled Nursing Facility Care Coinsurance</td>
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<td>Medicare Part A Deductible</td>
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<td>Medicare Part B Deductible</td>
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<td>Medicare Part B Excess Charges</td>
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<td>Foreign Travel Emergency (Up to Plan Limits)</td>
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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.
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?

• 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. Medicaerights.org
• Social Security Administration, www.ssa.gov 1-800-772-1213
Questions?